THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000, as amended ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which comprises a prospectus (the "Prospectus") relating to Blackstone / GSO Loan Financing Limited (the "Company") in connection with the issue of Placing Shares by the Company, prepared in accordance with the prospectus rules of the Financial Conduct Authority (the "FCA") made pursuant to section 73A of FSMA (the "Prospectus Rules"), has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Investment in the Company is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.

Applications will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on the Specialist Fund Market of the London Stock Exchange and to be listed on the official list of the Channel Islands Securities Exchange Authority Limited (the "**CISE Official List**") (together, "**Admission**"). It is expected that Admission will become effective and dealings in Placing Shares will commence on such dates between 1 April 2016 and 30 March 2017 as the Company may determine, in its sole discretion (each such date being an "**Admission Date**"). No application has been made for listing on any other stock exchange. This document comprises a Listing Document and includes particulars given in compliance with the Listing Rules of the Channel Islands Securities Exchange Authority Limited for the purpose of giving information with regard to the Company.

Neither the admission of the Placing Shares to the CISE Official List nor the approval of this document pursuant to the listing requirements of the Channel Islands Securities Exchange Authority Limited shall constitute a warranty or representation by the Channel Islands Securities Exchange Authority Limited as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in this document or the suitability of the Company for investment or for any purpose.

In the event of continuous subscriptions being received in excess of 10 per cent. of the issued share capital of the Company, Shareholders should be aware that on any particular subscription day, or over a period on a cumulative basis, a dilution of their shareholding may occur. No new Listing Document will be provided should such an event occur. Continuous subscriptions are announced on the Channel Islands Securities Exchange Authority Limited website under the listing details for the Company.

The Company and its directors (whose names appear in Part IV of this Prospectus) (the "**Directors**") accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case): (i) the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import; and (ii) the facts stated in this Prospectus are true and accurate in all material respects and there are no other facts the omission of which would make misleading any statement in this Prospectus, whether of fact or opinion.

GSO Capital Partners LP ("**GSO**") accepts responsibility for the information contained in this Prospectus relating to it and all statements made by it, as well as the information contained in Part III of this Prospectus. To the best of the knowledge of GSO (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Blackstone / GSO Debt Funds Management Europe Limited ("**DFME**") and GSO / Blackstone Debt Funds Management LLC ("**DFM**") each accept responsibility for the information contained in this Prospectus relating to it and all statements made by it, as well as the information contained in Part III of this Prospectus. To the best of the knowledge of DFME and DFM (as applicable) (each of which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Potential investors should read the whole of this Prospectus when considering an investment in the Placing Shares and, in particular, attention is drawn to the section entitled "Risk Factors" on pages 20 to 74 of this Prospectus.

The Placing Programme will open on 1 April 2016 and will close on 30 March 2017 (or any earlier date the Company may determine, in its sole discretion, and announce by an RIS announcement).

Blackstone / GSO Loan Financing Limited

(a closed-ended investment company limited by shares incorporated under the laws of Jersey with registered number 115628)

Placing Programme in respect of up to 500 million Placing Shares

Joint Financial Advisers, Global Co-ordinators and Bookrunners

Fidante Capital and Nplus1 Singer Advisory LLP

This Prospectus does not constitute or form part of any offer or invitation to sell, or the solicitation of an offer to acquire or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for such securities by any person in any circumstances in which such offer or solicitation is unlawful.

The Placing Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, any U.S. persons as defined in Regulation S under the U.S. Securities Act ("**U.S. Persons**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**"). In connection with the Placing Programme, offers and sales of the Placing Shares will be made only: (i) outside the United States in "offshore transactions" to non-U.S. Persons pursuant to Regulation S under the U.S. Securities Act; and (ii) in the United States, or to U.S. Persons, only to persons who are both qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act ("**Qualified Institutional Buyers**") and qualified purchasers as defined in the U.S. Investment Company Act ("**Qualified Purchasers**") pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Company has not been and will not be registered under the U.S. Investment Company Act and as such investors will not be entitled to the benefits of the U.S. Investment Company Act. There will be no public offer of the Placing Shares in the United States.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Placing Shares or passed upon or endorsed the merits of the offering of the Placing Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Placing Shares may not be acquired by: investors using assets of: (i)(a) an "employee benefit plan" as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") that is subject to Title I of ERISA; (b) a "plan" as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**U.S. Tax Code**"), including an individual retirement account, that is subject to Section 4975 of the U.S. Tax Code; or (c) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (a) or (b) in such entity pursuant to the U.S. Department of Labor and codified at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA and the regulations thereunder (the "**U.S. Plan Assets Regulations**") (each of the foregoing described in clauses (a), (b), and (c) being referred to as a "**U.S. Plan Investor**"); or (ii) a governmental, church, non-U.S. or other plan, account or arrangement (each, an "**Other Plan**") that is subject to any federal, state, local or non-U.S. law or regulation that would have the same or similar effect as the U.S. Plan Assets Regulations so as to subject the Company (or other persons responsible for the investment and operations of the Company's assets) to laws or regulations that are similar to the fiduciary responsibility and/or prohibited transaction provisions contained Title I of ERISA or Section 4975 of the U.S. Tax Code (collectively, "**Similar Laws**").

The Placing Shares have not been and will not be registered under the securities laws of Australia, Canada, Japan or South Africa and may not be offered or sold into or within Australia, Canada, Japan or South Africa or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, Japan or South Africa.

The distribution of this Prospectus and the offer of the Placing Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken to permit the possession, issue or distribution of this Prospectus (or any other offering or publicity material relating to the Placing Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. None of the Company, BGCF, DFME, DFM, GSO, Fidante or N+1 Singer or any of their respective affiliates or advisors accepts any legal responsibility for any breach by any person, whether or not a prospective investor, of any such restrictions.

In addition, the Placing Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors may be required to bear the financial risks of their investment in the Placing Shares for an indefinite period of time. Any failure to comply with restrictions on transferability and resale may constitute a violation of the securities laws of relevant jurisdictions. For further information on restrictions on offers, sales and transfers of the Placing Shares, please refer to the section entitled "Purchase and Transfer Restrictions" in Part V of this Prospectus.

The Placing Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Placing Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. It should be remembered that the price of the Placing Shares and the income from them can go down as well as up and that investors may not receive, on the sale or cancellation of the Placing Shares, the amount that they invested.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Placing Programme including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on Fidante or N+1 Singer or any person affiliated with Fidante or N+1 Singer in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this document. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorised. Neither the delivery of this Prospectus nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

None of the Company, BGCF, DFME, DFM, GSO, Fidante or N+1 Singer or any of their respective representatives, is making any representation to any prospective investor in respect of the Placing Shares regarding the legality of an investment in the Placing Shares by such prospective investor under the laws applicable to such prospective investor.

The contents of this Prospectus should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice.

Fidante Partners Europe Limited (trading as Fidante Capital), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the Placing Programme. It will not regard any person (whether or not a recipient of this Prospectus) as its client in relation to the Placing Programme and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Placing Programme, Admission, a Placing, the contents of this Prospectus or any other transaction or arrangement referred to herein.

N+1 Singer, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the Placing Programme. It will not regard any person (whether or not a recipient of this Prospectus) as its client in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Placing Programme, Admission, a Placing, the contents of this Prospectus or any other transaction or arrangement referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Fidante or N+1 Singer by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Fidante nor N+1 Singer accept any responsibility whatsoever for, and make no representation or warranty, express or implied, as to the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Placing Programme or the Placing Shares and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of Fidante and N+1 Singer accordingly disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

The Company has been established in Jersey as a listed fund under a fast-track authorisation process. It is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice. Further information in relation to the regulatory treatment of listed funds domiciled in Jersey may be found on the website of the Jersey Financial Services Commission at www.jerseyfsc.org. This Prospectus is prepared, and a copy of it has been sent to the Jersey Financial Services Commission, in accordance with the Collective Investment Funds (Certified Funds — Prospectuses) (Jersey) Order 2012. The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this Prospectus. The applicant is strongly recommended to read and consider this Prospectus before completing an application.

Certain Jersey regulatory requirements which may otherwise be deemed necessary by the Jersey Financial Services Commission for the protection of retail or inexperienced investors, do not apply to listed funds. By investing in the Company you will be deemed to be acknowledging that you are a professional or experienced investor, or have taken appropriate professional advice, and accept the reduced Jersey requirements accordingly.

You are wholly responsible for ensuring that all aspects of the Company and BGCF are acceptable to you. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of the Company and the potential risks inherent in this Company you should not invest in the Company.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE INVESTOR, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

This Prospectus is dated 31 March 2016.

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in sections A — E (A.1 — E.7). This summary contains all the Elements required to be included in a summary for this type of securities and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and the Company, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the element is included in the summary with the mention of "not applicable".

PART A – THE COMPANY

SECTION A – INTRODUCTION AND WARNINGS		
Element	*Disclosure Requirement*	*Disclosure*
A1	Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.
A2	Use of prospectus by financial intermediaries	Not applicable. The Company has not given its consent to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries.

SECTION B – ISSUER		
Element	*Disclosure Requirement*	*Disclosure*
B1	Legal and commercial name	Blackstone / GSO Loan Financing Limited
B2	Domicile and legal form	The Company is a registered closed-ended investment company incorporated in Jersey with limited liability on 30 April 2014 under the provisions of the Companies Law, with registered number 115628.
B5	Group description	The Company has a wholly owned subsidiary, Blackstone / GSO Loan Financing (Luxembourg) S.à r.l., which is a private limited liability company ("société à responsabilité limitée") which was incorporated under the laws of the Grand-Duchy of Luxembourg on 23 July 2015, having its registered office at L-2310 Luxembourg, 16, Avenue Pasteur, and registered with the Luxembourg register of commerce and companies under number B 199.065.
B6	Notifiable interests/voting rights	Not applicable. No interest in the Company's capital or voting rights is notifiable under the Company's national law. Save as set out below, the Company is not aware of any person who, as at the Latest Practicable Date, is interested, directly or indirectly, in 5 per cent. or more of the issued share capital of the Company: *Holder* — *% of Total Voting Rights* — *No. of Shares* BlackRock Inc — 16.89 — 55,966,000 Blackstone Treasury Asia Pte Ltd — 15.09 — 50,000,000 Henderson Global Investors — 12.44 — 41,200,000 FIL Limited — 7.01 — 23,234,936 None of the Shareholders have voting rights attached to the Shares they hold which are different from the voting rights attached to any other Shares in the same class in the Company. As at the Latest Practicable Date, the Company, insofar as it is aware, is not directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

B7	Key financial information	***Condensed Statement of Financial Position***		
			As at 31 December 2014 EUR	*As at 30 June 2015 EUR*
		ASSETS		
		Cash and cash equivalents	86,944	315,031
		Other receivables	21,223	25,509
		Financial assets at fair value through profit or loss	299,277,149	329,367,493
		TOTAL ASSETS	299,385,316	329,708,033
		LIABILITIES		
		Expenses payable	(433,756)	(505,371)
		TOTAL LIABILITIES	(433,756)	(505,371)
		NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	298,951,560	329,202,662
		NET ASSET VALUE PER EURO SHARE	0.99	0.99
		Condensed Statement of Comprehensive Income		
			From 30 April 2014 to 31 December 2014 EUR	*From 1 January 2015 to 30 June 2015 EUR*
		Realised gain on foreign exchange	248	2,044
		Net (loss)/gain on financial assets at fair value through profit or loss	(1,672,851)	15,445,144
		TOTAL REVENUE	(1,672,603)	15,447,188
		Custodian fee	(32,962)	
		Administration fee	(109,841)	(119,650)
		Directors' fees	(89,334)	(122,626)
		Legal fees	(44,110)	(174,589)
		Audit fee	(80,000)	(71,137)
		Operating expenses	(219,590)	(206,170)
		TOTAL OPERATING EXPENSES	(575,837)	(694,172)
		TOTAL FINANCE COSTS		(1,372)
		TOTAL COMPREHENSIVE GAIN/LOSS FOR THE PERIOD ALL ATTRIBUTABLE TO SHAREHOLDERS	(2,248,440)	14,751,644
		EARNINGS PER SHARE		
		Gain/(Loss) per Euro share	(0.01)	0.0474
		Statement of Changes in Equity		
				From 30 April 2014 to 30 June 2015 EUR
		AT 30 APRIL 2014		–
		TRANSACTIONS WITH SHAREHOLDERS		
		Issue of shares		301,200,000
		Redemption of shares		–
		TOTAL TRANSACTIONS WITH SHAREHOLDERS		301,200,000
		Profit for the period all attributable to shareholders		
		TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ALL ATTRIBUTABLE TO SHAREHOLDERS		(2,248,440)
		AT 31 DECEMBER 2014		298,951,560
		AT 1 JANUARY 2015		298,951,560
		TRANSACTIONS WITH SHAREHOLDERS		
		Issue of shares		30,107,652
		Redemption of shares		–
		Distributions to shareholders		(14,608,194)
		TOTAL TRANSACTIONS WITH SHAREHOLDERS		15,499,458
		Profit for the period all attributable to shareholders		14,751,644
		TOTAL COMPREHENSIVE GAIN FOR THE PERIOD ALL ATTRIBUTABLE TO SHAREHOLDERS		14,751,644
		AT 30 JUNE 2015		329,202,662

		Condensed Statement of Cash Flow

	From 30 April 2014 to 31 December 2014 EUR	*From 1 January 2015 to 30 June 2015 EUR*
STATEMENT OF CASH FLOWS		
Total comprehensive gain/(loss) attributable to shareholders	(2,248,440)	14,751,644
Adjustments for		
Movement in financial assets at fair value through profit or loss	1,672,851	(110,818)
OPERATING CASH FLOWS BEFORE MOVEMENTS IN WORKING CAPITAL		
Movement in receivables	(21,223)	(4,286)
Movement in payables	433,756	71,615
Cash inflow from movements in working capital	412,533	67,329
NET CASH USED/GENERATED IN OPERATING ACTIVITIES	(163,056)	14,708,155
Investing activities		
Purchase of investments	(300,950,000)	(29,979,526)
NET CASH USED IN INVESTING ACTIVITIES	(300,950,000)	(29,979,526)
Financing activities		
Proceeds from subscriptions	301,200,000	30,107,652
Distributions		(14,608,194)
NET CASH GENERATED BY FINANCING ACTIVITIES	301,200,000	15,499,458
NET INCREASE IN CASH AND CASH EQUIVALENTS	86,944	228,087
Cash and cash equivalents at the start of the period	–	86,944
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	86,944	315,031

The Company was launched on 18 July 2014 with Euro Shares in issue and having total initial net assets of €260.5 million.

An over-allotment option was exercised in August 2014 which raised an additional €40.7 million.

On 30 July 2014, BGCF issued EU Profit Participating Notes with a maturity date of 1 June 2044 to the value of €245,250,000 and, on 9 September 2014, EU Profit Participating Notes to the value of a further €40,700,000 were issued.

The Board declared a dividend of €0.0265 per Euro Share in respect of the period from Admission to 31 December 2014 with an ex-dividend date of 29 January 2015. A total payment of €7,981,800 was processed on 20 February 2015.

The Euro Shares were admitted to the Official List of the Channel Islands Securities Exchange Authority Limited on 17 April 2015.

The Company issued 30,119,700 new Euro Shares at an issue price of €1.02 per share raising a further €30.7m, before costs. The Shares were admitted to the Official List of CISE and to trading on the SFM on 29 April 2015.

The Board declared a dividend of €0.02 per Euro Share in respect of the period from 1 January 2015 to 31 March 2015 with an ex-dividend date of 30 April 2015. A total payment of €6,626,394 was processed on 22 May 2015.

On 21 July 2015 the Directors declared a dividend of €0.02 per Euro Share in respect of the period from 1 April 2015 to 30 June 2015. This dividend was paid on 21 August 2015 to Shareholders on the register as at the close of business on 31 July 2015, and the corresponding Ex-Dividend Date was 30 July 2015.

On 21 October 2015, the Directors declared a dividend of €0.02 per Euro Share in respect of the year from 1 July 2015 to 30 September 2015 with an ex-dividend date of 29 October 2015. A total payment of €6,626,394 was processed on 20 November 2015.

On 28 January 2016, the Directors declared a dividend of €0.02 per Euro Share in respect of the period from 1 October 2015 to 31 December 2015 with an ex-dividend date of 4 February 2016. A total payment of €6,626,394 was processed on 26 February 2016.

Blackstone / GSO Loan Financing 2 Limited was dissolved and LuxCo has been incorporated. The Company has purchased 20,000 shares at a par value of €1 per share in the Luxembourg subsidiary.

There have been no other significant changes to the Company's financial condition or operating results during or subsequent to the period covered by the historical financial information.

B8	Key pro forma financial information	Not applicable. No pro forma information about the Company is included in this Prospectus.
B9	Profit forecast	Not applicable. No profit estimate or forecast has been made.
B10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications to the audit reports on the historical financial information.

B11	Explanation if working capital not sufficient for present requirements	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the present requirements of the Group, that is, for at least the next 12 months from the date of this Prospectus.
B34	Investment objective and policy	***Investment 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 Securities and investments in Loan Warehouses. The Company seeks to achieve its investment objective through exposure (directly or indirectly) to one or more risk retention companies or entities established from time to time ("**Risk Retention Companies**"). ***Investment policy*** *Overview* The Company's investment policy is to invest (directly or indirectly, through one or more Risk Retention Companies) predominantly in a diverse portfolio of senior secured loans (including broadly syndicated, middle market or other loans) (such investments being made by the Risk Retention Companies directly or through investments in Loan Warehouses) and in CLO Securities, and generate attractive risk-adjusted returns from such portfolios. The Company intends to pursue its investment policy by investing (through one or more wholly owned subsidiaries) in profit participating instruments (or similar securities) issued by one or more Risk Retention Companies. Each Risk Retention Company will use the proceeds from the issue of the profit participating instruments (or similar securities) together with the proceeds from other funding or financing arrangements it has in place currently or may have in the future to invest predominantly in: (i) senior secured loans, CLO Securities and Loan Warehouses; or (ii) other Risk Retention Companies which, themselves, invest predominantly in senior secured loans, CLO Securities and Loan Warehouses. The Risk Retention Companies may invest predominantly in European or U.S. senior secured loans, CLO Securities, Loan Warehouses and other assets in accordance with the investment policy of the Risk Retention Companies. Investments in Loan Warehouses, which are generally expected to be subordinated to senior financing provided by third party banks ("**First Loss**"), will typically be in the form of an obligation to purchase preference shares or a subordinated loan. There is no limit on the maximum U.S. or European exposure. The Risk Retention Companies are not expected to invest substantially directly in senior secured loans domiciled outside North America or Western Europe. *Investment Limits and Risk Diversification* The Company's investment strategy is to implement its investment policy by investing, through the Risk Retention Companies, in a portfolio of predominantly senior secured loans or in Loan Warehouses containing predominantly senior secured loans and, in connection with such strategy, to own debt and equity tranches of CLOs and be the risk retention provider in each. The Risk Retention Companies may periodically securitise a portion of the loans into CLOs which may be managed either by such Risk Retention Company itself or by DFME or DFM (or one of their affiliates), in its capacity as the CLO Manager. The Risk Retention Companies will retain exposures of each CLO, which may be held as: (a) CLO Income Notes equal to: (i) between 51 per cent. and 100 per cent. of the CLO Income Notes issued by each such CLO in the case of European CLOs; or (ii) CLO Income Notes representing at least 5 per cent. of the credit risk relating to the assets collateralising the CLO in the case of U.S. CLOs (each of (i) and (ii), (the "**horizontal strip**")); or (b) not less than 5 per cent. of the principal amount of each of the tranches of CLO Securities in each such CLO (the "**vertical strip**"). In the case of deals structured to be compliant with the U.S. risk retention rules, the retention by a Risk Retention Company may be structured as a combination of horizontal strip and vertical strip. To the extent attributable to the Company, the value of the CLO Income Notes retained by Risk Retention Companies in any CLO will not exceed 25 per cent. of the NAV of the Company at the time of investment. Further, to the extent attributable to the Company, the aggregate value of investments made by Risk Retention Companies in vertical strips of CLOs (net of any directly attributable financing) will not exceed 15 per cent. of the NAV of the Company at the time of investment. This limitation shall apply to Risk Retention Companies in aggregate and not to Risk Retention Companies individually. Loan Warehouses may eventually be securitised into CLOs managed either by a Risk Retention Company itself or by DFME or DFM (or one of their affiliates), in its capacity as the CLO Manager. To the extent attributable to the Company, the aggregate value of investments made by Risk Retention Companies in any single externally financed warehouse (net of any directly attributable financing) shall not exceed 20 per cent. of the NAV of the Company at the time of investment, and in all externally financed warehouses taken together (net of any directly attributable financing) shall not exceed 30 per cent. of the NAV of the Company at the time of investment. These limitations shall apply to Risk Retention Companies in aggregate and not to Risk Retention Companies individually. The following limits (the "**Eligibility Criteria**") apply to senior secured loans (and, to the extent applicable, other corporate debt instruments) directly held by any Risk Retention Company (and not through CLO Securities or Loan Warehouses): *Maximum exposure* — *% of a Risk Retention Company's gross asset value* Per obligor — 5 Per industry sector — 15 (with the exception of one industry which may be up to 20 per cent.) To obligors with a rating lower than B-/B3/B- — 7.5 To second lien loans, unsecured loans, mezzanine loans and high yield bonds — 10

		For the purposes of these Eligibility Criteria, "**gross asset value**" shall mean gross assets including any investments in CLO Securities and any undrawn commitment amount of any gearing under any debt facility. Further, for the avoidance of doubt, the "**maximum exposures**" set out in the Eligibility Criteria shall apply on a trade date basis. Each of these Eligibility Criteria will be measured at the close of each Business Day on which a new investment is made, and there will be no requirement to sell down in the event the limits are breached at any subsequent point (for instance, as a result of movement in the gross asset value, or the sale or downgrading of any assets held by a Risk Retention Company). In addition, each CLO in which a Risk Retention Company holds CLO Securities and each Loan Warehouse in which a Risk Retention Company invests will have its own eligibility criteria and portfolio limits. These limits are designed to ensure that: (i) the portfolio of assets within the CLO meets a prescribed level of diversity and quality as set by the relevant rating agencies rating securities issued by such CLO; or (ii) in the case of a Loan Warehouse, that the warehoused assets will eventually be eligible for a rated CLO. The CLO Manager will seek to identify and actively manage assets which meet those criteria and limits within each CLO or Loan Warehouse. The eligibility criteria and portfolio limits within a CLO or Loan Warehouse may include the following: ● a limit on the weighted average life of the portfolio; ● a limit on the weighted average rating of the portfolio; ● a limit on the maximum amount of portfolio assets with a rating lower than B-/B3/B-; and ● a limit on the minimum diversity of the portfolio. CLOs in which a Risk Retention Company may hold CLO Securities or Loan Warehouses in which a Risk Retention Company may invest are also expected to have certain other criteria and limits, which may include: ● a limit on the minimum weighted average of the prescribed rating agency recovery rate; ● a limit on the minimum amount of senior secured assets; ● a limit on the maximum aggregate exposure to second lien loans, high yield bonds, mezzanine loans and unsecured loans; ● a limit on the maximum portfolio exposure to covenant-lite loans; ● an exclusion of project finance loans; ● an exclusion of structured finance securities; ● an exclusion on investing in the debt of companies domiciled in countries with a local currency sub investment grade rating; and ● an exclusion of leases. This is not an exhaustive list of the eligibility criteria and portfolio limits within a typical CLO or Loan Warehouse and the inclusion or exclusion of such limits and their absolute levels are subject to change depending on market conditions. Any such limits applied shall be measured at the time of investment in each CLO or Loan Warehouse. *Changes to Investment Policy* Any material change to the investment policy of the Company would be made only with the approval of Shareholders. It is intended that the investment policy of each Substantial Risk Retention Company will mirror the Company's investment policy, subject to such additional restrictions as may be adopted by a Substantial Risk Retention Company from time to time. The Company will receive periodic reports from each Substantial Risk Retention Company in relation to the implementation of such Substantial Risk Retention Company's investment policy to enable the Company to have oversight of its activities. If a Substantial Risk Retention Company proposes to make any changes (material or otherwise) to its investment policy, the Directors will seek Shareholder approval of any changes which are either material in their own right or, when viewed as a whole together with previous non-material changes, constitute a material change from the published investment policy of the Company. If Shareholders do not approve the change in investment policy of the Company such that it is once again materially consistent with that of such Substantial Risk Retention Company, the Directors will redeem the Company's investment in such Substantial Risk Retention Company (either directly or, if the Company's investment in a subsidiary is invested by such subsidiary in such Substantial Risk Retention Company (either directly or through one or more other Risk Retention Companies), by redeeming the securities held by the Company in such subsidiary and procuring that the subsidiary redeems its investment in such Substantial Risk Retention Company (either directly or through one or more other Risk Retention Companies)), as soon as reasonably practicable but at all times subject to the relevant legal, regulatory and contractual obligations.
B35	Borrowing limits	The Company will not utilise borrowings for investment purposes. However, the Directors will be permitted to borrow up to 10 per cent. of the NAV for day to day administration and cash management purposes. For the avoidance of doubt, this limit only applies to the Company and not the Risk Retention Companies. The Company may use hedging or derivatives (both long and short) for the purposes of efficient portfolio management. It is intended that up to 100 per cent. (as appropriate) of the Company's exposure to non-Euro assets will be hedged, subject to suitable hedging contracts being available at appropriate times and on acceptable terms.
B36	Regulatory status	The Company is a registered closed-ended investment company incorporated in Jersey with limited liability on 30 April 2014 under the provisions of the Companies Law, with registered number 115628. The Company is regulated by the JFSC, and is not regulated by any regulator other than the JFSC. The JFSC is protected by both the Collective Investment Funds (Jersey) Law 1988 and the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under such laws.

B37	Typical investors	Investment in the Company is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.
B38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. The Company may invest in excess of 40 per cent. of its gross assets in another collective investment undertaking and as a result B39 below is applicable.
B39	Investment of 40 per cent. or more in single underlying asset or investment company	The Company has exposure (through its investment in LuxCo, its wholly owned subsidiary) to unsecured Profit Participating Notes issued by BGCF. Please see Part B below of this summary for additional information in relation to BGCF.
B40	Applicant's service providers	*Adviser* DFME has been appointed as an Adviser to the Company pursuant to the Advisory Agreement. The Adviser is entitled to out of pocket expenses, all reasonable third party costs and other expenses incurred by the Adviser in the performance of its obligations under the Advisory Agreement. *Joint Financial Advisers, Global Co-ordinators and Bookrunners* Fidante and N+1 Singer have been appointed as joint financial advisers, global co-ordinators and bookrunners to the Company. Under the terms of the Share Issuance Agreement, Fidante and N+1 Singer are entitled to a commission in connection with the Placing Programme. *Administrator* BNP Paribas Securities Services S.C.A. has been appointed as administrator to the Company pursuant to the Administration Agreement. In such capacity, the Administrator is responsible for the day-to-day administration of the Company. Under the terms of the Administration Agreement, the Administrator is entitled to: (i) an annual tiered ad valorem fund accounting fee based on the Company's NAV, subject to a minimum annual fee of €110,000 and a maximum fee of €500,000 (based on the Company's NAV as at the date of this Prospectus, the fund accounting fee is calculated as 6.5 bps); and (ii) an annual company secretarial fee of €50,000; in addition to certain other fees for ad hoc services rendered from time to time. All fees due under the Administration Agreement are payable monthly in arrear, within fourteen business days of the Company receiving an invoice in respect of each month. The Administrator is also entitled to be reimbursed in respect of all reasonable out-of-pocket expenses incurred by it. *Registrar* Capita Registrars (Jersey) Limited has been appointed as Registrar of the Company. Under the terms of the Registrar Agreement, the Registrar is entitled to receive a minimum annual fee of £5,500.
B41	Regulatory status of investment manager, investment adviser and custodian	The Company is self-managed and does not have an investment manager. The Custodian of the Company is BNP Paribas Securities Services S.C.A., Jersey Branch, which is registered under the Financial Services (Jersey) Law 1998, as amended, with the JFSC.
B42	Calculation of Net Asset Value	The Company publishes the Net Asset Value per Share, as calculated in accordance with the process described below, on a monthly basis (within 15 Business Days following the relevant month-end). Such Net Asset Value per Share is published by RIS announcement and is available on the website of the Company. BGCF is obliged, pursuant to the terms and conditions of the Profit Participating Notes, to provide the Company and the Administrator with such information as they may reasonably require in order to facilitate such calculations and announcements.
B43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking.
B44	No financial statements have been made up	Please see B7 above of Part A of this summary. The Company's annual financial statements for the period from incorporation to 31 December 2014 have been incorporated by reference in this Prospectus. The Company's interim financial statements for the period ending 30 June 2015 have been included in this Prospectus.
B45	Portfolio	As at the Latest Practicable Date, the Company's portfolio comprises: (i) 2,000,000 class A shares, 1 class B share and cash settlement warrants ("**CSWs**") issued by LuxCo, its wholly owned subsidiary; and (ii) 15 Class B2 Shares issued by BGCF (which are non-voting). As at the Latest Practicable Date, LuxCo holds EU Profit Participating Notes issued by BGCF in the aggregate amount of €315,929,526 (together with any accrued but unpaid interest thereon), with a maturity date of 1 June 2044. All the EU Profit Participating Notes held by LuxCo are limited recourse and are admitted to the Official List of the Irish Stock Exchange and to trading on its Global Exchange Market.
B46	Net Asset Value	As at 29 February 2016, the unaudited NAV of the Company was €324.7 million and the unaudited NAV per Share was €0.9799.

SECTION C – SECURITIES		
Element	*Disclosure Requirement*	*Disclosure*
C1	Type and class of securities	The Placing Shares shall be either U.S. Dollar Shares or Euro Shares in the capital of the Company. When admitted to trading, the ISIN and SEDOL for the Placing Shares shall be as follows: *Class and Denomination* — *ISIN* — *SEDOL* U.S. Dollar Share — JE00BYZJ4W92 — BYZJ4W9 Euro Shares — JE00BNCB5T53 — BNCB5T5
C2	Currency of the securities issue	Euro or U.S. Dollar.
C3	Number of securities in issue	As at the date of this Prospectus, the issued share capital of the Company (which is fully paid) is 331,319,700 Shares. There are no non-paid up Shares in issue.
C4	Description of the rights attaching to the securities	*Dividends* Subject to the provisions of the Companies Law, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Shareholders, but no such dividend shall exceed the amount recommended by the Directors. Subject to the provisions of the Companies Law, the Directors may pay fixed rate and interim dividends. If the Directors act in good faith, they shall not incur any liability to the holders of any Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or non-preferred rights. A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that payment of a dividend shall be satisfied wholly or partly by the issue of Shares or the distribution of assets and the Directors shall give effect to such resolution. Except as otherwise provided by the rights attaching to or terms of issue of any Shares, all dividends shall be apportioned and paid *pro rata* according to the amounts paid on the Shares during any portion or portions of the period in respect of which the dividend is paid. No dividend or other moneys payable in respect of a Share shall bear interest against the Company, unless otherwise provided by the rights attached to the Share. The Directors may deduct from any dividend or other moneys payable to a Shareholder all sums of money (if any) presently payable by the holder to the Company on account of calls or otherwise in relation to such shares. Any dividend or other moneys payable in respect of a Share may be paid by cheque sent by post to the registered address of the holder or the person recognised by the Directors as entitled to the Share or, if two or more persons are the holders or are recognised by the Directors as jointly entitled to the Share, to the registered address of the first holder named in the register or to such person or persons entitled and to such address as the Directors shall in their absolute discretion determine. Any dividend unclaimed after a period of 10 years from the date on which it became payable shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company. *Voting rights* Subject to any rights or restrictions attached to any Shares, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every Share of which he is the holder. On a poll, a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A member may appoint more than one proxy. Unless the Directors decide otherwise, no member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares unless all moneys presently payable by him in respect of his shares have been paid. In the case of joint Shareholders only the vote of the senior joint holder shall be accepted. *Winding up* On a winding up, the Company may, with the sanction of a special resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the shareholders in specie provided that no holder shall be compelled to accept any assets upon which there is a liability. On return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after payment of its liabilities shall, subject to the rights of the holders of other classes of shares, be applied to the holders of ordinary shares equally *pro rata* to their holdings of ordinary shares. *Variation of rights* The special rights attached to any class of Shares may be varied or abrogated either with the written consent of the holders of not less than two thirds in number of the issued Shares of that class or the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class. ***Pre-emption rights*** Subject to the provisions of the Companies Law, the Articles and any resolution of the Company passed by the Company conferring authority on the Directors to allot shares and without prejudice to any rights attached to existing shares, all unissued shares are at the disposal of the Directors and they may allot, grant options over, grant warrants in respect of or otherwise dispose of them to such persons at such times and generally on such terms as they think fit.

		Although the Companies Law does not provide any statutory pre-emption rights, the Articles provide that when proposing to allot shares or fractions of shares of any class, the Company must first offer such shares to existing holders of shares of the relevant class on the same or more favourable terms in proportion to their respective holdings of the relevant shares then in issue. Such pre-emption rights shall not apply: (a) where the shares to be allotted are or are to be wholly or partly paid otherwise than in cash; (b) where the shares are being allotted pursuant to the terms of an Employee Share Scheme (as defined in the Articles); or (c) where they have been disapplied by way of a special resolution.
C5	Restrictions on the free transferability of the securities	Save as set out below, the Shares are free from any restriction on transfer and a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Laws or in any other lawful manner which is from time to time approved by the Board. The Company has elected to impose certain restrictions (pursuant to its Articles) on the Placing Programme and on the future trading of the Shares so that the Company will not be required to register the Shares under the U.S. Securities Act, so that the Company will not have an obligation to register under the U.S. Investment Company Act and related rules and to address certain ERISA, U.S. Tax Code and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of Shareholders to trade the Shares. Due to these restrictions, potential investors in the United States and U.S. Persons (including persons acting for the account or benefit of any U.S. Person) are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares.
C6	Admission to trading on a regulated market	Applications will be made to the London Stock Exchange and the Channel Islands Securities Exchange Authority Limited for the Placing Shares to be admitted to trading on the Specialist Fund Market of the London Stock Exchange and to be listed on the official list of the CISE (the "**CISE Official List**") (together, "**Admission**"). It is expected that Admission will become effective and dealings in Placing Shares will commence on such dates between 1 April 2016 and 30 March 2017 as the Company may determine, in its sole discretion (each such date being an "**Admission Date**").
C7	Dividend policy	Whilst not forming part of the investment objective or policy of the Company, dividends will be payable in respect of each calendar quarter, payable within two months following the end of such quarter. On the basis of current market conditions as at the date of this Prospectus, the Company will target a dividend of 2 per cent. a quarter equating to an 8 per cent. annualised return based on, for the Euro Shares, the IPO issue price of €1.00 and, for the U.S. Dollar Shares, the proposed Placing Price for the Initial Placing of U.S.$1.00 (the "**Target Dividend**"), with the expectation of progressive growth. Excess cash or interest from the portfolio will be reinvested by the Risk Retention Companies with the objective of growing the NAV. The actual dividend generated by the Company in pursuing its investment objective will, however, depend on a wide range of factors including, but not limited to, general economic and market conditions, fluctuations in currency exchange rates, prevailing interest rates and credit spreads, and the terms of the investments made by the Company or any Risk Retention Companies. The Articles permit the Directors, in their absolute discretion, to offer a scrip dividend alternative to Shareholders when a cash dividend is declared from time to time. In the event a scrip dividend is offered in future, an electing Shareholder would be issued new, fully paid up Shares (or Shares reissued from treasury) pursuant to the scrip dividend alternative calculated by reference to the higher of: (i) the prevailing average mid-market quotation of the Shares over the five trading days following and including the relevant ex-dividend date; or (ii) the Net Asset Value per Share, at the date selected by the Directors for such purposes. The scrip dividend alternative would be available only to those Shareholders to whom Shares might lawfully be marketed by the Company.

SECTION D – RISKS		
Element	*Disclosure Requirement*	*Disclosure*
D1 D2	Key information on the key risks specific to the issuer or its industry.	● The Company has a limited operating history, and investors have a limited basis on which to evaluate the Company's ability to achieve its investment objective. ● A Risk Retention Company's failure to comply with its contractual obligations to manage its assets in accordance with its investment policy could have adverse tax and other consequences which could have a significant adverse effect on the Company's business, financial condition and results of operations. ● The Company and the Risk Retention Companies will, to some extent, be reliant on third party service providers (including, in the case of BGCF, DFME and DFM) to carry on their businesses and a failure by one or more service providers may materially disrupt the businesses of the Company and the Risk Retention Companies. ● The investment strategy of the Risk Retention Companies will include investing predominantly in senior secured loans (directly and through an investment in the Loan Warehouses) and CLO Securities which are subject to a risk of loss of principal. ● The use of leverage by a Risk Retention Company may increase the volatility of returns and providers of leverage would rank ahead of investors in such Risk Retention Company in the event of insolvency. ● In the event of the insolvency of an obligor in respect of an investment, or of an underlying obligor in respect of an investment, the return on such investment to Risk Retention Companies may be adversely impacted by the insolvency regime or insolvency regimes which may apply to that obligor or underlying obligor and any of their respective assets. ● CLO Income Notes are volatile and interest and principal payments payable on the CLO Income Notes are not fixed. CLO Securities are limited recourse obligations of the CLO issuer and have limited liquidity.

		● Where Risk Retention Companies hold CLO Retention Securities or CLO Retention Income Notes and the relevant CLO is intended to be compliant with the European Risk Retention Requirements, the relevant Risk Retention Company will be unable (except to the extent permitted by the European Risk Retention Requirements) to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Income Notes or CLO Retention Securities until such time as the securities of the relevant CLO have been redeemed in full (whether at final maturity or early redemption), which places limitations on the ability of LuxCo, the Company's wholly owned subsidiary, to redeem the Profit Participating Notes. ● Where the Risk Retention Companies hold CLO Retention Securities or CLO Retention Income Notes and the relevant CLO is intended to be compliant only with the U.S. Risk Retention Regulations, the relevant Risk Retention Company will be unable (except to the extent permitted by the U.S. Risk Retention Regulations) to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Securities or CLO Retention Income Notes, as applicable, until the U.S. Risk Retention Hedging Prohibition End Date, which places limitations on the ability of LuxCo, the Company's wholly owned subsidiary, to redeem the Profit Participating Notes. ● The U.S. Risk Retention Regulations are new and untested and have not yet gone into effect and, accordingly, there can be no assurance that a Risk Retention Company's holding of CLO Retention Securities would be determined by U.S. courts or regulators to result in compliance with the U.S. Risk Retention Regulations. ● The business of the Risk Retention Companies is expected to involve establishing CLOs in a manner compliant with the risk retention laws and regulations of one or more jurisdictions. Accordingly, changes in relevant laws or regulations, or in interpretations thereof, could adversely affect the business of the Risk Retention Companies and, as a result, the Company.
D3	Key information on the key risks specific to the securities.	● An investment in the Shares carries the risk of loss of capital. The value of a Share can go down as well as up and Shareholders may receive back less than the value of their initial investment and could lose all of the investment. ● The Shares may trade at a discount to the Net Asset Value per Share for a variety of reasons, including due to market or economic conditions or to the extent investors undervalue the Risk Retention Companies. Subject to the Companies Law, under its Articles, the Company may issue additional securities, including Shares, for any purpose. Any additional issuances by the Company, or the possibility of such issue, may cause the market price of the Shares to decline. ● The Company has been established as a closed-ended vehicle. Accordingly, there is no right or entitlement attaching to Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder. ● The Shares are admitted to the Specialist Fund Market of the London Stock Exchange and are listed on the official list of the Channel Islands Securities Exchange Authority Limited. However there can be no guarantee that a liquid market in the Shares will develop or be sustained or that the Shares will trade at prices close to Net Asset Value. The number of Shares to be issued pursuant to the Placing is not yet known, and there may be a limited number of holders of Shares. Limited numbers and/or holders of Shares may mean that there is limited liquidity in such Shares which may affect: (i) a Shareholder's ability to realise some or all of their investment; (ii) the price at which such Shareholder can effect such realisation; and/or (iii) the price at which Shares trade in the secondary market. Accordingly, Shareholders may be unable to realise their investment at Net Asset Value or at all.

SECTION E – OFFER		
Element	*Disclosure Requirement*	*Disclosure*
E1	The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror.	The total net proceeds will depend on the number of Placing Shares issued pursuant to the Placing Programme and the relevant Placing Price. The costs of each Placing will be announced by an RIS announcement immediately following such Placing. The Directors expect, on the assumption that the Gross Placing Programme Proceeds are at least €450 million, that the total costs of the Placing Programme, which include: (i) the fixed costs of this Prospectus of approximately €0.92 million; (ii) the LSE and CISE listing fees payable in relation to the Admission of the Placing Shares issued; and (iii) a commission payable to Fidante and N+1 Singer (or any Distributor) on the Placing Shares (of not more than 2 per cent. of the gross proceeds of any Placing), will not exceed 2 per cent. of the Gross Placing Programme Proceeds. The Directors anticipate that these costs will be recouped through the cumulative premium at which Placing Shares are issued during the life of this Prospectus.
E2a	Reasons for the offer and use of proceeds	This document comprises a prospectus of the Company prepared in accordance with the Prospectus Rules of the UK Listing Authority made pursuant to section 73A of the Financial Services and Markets Act 2000, in connection with the Placing Programme and admission to trading of the Placing Shares to the Specialist Fund Market of the London Stock Exchange, a regulated market and their listing on the official list of the Channel Islands Securities Exchange Authority Limited. The Company is making the offer with a view to satisfying ongoing market demand for Shares and to raise further money for investment in accordance with its investment policy.
E3	Terms and Conditions of the offer	Up to 500 million Placing Shares are available under the Placing Programme. There is no minimum or maximum subscription in respect of any Placing.

		The Placing Programme is not being underwritten and, as at the date of this Prospectus, the actual number of Placing Shares to be issued is not known. The number of Placing Shares available should not be taken as an indication of the number of Placing Shares finally to be issued. No fractions of Shares will be issued. If a fractional entitlement to a Share arises on an application, the number of Shares issued will be rounded down to the nearest whole number. Any rounding will be retained for the benefit of the Company.
E4	Material interests	Not applicable. No interest is material to the Placing Programme.
E5	Name of person or entity offering to sell securities Lock up agreements	No person is selling securities. There are no lock up agreements in place.
E6	Dilution	The Directors' authority to issue Placing Shares on a non-pre-emptive basis is limited to a maximum of 500 million Shares (either U.S. Dollar Shares or Euro Shares). Assuming that the above authority is used in full, this will result in a dilution of approximately 39.9 per cent. in existing Shareholders' voting control of the Company.
E7	Estimated expenses charged to the investor by the issuer or the offeror	Please see E1 above.

PART B – BGCF

SECTION B – ISSUER (BGCF)		
Element	*Disclosure Requirement*	*Disclosure*
B1	Legal and commercial name	Blackstone / GSO Corporate Funding Designated Activity Company
B2	Domicile and legal form	Irish designated activity company limited by shares.
B5	Group description	Not applicable. BGCF is not a part of a group and does not have any subsidiaries.
B6	Notifiable interests/ voting rights	Not applicable. No interest in BGCF's capital or voting rights is notifiable under BGCF's national law. None of BGCF's shareholders have voting rights attached to the shares which they hold different from the voting rights attached to any other shares in the same class in BGCF.
B7	Key financial information	***Consolidated Statement of Financial Position***

	As at 31 December 2014	*As at 30 June 2015 (unaudited)*
ASSETS		
Designated at fair value through profit or loss	*EUR*	*EUR*
Investments	1,651,477,103	2,665,352,460
Held for trading		
Derivative financial assets	122,994	1,456,867
Receivable for investments sold	35,633,279	223,661,284
Other receivables	6,540,010	13,357,440
Cash and cash equivalents	767,976,769	536,134,204
TOTAL ASSETS	2,461,750,155	3,439,962,255
LIABILITIES		
Designated at fair value through profit or loss		
Profit Participating Notes	(284,277,149)	(314,367,493)
Debt Issued by subsidiaries	(1,202,548,753)	(2,398,997,934)
Held for trading		
Derivative financial liabilities	(453,907)	(3,175,803)
Variable funding notes ("VFNs")	(402,323,249)	(290,197,495)
Payable for investments purchased	(541,066,001)	(393,374,863)
Interest payable on debt issued by subsidiaries	(8,746,027)	(21,374,088)
Other payables and accrued expenses	(7,333,327)	(3,472,234)
TOTAL LIABILITIES	(2,446,748,413)	(3,424,959,910)
NET ASSETS	15,001,742	15,002,345
CAPITAL AND RESERVES		
Called up share capital – Parent Company	215	215
Called up share capital – Subsidiary	3	6
Share premium	14,999,985	14,999,985
Retained earnings	1,539	2,139
	15,001,742	15,002,345

Consolidated Statement of Comprehensive Income

	From 16 April 2014 to 31 December 2014	*From 1 January 2015 to 30 June 2015 (unaudited)*
	EUR	*EUR*
Income from investments designated at fair value through profit or loss	13,880,129	52,201,168
Net (loss) on derivatives	(1,182,938)	(1,699,831)
Net foreign exchange gain (loss)	(1,937,385)	1,090,628
NET OPERATING GAIN	10,759,806	51,591,965
OPERATING EXPENSES	(25,737,911)	(24,434,096)
COMPREHENSIVE LOSS		
Unrealised gain on financial liabilities	28,396,098	24,396,519
Finance (expense) on financial liabilities	(13,415,941)	(51,553,588)
NET PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2,052	800
TAXATION		
Tax on ordinary activities	(513)	(200)
TOTAL COMPREHENSIVE INCOME	1,539	(600)

Statement of Changes in Equity

FOR THE PERIOD FROM 16 APRIL 2014 TO 31 DECEMBER 2014	*Share Capital EUR*	*Share Premium Reserve EUR*	*Retained Earnings EUR*	*Total EUR*
AT 16 APRIL 2014	–	–	–	–
Shares Issued	223	19,999,980	–	20,000,203
Shares Redeemed	(5)	(4,999,995)	–	(5,000,000)
	218	14,999,985	–	15,000,203
Retained earnings	–	–	1,539	1,539
AT 31 DECEMBER 2014	218	14,999,985	1,539	15,001,742
AT 1 JANUARY 2015	218	14,999,985	1,539	15,001,742
Shares Issued	3		3	
Shares Redeemed	–		–	
	221		15,001,745	
Retained earnings	–		600	
AT 30 JUNE 2015 (UNAUDITED)	221		15,002,345	

Consolidated Statement of Cash Flow

	From 30 April 2014 to 31 December 2014	*From 1 January 2015 to 30 June 2015 (unaudited)*
	EUR	*EUR*
CONSOLIDATED STATEMENT OF CASH FLOWS		
Total comprehensive income	1,539	600
Adjustments for:		
Net gains/losses on financial assets at fair value	566,895	(40,978,616)
Movement in debt issued by Parent Company and its subsidiaries	(28,396,098)	48,715,578
Unrealised gain on derivatives	330,913	1,388,023
Unrealised loss on foreign exchange	2,107,424	(10,963,084)
Operating cash flows before movements in working capital	(25,389,327)	(1,837,499)
(Increase) in other receivables	(6,540,010)	(3,318,357)
Increase in other payables	7,333,327	8,238,392
Cash generated by operations	793,317	4,920,035
NET CASH (INFLOWS/OUTFLOWS) FROM OPERATING ACTIVITIES	(24,596,010)	3,082,536
INVESTING ACTIVITIES		
Purchase of investments	(1,216,717,632)	(1,995,761,870)
Sales/paydowns of investments	70,106,356	566,931,019
NET CASH (OUTFLOWS) FROM INVESTING ACTIVITIES	(1,146,611,276)	(1,428,830,851)
FINANCING ACTIVITIES		
Proceeds from VFNs	446,247,494	290,218,748
Repayments of VFNs	(43,924,245)	(402,344,502)
Proceeds from PPN	330,950,000	29,979,526
Redemption of PPN	(45,000,000)	
Proceeds from debt issued by subsidiaries	1,229,272,000	1,301,802,190
Increase/Decrease on interest payable on debt	8,746,027	(25,663,572)
Proceeds from share issuance – Parent Company	20,000,000	
Proceeds from share issuance – Subsidiaries	3	3
Payments of shares redeemed – Parent Company	(5,000,000)	
NET CASH FLOWS INFLOWS FROM FINANCING ACTIVITIES	1,941,291,479	1,193,992,393
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	770,084,193	(231,755,922)
CASH AND CASH EQUIVALENTS AT START OF PERIOD	–	767,976,769
Unrealised (loss) on foreign exchange	(2,107,424)	(86,643)

		From 30 April 2014 to 31 December 2014 EUR / *From 1 January 2015 to 30 June 2015 (unaudited) EUR* **CASH AND CASH EQUIVALENTS AT END OF PERIOD** 767,976,769 536,134,204 Net cash flows from operating activities include: Interest paid (841,238) Interest received 8,742,741 Tax paid – BGCF was incorporated on 16 April 2014 with one ordinary share in issue to Intertrust Nominees (Ireland) Limited and held on trust for charitable purposes. On 3 June 2014 Blackstone Treasury Asia Pte Limited subscribed for 5 class B1 shares of €1 in the capital BGCF for €5,000,000 representing a share premium of €4,999,995. Total proceeds of €5,000,000 were received. These shares were redeemed in full for €5,000,000 on 23 July 2014. On 3 June 2014 Intertrust Nominees (Ireland) Limited subscribed for an additional 199 ordinary shares of €1 in the capital of BGCF for €199. Total proceeds of €199 were received. These shares are held on trust for charitable purposes. On 3 June 2014 BGCF entered into a subordinated facility agreement with Blackstone Treasury Asia Pte Limited for funding of €45,000,000, which was fully repaid during the period. On 11 July 2014, Blackstone / GSO Loan Financing 2 Limited subscribed for 15 Class B2 shares of €1€ in the capital of BGCF for €15,000,000 representing a share premium of €14,999,985. Total proceeds of €15,000,000 were received. On 30 July 2014 BGCF issued EU Profit Participating Notes, with a maturity date of 1 June 2044 to the value of €245,250,000 and on 9 September 2014 a further €40,700,000 was issued. A forward purchase agreement relating to a portfolio of assets with Phoenix Park CLO Limited matured on 24 July 2014 when Phoenix Park CLO Limited closed and BGCF purchased 51.38 per cent. of its subordinated notes, in conjunction with the purchase of the underlying assets by the CLO. A forward purchase agreement relating to a portfolio of assets with Sorrento Park CLO Limited matured on 16 October 2014 when Sorrento Park CLO Limited closed and BGCF purchased 60.53 per cent. of its subordinated notes, in conjunction with the purchase of the underlying assets by the CLO. A forward purchase agreement relating to a portfolio of assets with Castle Park CLO Limited matured on 18 December 2014 when Castle Park CLO Limited closed and BGCF purchased 100 per cent. of its subordinated notes, in conjunction with the purchase of the underlying assets by the CLO. A forward purchase agreement relating to a portfolio of assets with Dorchester Park CLO Limited matured on 26 February 2015 when BGCF purchased U.S.$28,000,000 of its subordinated notes, representing 60.95 per cent. ownership in conjunction with the purchase of the underlying assets by the CLO. A forward purchase agreement relating to a portfolio of assets with Dartry Park CLO Limited matured on 16 March 2015 when BGCF purchased €22,800,000 of its subordinated notes, representing 51.12 per cent. ownership in conjunction with the purchase of the underlying assets by the CLO. A forward purchase agreement relating to a portfolio of assets with Orwell Park CLO Limited matured on 4 June 2015 when BGCF purchased €24,225,000 of its subordinated notes, representing 51 per cent. ownership in conjunction with the purchase of the underlying assets by the CLO. The Company raised capital in April 2015 and purchased EU Profit Participating Notes at a cost of €29,979,526 with the proceeds raised. The following interest payments were made to the Company during the period: Q1 2015 €8,484,326 Q2 2015 €6,850,000 BGCF established a new CLO, namely Tymon Park CLO Limited. Tymon Park CLO Limited was incorporated on 26 May 2015 but did not start trading or become a CLO established by BGCF until after 30 June 2015. A forward purchase agreement relating to a portfolio of assets with Tymon Park CLO Limited matured on 17 December 2015 when BGCF purchased €22,700,000 of its subordinated notes, representing 51.01 per cent. ownership in conjunction with the purchase of the underlying assets by the CLO. There have been no other significant changes to BGCF's financial condition or operating results during or subsequent to the period covered by the historical financial information (to 30 June 2015).
B8	Key *pro forma* financial information	Not applicable. No pro forma information about BGCF is included in this Prospectus.
B9	Profit forecast	Not applicable. No profit estimate or forecast is made.
B10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications to the audit report on the historical financial information.
B34	Investment objective and policy	The investment objective and policy of BGCF mirrors the investment objective and policy of the Company set out above, subject to such additional restrictions as may be adopted by BGCF from time to time. Any proposed material changes to BGCF's investment policy will be subject to the process described in the Company's investment policy.
B35	Borrowing limits	BGCF has access to a committed Revolving Credit Facility which equals 200 per cent. of: (i) its NAV; plus (ii) retained net income from time to time; less (iii) the aggregate amount invested in CLO Retention Securities at cost. It is expected that the maximum funding amount under the Revolving Credit Facility may be adjusted from time to time to reflect the Net Placing Programme Proceeds or the net proceeds from any additional Share issues, less the value of any Shares repurchased and the value of any further investments in CLO Income Notes (at cost). As such, there are no limits on the level of BGCF's borrowings.

		Any loans which are sold to a CLO having been purchased using such borrowings will typically have been held by BGCF for no more than 12 months. Except in relation to the CLO Retention Income Notes or CLO Retention Securities it holds, BGCF may enter into hedging and derivatives transactions pursuant to its investment activities, for the purposes of efficient portfolio management. Vertical strips in CLOs in which BGCF may invest are expected to be financed partly through term finance for investment-grade CLO Securities, with the balance being provided by BGCF investing in such CLOs. This term financing may be full-recourse, non-mark to market, long-term financing which may, among other things, match the maturity of the relevant CLO or match the reinvestment period or non-call period of the relevant CLO. In particular, and although not forming part of BGCF's investment policy, the following levels of, or limitations on, leverage are expected in relation to investments made by BGCF: ● senior secured loans may be levered up to 2.5x with term finance; ● investments in "first loss" positions or the "warehouse equity" in Loan Warehouses will not be levered; ● CLO Income Notes will not be levered; ● investments in CLO Securities rated BBB- and above at the time of issue may be funded entirely with term finance; and ● investments in a vertical strip may be levered 6.0-7.0x, with term finance as described above.
B36	Regulatory status	Unregulated
B37	Typical investors	Investment in BGCF is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in BGCF and/or who have received advice from their fund manager or broker regarding investment in BGCF.
B38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. BGCF may invest in excess of 40 per cent. of its gross assets in another collective investment undertaking and as a result B39 below is applicable.
B39	Investment of 40 per cent. or more in single underlying asset or investment company	BGCF may have exposure to equity securities issued by U.S. MOA. Please see Part C below of this summary for additional information in relation to U.S. MOA.
B40	Applicant's service providers	*Service Support Provider* Blackstone / GSO Debt Funds Management Europe Limited has been appointed as the Service Support Provider to BGCF pursuant to the Portfolio Service Support Agreement. *Corporate Services Provider* Intertrust Management (Ireland) Limited, an Irish company, has been appointed as the Corporate Services Provider to BGCF pursuant to the terms of the Corporate Services Agreement entered into on 15 May 2014 between BGCF and the Corporate Services Provider. *BGCF Administrator* VP Fund Services, LLC has been appointed by BGCF as its administrator pursuant to the Fund Administration Agreement dated 10 February 2016 (with the appointment to take effect on 1 March 2016), to provide BGCF with valuation, financial reporting and fund accounting services. *BGCF Custodian and BGCF Account Bank* Citibank, N.A. London Branch has been appointed as BGCF Custodian and BGCF Account Bank pursuant to the BGCF Custody Agreement dated 2 July 2014, and the BGCF Account Bank Agreement dated 2 July 2014 between: (i) BGCF; and (ii) Citibank, N.A. London Branch, in each case as amended, supplemented or modified from time to time. Pursuant to these agreements, the BGCF Custodian and BGCF Account Bank will act as account bank of BGCF and also act as custodian of certain of BGCF's investments and other assets.
B41	Regulatory status of investment manager, investment adviser and custodian	BGCF is self-managed and does not have an investment manager. The BGCF Custodian is Citibank, N.A., London Branch a national banking association established under the laws of United States of America, acting through its London branch and having its registered address at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and registered with the Companies House under number BR001018.
B42	Calculation of Net Asset Value	Please see Section B of Part A above of this summary.
B43	Cross liability	Not applicable. BGCF is not an umbrella collective investment undertaking.
B44	No financial statements have been made up	Please see B7 above of this Part B of this summary. BGCF's annual financial statements for the period from incorporation to 31 December 2014, and BGCF's unaudited interim financial statements for the period ending 30 June 2015, have been included in this Prospectus.
B45	Portfolio	As at 29 February 2016, BGCF has established and invested in CLO Income Notes issued by seven CLOs, of which six were European CLOs and one was a U.S. CLO. As at 29 February 2016, BGCF's gross and net assets are €485.2 million and €324.7 million respectively; and 53.9 per cent. of the Company's investment portfolio comprised CLO Income Notes while 46.1 per cent. comprised loans (each calculated as a percentage of the Company's NAV). BGCF's cumulative NAV return from inception to 29 February 2016, is 9.08 per cent. BGCF's direct and indirect loan portfolios are diversified across geography, industry and company.
B46	Net Asset Value	N.A.

SECTION C – SECURITIES		
Element	*Disclosure Requirement*	*Disclosure*
C3	Number of securities in issue	As at the date of this Prospectus, the share capital of BGCF is as follows: *Share Class* / *Number issued* / *Nominal Value of each share* / *Share Premium* Ordinary: 200 / €1 / N/A Class B2: 15 / €1 / €14,999,985
C7	Dividend policy	BGCF's profits available for distribution and resolved to be distributed in accordance with the BGCF Articles are distributable by way of dividend to the holders of the ordinary shares. The Class B2 Shares do not carry any entitlement to receive a dividend. For so long as the unsecured Profit Participating Notes are in issue, it is not anticipated that any dividends will be paid in respect of the shares of BGCF.

SECTION D – RISKS		
Element	*Disclosure Requirement*	*Disclosure*
D2	Key information on the key risks specific to the issuer or its industry.	Please see Section D of Part A above of this summary.

PART C – U.S. MOA

SECTION B – ISSUER (U.S. MOA)		
Element	*Disclosure Requirement*	*Disclosure*
B1	Legal and commercial name	Blackstone / GSO US Corporate Funding, Ltd.
B2	Domicile and legal form	Exempted company with limited liability incorporated in the Cayman Islands.
B5	Group description	Not applicable. U.S. MOA is not a part of a group and does not have any subsidiaries.
B6	Notifiable interests/ voting rights	Not applicable. No interest in U.S. MOA's capital or voting rights is notifiable under U.S. MOA's national law. None of U.S. MOA's shareholders have voting rights attached to the shares which they hold different from the voting rights attached to any other shares in the same class in U.S. MOA.
B7	Key financial information	Not applicable. U.S. MOA has been recently incorporated, has not commenced operations, and no financial statements have been made up.
B8	Key *pro forma* financial information	Not applicable. U.S. MOA has been recently incorporated, has not commenced operations, and no financial statements have been made up.
B9	Profit forecast	Not applicable. No profit estimate or forecast is made.
B10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. U.S. MOA has been recently incorporated, has not commenced operations, and no financial statements have been made up.
B34	Investment objective and policy	The investment objective and policy of U.S. MOA mirrors the investment objective and policy of the Company set out above, subject to such additional restrictions as may be adopted by U.S. MOA from time to time. Any proposed material changes to U.S. MOA's investment policy will be subject to the process described in the Company's investment policy.
B35	Borrowing limits	Vertical strips in CLOs in which U.S. MOA may invest are expected to be financed partly through term finance for investment-grade CLO Securities, with the balance being provided by U.S. MOA investing in such CLO. This term financing may be full-recourse, non-mark to market, long-term financing which may, among other things, match the maturity of the relevant CLO or match the reinvestment period or non-call period of the relevant CLO. In particular, and although not forming part of U.S. MOA's investment policy, the following levels of, or limitations on, leverage are expected in relation to investments made by U.S. MOA: ● senior secured loans may be levered up to 2.5x with term finance; ● investments in "first loss" positions or the "warehouse equity" in Loan Warehouses will not be levered; ● CLO Income Notes will not be levered; ● investments in CLO Securities rated BBB- and above at the time of issue may be funded entirely with term finance; and

		● investments in a vertical strip may be levered 6.0-7.0x, with term finance as described above. U.S. MOA may also seek other financing from time to time, at its discretion.
B36	Regulatory status	Unregulated
B37	Typical investors	Investment in U.S. MOA is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in U.S. MOA and/or who have received advice from their fund manager or broker regarding investment in U.S. MOA.
B38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. There are no investments of 20 per cent. or more in a single underlying asset or investment company.
B39	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable. There are no investments of 40 per cent. or more in a single underlying asset or investment company.
B40	Applicant's service providers	*U.S. MOA Manager* DFM, appointed as the U.S. MOA Manager pursuant to the U.S. MOA Management Agreement, will be responsible for supervising and directing the investment and reinvestment of U.S. MOA's assets, advising U.S. MOA with respect to its financing (including the declaration of dividends, share buybacks, rights issuances and similar corporate matters), the entry into of any shareholders agreements, and performing on behalf of U.S. MOA the duties that have been specifically delegated to the U.S. MOA Manager in the various transaction documents entered into from time to time by the U.S. MOA Manager and/or U.S. MOA in connection with U.S. MOA's assets and the financing thereof. *U.S. MOA Administrator* Intertrust SPV (Cayman) Limited has been appointed as the U.S. MOA Administrator pursuant to the U.S. MOA Administration Agreement, to act as administrator of U.S. MOA and provide related management services.
B41	Regulatory status of investment manager, investment adviser and custodian	U.S. MOA is managed by DFM (in its capacity as the U.S. MOA Manager). DFM is a Delaware limited liability company, incorporated on 7 June 2007 with registered number 4366626, with its registered office at 345 Park Avenue, New York, NY 10154. DFM is authorised by the Central Bank of Ireland as a non-EU Alternative Investment Fund Manager and is registered as an investment adviser under the Investment Advisers Act of 1940. U.S. MOA does not currently have (and is not expected to have) a custodian or similar service provider appointed to hold its assets.
B42	Calculation of Net Asset Value	Please see Section B of Part A above of this summary.
B43	Cross liability	Not applicable. U.S. MOA is not an umbrella collective investment undertaking.
B44	No financial statements have been made up	U.S. MOA has not commenced operations and no financial statements have been made up as at the date of this Prospectus.
B45	Portfolio	Not applicable. U.S. MOA has not commenced operations and so has no portfolio as at the date of this Prospectus.
B46	Net Asset Value	Not applicable. U.S. MOA has not commenced operations and so has no Net Asset Value as at the date of this Prospectus.

SECTION C – SECURITIES

Element	*Disclosure Requirement*	*Disclosure*
C3	Number of securities in issue	As at the date of this Prospectus, the authorised share capital of U.S. MOA is U.S.$50,000, divided into 50,000 ordinary voting shares of U.S.$1.00 par value per share (the "**U.S. MOA Ordinary Shares**"). The sole U.S. MOA Ordinary Share that has been issued as at the date of this Prospectus is held by Intertrust SPV (Cayman) Limited, under the terms of a declaration of trust in favour of charitable purposes.

Share Class	*Number issued*	*Nominal Value of each share*	*Share Premium*
Ordinary	1	U.S.$1	N/A

C7	Dividend policy	U.S. MOA's profits available for distribution and resolved to be distributed in accordance with the U.S. MOA Articles are distributable by way of dividend to the holders of the ordinary shares.

SECTION D – RISKS

Element	*Disclosure Requirement*	*Disclosure*
D2	Key information on the key risks specific to the issuer or its industry.	Please see Section D of Part A above of this summary.

RISK FACTORS

Investment in the Company should be regarded as long-term in nature and involving a high degree of risk. Accordingly, prospective investors should consider carefully all of the information set out in this Prospectus and the risks relating to the Company, the Shares and the Risk Retention Companies including, in particular, the risks described below which are not presented in any order of priority and may not be an exhaustive list or explanation of all the risks which investors may face when making an investment in the Shares and should be used as guidance only.

Only those risks which are believed to be material and currently known to the Company in relation to itself and its industry and in relation to the Risk Retention Companies as at the date of this Prospectus have been disclosed. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Prospectus, may also have an adverse effect on the business, results of operations, financial conditions and prospects of the Company, the Risk Retention Companies, their respective Net Asset Values, and the market price of the Shares. Potential investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before making an application to invest in the Shares.

Prospective investors should also note that the risks relating to the Company, the Risk Retention Companies and the Shares summarised in the section of this document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

RISKS RELATING TO THE COMPANY

The Company has a limited operating history, and investors have a limited basis on which to evaluate the Company's ability to achieve its investment objective

The Company has a limited operating history. Accordingly, there are limited historical financial statements or other meaningful operating or financial data with which to evaluate the Company and its performance.

An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence. Any failure by the Company to do so may adversely affect its business, financial condition, results of operations, NAV and/or the market price of the Shares.

The Company's returns and operating cash flows will depend on many factors, including the price and performance of the investments, the availability and liquidity of investment opportunities falling within the Investment Objective and Policy, the level and volatility of interest rates, readily accessible short-term borrowings, the conditions in the financial markets and economy, the financial performance of obligors under the investments and the Company's ability successfully to operate its business and execute its investment strategy. There can be no assurance that the Company's investment strategy will be successful.

In addition, the existing performance data of the Company contained in this Prospectus may not reflect the performance data at the time of each Placing. There can be no assurance that the Company will be able to maintain its historic investment performance. Past performance of the Company should not be taken to be a guide to its future performance.

The Company's target return and target dividend yield are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual return and dividend yield may be materially lower than the targeted return and target dividend yield and could be negative

The Company's target return and target dividend yield set forth in this Prospectus are targets only and are based on estimates and assumptions concerning the performance of the Risk Retention Companies which

will be subject to a variety of factors including, without limitation, the availability of investment opportunities, asset mix, value, volatility, holding periods, performance of underlying portfolio debt issuers, investment liquidity, borrower default, changes in current market conditions, interest rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances or the occurrence of risks described elsewhere in this Prospectus, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the control of the Company and the Risk Retention Companies, and which may adversely affect the Company's ability to achieve its target return and target dividend yield. Such targets are based on market conditions and the economic environment at the time of assessing the proposed targets and the assumption that the Company and the Risk Retention Companies will be able to implement their investment policy and strategy successfully, and are therefore subject to change. There is no guarantee or assurance that the target return and/or target dividend yield can be achieved at or near the levels set forth in this Prospectus. Accordingly, the Company's actual rate of return and actual dividend yield achieved may be materially lower than the targets, or may result in a loss. A failure to achieve the target return and/or target dividend yield set forth in this Prospectus may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

An investment in the Company will be a speculative investment of a medium to long-term nature and involves a high degree of risk. A Shareholder could lose all or a substantial portion of their investment in the Company. Shareholders must have the financial ability, sophistication, experience and willingness to bear the risks of an investment in the Company.

Material changes affecting global debt and equity capital markets may have a negative effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares

The global financial markets have experienced extreme volatility and disruption in recent years, as evidenced by a lack of liquidity in the equity and debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the credit market and the failure of major financial institutions. Despite actions of governmental authorities, these events contributed to general economic conditions that have materially and adversely affected the broader financial and credit markets and reduced, and in certain circumstances, significantly reduced, the availability of debt and equity capital.

Further, within the banking sector, the default of any institution could lead to defaults by other institutions. Concerns about, or default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect other third parties with whom the Risk Retention Companies deal. The Risk Retention Companies and, by extension the Company, may therefore be exposed to systemic risk when the Risk Retention Companies deal with various third parties whose creditworthiness may be exposed to such systemic risk.

Recurring market deterioration may materially adversely affect the ability of an issuer whose debt obligations form part of the portfolio to service its debts or refinance its outstanding debt. Further, such financial market disruptions may have a negative effect on the valuations of the investments (and, by extension, on the NAV and/or the market price of the Shares), and on the potential for liquidity events involving such investments. In the future, non-performing assets in the Risk Retention Companies' portfolios or in the Loan Warehouses in which the Risk Retention Companies invest may cause the value of that portfolio to decrease (and, by extension, the NAV and/or the market price of the Shares to decrease). Adverse economic conditions may also decrease the value of any security obtained in relation to any of the investments.

Conversely, in the event of sustained market improvement, the Risk Retention Companies, and indirectly the Company, may have access to a reduced number of attractive potential investment opportunities, which also may result in limited returns to Shareholders.

Significant risks for CLO transactions (and therefore investors in such transactions such as the investments of the Risk Retention Companies in CLO Retention Income Notes or CLO Retention Securities) exist as a result of the current economic conditions. These risks include, among other things: (i) the likelihood that the CLO issuer will find it more difficult to sell any of its assets or to purchase new assets in the secondary market; (ii) the possibility that, on or after the date on which the CLO is issued, the price at which assets

can be sold by the CLO issuer will have deteriorated from their effective purchase price; and (iii) the illiquidity of the notes issued by the CLO issuer. These additional risks may affect the returns on the securities (such as the investments of the Risk Retention Companies in CLO Retention Income Notes or CLO Retention Securities) to investors and/or the ability of investors to realise their investment in the securities prior to their maturity date. In addition, the primary market for a number of financial products including leveraged loans has not fully recovered from the effects of the global credit crisis. As well as reducing opportunities for the CLO issuer to purchase assets in the primary market, this is likely to increase the refinancing risk in respect of maturing assets. Although there have recently been signs that the primary market for certain financial products is recovering, particularly in the United States, the impact of the economic crisis on the primary market may adversely affect the flexibility of the CLO Manager to invest and, ultimately, reduce the returns on all tranches of debt issued by a CLO, including, for the avoidance of doubt, CLO Income Notes (the "**CLO Securities**") to investors.

Difficult macro-economic conditions may adversely affect the rating, performance and the realisation value of the collateral of a CLO. Default rates on loans and other investments may continue to fluctuate and, accordingly, the performance of many CLO transactions and other types of investment vehicles or transactions may suffer as a result. It is also possible that the collateral of a CLO will experience higher default rates than anticipated and that performance will suffer.

Many financial institutions, including banks, continue to suffer from capitalisation issues. The bankruptcy or insolvency of a major financial institution may have an adverse effect on a CLO issuer, particularly if such financial institution is a grantor of a participation in an asset or is a hedge counterparty, or a counterparty to a buy or sell trade that has not settled with respect to an asset. The bankruptcy or insolvency of another financial institution may result in the disruption of payments to the CLO issuer. In addition, the bankruptcy or insolvency of one or more additional financial institutions may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the CLO issuer, the collateral of the CLO and the CLO Securities.

It is very likely that one of the effects of the global credit crisis and the failure of financial institutions will be an introduction of a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Such additional rules and regulations could, among other things, adversely affect the holders of CLO Securities as well as the flexibility of the CLO Manager in managing and administering the collateral of the CLO.

While it is possible that current conditions may improve for certain sectors of the global economy, there can be no assurance that CLO, leveraged finance or structured finance markets will recover at the same time or to the same degree as such other recovering sectors.

A referendum on UK membership of the European Union may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares

A referendum on UK membership of the European Union will be held on 23 June 2016 and may affect the Company's risk profile through introducing potentially significant new uncertainties and instability in financial markets ahead of the date of the referendum and, depending on the outcome, after the event. These uncertainties may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. In addition, it is unclear at this stage what the consequences would be for CLO issuers, CLO Managers, the Risk Retention Companies or the Company should the UK leave the European Union.

A Risk Retention Company's failure to comply with its contractual obligations to manage its assets in accordance with its investment policy could have adverse tax and other consequences which could have a significant adverse effect on the Company's business, financial condition and results of operations

Pursuant to the NPAs and the terms of the unsecured Profit Participating Notes, BGCF is contractually obliged to ensure that its portfolio is managed in accordance with its investment objective and policy. In the event that BGCF fails to comply with these contractual obligations, LuxCo could elect for the unsecured Profit Participating Notes to become immediately due and repayable by BGCF (subject to any applicable legal, contractual and regulatory restrictions). There is no guarantee that the applicable legal, contractual

and regulatory restrictions would permit BGCF immediately to repay the unsecured Profit Participating Notes on LuxCo making such an election and, if it does, this could also have significant adverse consequences from a tax perspective both at the time of the repayment of the unsecured Profit Participating Notes and on an ongoing basis until another tax efficient vehicle could be introduced into the structure to own the portfolio. If LuxCo were to elect for the unsecured Profit Participating Notes to be repaid, BGCF's failure to fully comply with its contractual obligations to do so or BGCF being restricted from doing so by law, regulation or contract could have a significant adverse effect on the Company's business, financial condition and results of operations.

Similarly, the failure of other Risk Retention Companies (established in the future) to comply with their contractual obligations could have similarly adverse effects on the Company's business, financial condition and results of operations.

The Company's NAV is calculated based on the NAV of the Risk Retention Companies and, as such, is subject to valuation risk and the Company can provide no assurance that the NAVs it records from time to time will ultimately be realised

The Company's NAV is calculated with reference to the NAV of the Risk Retention Companies, which is typically calculated by third parties and the NAV of the Risk Retention Companies will be subject to valuation risk (see the risk factor entitled "The investments may be difficult to value accurately and, as a result, the Company may be subject to valuation risk"). If a valuation estimate provided to the Company by a Risk Retention Company subsequently proves to be incorrect, no adjustment to any previously calculated NAV will be made. Any acquisitions or disposals of Shares based on previous erroneous NAVs may result in losses for shareholders.

The CLO Securities held by Risk Retention Companies and the loans and other corporate debt instruments (including investments in Loan Warehouses) held directly by the Risk Retention Companies are and will be valued monthly and the Company's Net Asset Value is calculated based on these values. Therefore, the actual value of the CLO Securities, the investments in Loan Warehouses and the loans and other corporate debt instruments at any given time may be different from the value based on which the Company's latest Net Asset Value has been calculated.

Investors should note that where a loan becomes subject to a Forward Purchase Agreement (described further in Part VIII of this Prospectus), the relevant Risk Retention Company holding such loan will (subject to certain conditions as set out in paragraph 6 of Part VIII of this Prospectus) neither receive the market price gain nor bear the market price loss that occurs between the date when the loan is added to the Forward Purchase Agreement and the date when the transfer occurs.

Additionally, if, for any reason, the directors of a Risk Retention Company suspend the calculation of its NAV, the Company will also have to suspend the calculation of its NAV. In such circumstances, the Shares may become subject to speculation regarding the value of the assets within such Risk Retention Company's portfolio and this may have an adverse effect on the market price of the Shares.

The Company and the Risk Retention Companies will, to some extent, be reliant on third party service providers (including, in the case of BGCF, DFME and DFM) to carry on their businesses and a failure by one or more service providers may materially disrupt the businesses of the Company and the Risk Retention Companies

The Company has no employees and the Directors have all been appointed on a non-executive basis. BGCF also has non-executive directors and no employees. DFME, as part of the services it provides under the terms of the Portfolio Service Support Agreement, is responsible for providing BGCF with the necessary human resources, credit and other service support resources to perform the functions necessary to the business of BGCF. DFME, in its capacity as Adviser, also provides some advisory services to the Company, limited to the provision of information and explanations, pursuant to the Advisory Agreement. In addition, DFME or DFM (or one of their affiliates) acts as CLO Manager in respect of the Risk Retention Company CLOs. Therefore, the Company and BGCF are to some extent reliant upon the performance of DFME, DFM and/or their affiliates and other third party service providers for the performance of certain functions.

Failure by any service provider to carry out its obligations to the Company or any Risk Retention Company in accordance with the applicable duty of care and skill, or at all, or termination of any such appointment

may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In the event that it is necessary for the Company or any Risk Retention Company to replace any third party service provider, it may be that the transition process takes time, increases costs and may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. See further risk factor titled "*The performance of the Company, BGCF, and U.S. MOA has some dependence on the skills and the personnel of DFME, DFM and the human resources DFME provides to BGCF in its capacity as the Service Support Provider*" below.

The Profit Participating Notes issued by BGCF and held by LuxCo, the Company's wholly owned subsidiary, are unsecured and limited recourse obligations of BGCF and will be subordinated to the rights of any secured Revolving Credit Facility Provider and any hedging liabilities of BGCF

The Profit Participating Notes are unsecured obligations of BGCF and amounts payable on the Profit Participating Notes will be made solely from amounts received in respect of the assets of BGCF available for distribution to its unsecured creditors (subject to further conditions as further described in 5.1 and 5.2 of Part VII of this Prospectus). BGCF has and is permitted to incur secured debt in the form of one or more Revolving Credit Facilities. Such secured debt will rank ahead of the Profit Participating Notes in respect of any distributions or payments by BGCF. In an enforcement scenario under any Revolving Credit Facility, the provider(s) of such facilities will have the ability to enforce their security over the assets of BGCF and to dispose of or liquidate (on their own behalf or through a security trustee or receiver) the assets of BGCF in a manner which is beyond the control of BGCF. In such an enforcement scenario, there is no guarantee that there will be sufficient proceeds from the disposal or liquidation of BGCF assets to repay any amounts due and payable on the Profit Participating Notes and this may adversely affect the performance of the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. As further detailed herein, BGCF may utilise financial instruments to, among other things, hedge against declines in the value of its assets (excluding the CLO Retention Income Notes and the CLO Retention Securities) as a result of changes in currency exchange rates or to swap payments it receives in currencies other than Euro for Euro. The payment of hedging liabilities will rank ahead of any payments on the Profit Participating Notes.

The Profit Participating Notes issued or to be issued by BGCF and held by LuxCo, the Company's wholly owned subsidiary, have limited liquidity

The EU Profit Participating Notes are admitted to the official list and trading on the Global Exchange Market of the Irish Stock Exchange ("**GEM**") and application will be made for the U.S. Profit Participating Notes to be admitted to the official list and trading on the GEM or such other exchange as may be agreed by BGCF and LuxCo. There can be no assurance that any such application will be approved or, if approved, that such listing will be maintained. Notwithstanding the foregoing, there is currently no secondary market for the EU Profit Participating Notes or the U.S. Profit Participating Notes. There can be no assurance that any secondary market for the Profit Participating Notes will develop or, if a secondary market does develop, that it will provide the Company with liquidity of investment or that it will continue for the life of the Profit Participating Notes.

Consequently, in the event of a material adverse event occurring in relation to BGCF, LuxCo or the market generally, the ability of the Company to realise its investment and prevent the possibility of further losses could, therefore, be limited by its restricted ability to realise its investment in LuxCo and LuxCo's investment in BGCF. This delay could materially affect the value of the Profit Participating Notes and the timing of when BGCF is able to realise its investments, which may adversely affect the Company's business and that of LuxCo, financial condition, results of operations, NAV and/or the market price of the Shares.

RISKS RELATING TO THE INVESTMENT STRATEGY

The investments may be difficult to value accurately and, as a result, the Company may be subject to valuation risk

The portfolios of the Risk Retention Companies may at any given time, include securities or other financial instruments or obligations which are very thinly traded, for which no market exists or which are restricted as to their transferability under applicable securities laws. These investments may be extremely difficult to value accurately. Further, because of overall size or concentration in particular markets of positions held by the

Risk Retention Companies, the value of their investments which can be liquidated may differ, sometimes significantly, from their valuations. Third party pricing information may not be available for certain positions held by the Risk Retention Companies. Investments to be held by the Risk Retention Companies may trade with significant bid-ask spreads. The Risk Retention Companies will be entitled to rely, without independent investigation, upon pricing information and valuations furnished by third parties, including pricing services and valuation sources. In the absence of fraud, gross negligence (under New York law), bad faith or manifest error, valuation determinations in accordance with the Risk Retention Companies' valuation policies will be conclusive and binding.

Market factors may result in the failure of the investment strategy

Strategy risk is associated with the failure or deterioration of an investment strategy such that most or all investment managers employing that strategy suffer losses. Strategy-specific losses may result from excessive concentration by multiple market participants in the same investment or general economic or other events that adversely affect particular strategies (for example the disruption of historical pricing relationships). Furthermore, an imbalance of supply and demand favouring borrowers could result in yield compression, higher leverage and less favourable terms to the detriment of all investors in the relevant asset class. The investment strategy employed by the Company (through the Risk Retention Companies) is speculative and involves substantial risk of loss in the event of a failure or deterioration in the financial markets, although the Risk Retention Companies may have certain investment limits which define to a degree how they invest. As a result, the Company's investment strategy may fail, and it may be difficult for the Directors to amend the Company's investment strategy quickly or at all should certain market factors appear, which may adversely affect the performance of the Risk Retention Companies and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The investment strategy of the Risk Retention Companies will include investing predominantly in senior secured loans (directly and through and investment in the Loan Warehouses) and CLO Securities which are subject to a risk of loss of principal

The investment strategy of the Risk Retention Companies will consist of investing predominantly in senior secured loans (directly and through an investment in Loan Warehouses) and CLO Securities. Such investments may be considered to be subject to a level of risk in the case of deterioration of general economic conditions, which might increase the risk of loss of principal. This could result in losses to the Risk Retention Companies which could have a material adverse effect on the performance of the Risk Retention Companies and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In the event of a default in relation to an investment, the Risk Retention Companies will bear a risk of loss of principal and accrued interest

The performance of the Company's investments may be affected by the default or perceived credit impairment of investments made by the Risk Retention Companies and by general or sector specific credit spread widening. Credit risks associated with the investments include (among others): (i) the possibility that earnings of an obligor may be insufficient to meet its debt service obligations; (ii) an obligor's assets declining in value; and (iii) the declining creditworthiness, default and potential for insolvency of an obligor during periods of rising interest rates and economic downturn. An economic downturn and/or rising interest rates could severely disrupt the market for the investments and adversely affect the value of the investments and the ability of the obligors thereof to repay principal and interest. In turn, this may adversely affect the performance of the Risk Retention Companies and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In the event of a default in relation to an investment held by them, the Risk Retention Companies will bear a risk of loss of principal and accrued interest on that investment. Any such investment may become defaulted for a variety of reasons, including non-payment of principal or interest, as well as breaches of contractual covenants. A defaulted investment may become subject to workout negotiations or may be restructured by, for example, reducing the interest rate, a write-down of the principal, and/or changes to its terms and conditions. Any such process may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on the defaulted investment. In addition, significant costs might be imposed on the lender, further affecting the value of the investment. The liquidity in such defaulted investments may also be limited and, where a defaulted investment is sold, it is unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest owed on that

investment. This would adversely affect the value of the portfolio of the Risk Retention Companies and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In the case of secured loans, restructuring can be an expensive and lengthy process which could have a material negative effect on the Risk Retention Companies' anticipated return on the restructured loan. By way of example, it would not be unusual for any costs of enforcement to be paid out in full before the repayment of interest and principal. This would substantially reduce the Risk Retention Companies' anticipated return on the restructured loan.

The illiquidity of investments may have an adverse impact on their price and the Risk Retention Companies' ability to trade in them or require significant time for capital gains to materialise

Credit markets may from time to time become less liquid, leading to valuation losses on the investments making it difficult to acquire or dispose of them at prices a Risk Retention Company considers their fair value. Accordingly, this may impair the Risk Retention Companies' ability to respond to market movements and the Risk Retention Companies may experience adverse price movements upon liquidation of such investments. Liquidation of portions of the portfolio under these circumstances could produce realised losses. The size of the Risk Retention Companies' positions may magnify the effect of a decrease in market liquidity for such instruments. Settlement of transactions may be subject to delay and uncertainty. Such illiquidity may result from various factors, such as the nature of the instrument being traded, or the nature and/or maturity of the market in which it is being traded, the size of the position being traded, or lack of an established market for the relevant securities. Even where there is an established market, the price and/or liquidity of instruments in that market may be materially affected by certain factors.

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 Securities and investments in Loan Warehouses. The Company seeks to achieve its investment objective through exposure (directly or indirectly) to one or more Risk Retention Companies. Investments which are in the form of loans are not as easily purchased or sold as publicly traded securities due to the unique and more customised nature of the debt agreement and the private syndication process. As a result, there may be a significant period between the date that a Risk Retention Company makes an investment and the date that any capital gain or loss on such investment is realised. Moreover, the sale of restricted and illiquid securities may result in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Further, the Risk Retention Companies may not be able readily to dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time, which could materially and adversely affect the performance of the Risk Retention Companies and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. See further the risk factor titled "The Risk Retention Companies will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Securities or CLO Retention Income Notes, as applicable except to the extent permitted by the European Risk Retention Requirements or the U.S. Risk Retention Regulations (as applicable), which places limitations on the ability of LuxCo, the Company's wholly owned subsidiary, to redeem the Profit Participating Notes" below.

The Risk Retention Companies may hold a relatively concentrated portfolio

The Risk Retention Companies may nevertheless hold a relatively concentrated portfolio, although the Company still expects that its portfolio will satisfy the diversification requirements of the Listing Rules and the CISE Listing Rules. There is a risk that a Risk Retention Company could be subject to significant losses if any obligor, especially one with whom a Risk Retention Company had a concentration of investments, were to default or suffer some other material adverse change. The level of defaults in the portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions. Any of these factors could adversely affect the value of the portfolio and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The Risk Retention Companies may be exposed to foreign exchange risk, which may have an adverse impact on the value of their assets and on their results of operations

The base currency of the Company and BGCF is the Euro. Certain of a Risk Retention Company's assets may be invested in securities and other investments which are denominated in currencies other than its base currency. Accordingly, such Risk Retention Company will necessarily be subject to foreign exchange risks and the value of its assets may be affected unfavourably by fluctuations in currency rates. Although a Risk Retention Company may utilise financial instruments to hedge against declines in the value of such assets as a result of changes in currency exchange rates or to swap payments it receives in currencies other than its base currency for its base currency, it is not obliged to do so and may terminate any hedge contract at any time. Moreover, it may not be possible for a Risk Retention Company to hedge against a particular change or event at an acceptable price or at all. In addition, there can be no assurance that any attempt to hedge against a particular change or event would be successful, and any such hedging failure could materially and adversely affect the performance of such Risk Retention Company and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The hedging arrangements of the Risk Retention Companies may not be successful

A Risk Retention Company's economic risks cannot be effectively hedged. However, in connection with the financing of certain investments, Risk Retention Companies may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities' prices and/or currency exchange rates. However, some residual risk may remain as a result of imperfections and inconsistencies in the market and/or in the hedging contract. While such hedging transactions may reduce certain risks, they create others. Risk Retention Companies will not be permitted to enter into hedging with respect to the CLO Retention Income Notes and the CLO Retention Securities.

Risk Retention Companies may utilise certain derivative instruments (including, without limitation, single-name credit default swaps, credit default swap and loan credit default swap indexes, equity futures and equity indexes) for hedging purposes. However, even if used primarily for hedging purposes, the prices of derivative instruments are highly volatile, and acquiring or selling such instruments involves certain leveraged risks. There may be an imperfect correlation between the instrument acquired for hedging purposes and the investments or market sectors being hedged, in which case, a speculative element is added to the highly leveraged position acquired through a derivative instrument primarily for hedging purposes. In particular, the investments which are in the form of loans may, in certain circumstances, be repaid at any time on short notice at no cost, and accordingly the hedging of interest rate or currency risk in such circumstances may be less precise than is the case with investments in the public securities market.

Furthermore, default by any hedging counterparty in the performance of its obligations could subject the investments to unwanted credit and market risks. Accordingly, although Risk Retention Companies, and therefore the Company, may benefit from the use of hedging strategies, failure to properly hedge the market risk in the investments and/or default of a counterparty in the performance of its obligations under a hedging contract may have a material adverse effect on the performance of Risk Retention Companies and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares, and such material adverse effects may exceed those which may have resulted had no hedging strategy been employed.

Under certain hedging contracts that Risk Retention Companies may enter into, a Risk Retention Company may be required to grant security interests over some of its assets to the relevant counterparty as collateral

In connection with certain hedging contracts, a Risk Retention Company may be required to grant security interests over some of its assets to the relevant counterparty to such hedging contract as collateral. Such hedging contracts typically will give the counterparty the right to terminate the agreement upon the occurrence of certain events. Such termination events may include, among others, a failure by a Risk Retention Company to pay amounts owed when due, a failure to provide required reports or financial statements, a decline in the value of the investments secured as collateral, a failure to maintain sufficient collateral coverage, a failure by a Risk Retention Company to comply with the Company's investment policy and any investment restrictions, key changes in a Risk Retention Company's management, a significant reduction in a Risk Retention Company's Net Asset Value, and material violations of the terms, representations, warranties or covenants contained in the hedging contract, as well as other events determined by a counterparty. If a termination event were to occur, there may be a material adverse effect

on the performance of such Risk Retention Company, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The use of leverage by a Risk Retention Company may increase the volatility of returns and providers of leverage would rank ahead of investors in such Risk Retention Company in the event of insolvency

A Risk Retention Company may employ leverage in order to increase investment exposure with a view to achieving its target return. While leverage presents opportunities for increasing total returns, it can also have the effect of increasing the volatility of the performance of Risk Retention Companies and, by extension, the Shares, including the risk of total loss of the amount invested. If income and capital appreciation on investments made with borrowed funds are less than the costs of the leverage, a Risk Retention Company's Net Asset Value will decrease. The effect of the use of leverage is to increase the investment exposure, the result of which is that, in a market that moves adversely, the possible resulting loss to investors' capital would be greater than if leverage were not used. As a result of leverage, small changes in the value of the underlying assets may cause a relatively large change in the value of a Risk Retention Company. Many financial instruments used to employ leverage are subject to variation or other interim margin requirements, which may force premature liquidation of investments. Investors should be aware that the use of leverage by Risk Retention Companies can be considered to multiply the leverage effect on their investment returns in the Company. As described above, while this effect may be beneficial when markets' movements are favourable, it may result in a substantial loss of capital when markets' movements are unfavourable.

In addition, such leverage may involve granting of security or the outright transfer of specific investments in the portfolio. In particular, since there is no security created in respect of BGCF's obligations under the Profit Participating Notes or in respect of shares held by the Company in BGCF, on any insolvency of BGCF, the Company could rank behind BGCF's financing and hedging counterparties, whose claims will be considered as indebtedness of BGCF and may be secured. Leverage does create opportunities for greater total returns on the investments but simultaneously may create special risk considerations by exaggerating changes in the total value of BGCF's Net Asset Value and in the yield on the investments and, subsequently, the yield on the Profit Participating Notes held by LuxCo, the Company's wholly owned subsidiary.

In addition, to the extent leverage is employed, Risk Retention Companies may be required to refinance transactions from time to time. On each refinancing, the applicable counterparty may choose to re-negotiate the terms of each transaction or indeed not to refinance the transaction at all. To the extent refinancing facilities are not available in the market at economic rates or at all, Risk Retention Companies may be required to sell assets at disadvantageous prices. Any such deleveraging may result in losses on investments which could be severe and accordingly could have a material adverse effect on the performance of Risk Retention Companies and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Interest rate fluctuations could expose Risk Retention Companies to additional costs and losses

The prices of the investments that may be held by Risk Retention Companies tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments. Further, Risk Retention Companies may invest in both floating and fixed rate securities and interest rate movements will affect those respective securities differently. In particular, when interest rates rise significantly the value of fixed interest rate securities often fall. Furthermore, to the extent that interest rate assumptions underlie the hedging of a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose Risk Retention Companies to additional costs and losses. Any of the above factors could materially and adversely affect the performance of Risk Retention Companies and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The use of leverage, including borrowings, may increase the volatility of the Company's Net Asset Value per Share and also amplify any loss in the value of the Company's assets

While the use of borrowing should enhance the total return on the Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is falling or rising at a lower rate than the cost of borrowing,

reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Share.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the price of a Share). Any reduction in the number of Shares in issue (for example, as a result of buy-backs or tender offers) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowing.

The Company will pay interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates. The Company may employ hedging techniques designed to reduce the risk of adverse movements in interest rates. However, such strategies may also result in losses and overall poorer performance than if the Company had not entered into such hedging transactions.

In the event of the insolvency of an obligor in respect of an investment, or of an underlying obligor in respect of an investment, the return on such investment to Risk Retention Companies may be adversely impacted by the insolvency regime or insolvency regimes which may apply to that obligor or underlying obligor and any of their respective assets

In the event of the insolvency of an obligor in respect of an investment (and in the case of the CLO Securities or Loan Warehouses, the obligors of the assets within the relevant CLO's or Loan Warehouse's portfolio), Risk Retention Companies' (or the CLO issuer's, in the case of CLO Securities or the Loan Warehouses', in the case of investment in a Loan Warehouse) recovery of amounts outstanding in insolvency proceedings may be impacted by the insolvency regimes in force in the jurisdiction of incorporation of such obligor or in the jurisdiction in which such obligor mainly conducts its business (if different from the jurisdiction of incorporation), and/or in the jurisdiction in which the assets of such obligor are located. Such insolvency regimes impose rules for the protection of creditors and may adversely affect the ability to recover such amounts as are outstanding from the insolvent obligor under the investment, which may adversely affect the performance of Risk Retention Companies (or the CLO or Loan Warehouse, if applicable), and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Similarly, the ability of obligors to recover amounts owing to them from insolvent underlying obligors may be adversely impacted by any such insolvency regimes applicable to those underlying obligors, which in turn may adversely affect the abilities of those obligors to make payments due under the investment to Risk Retention Companies on a full or timely basis.

In particular, it should be noted that a number of European jurisdictions operate unpredictable insolvency regimes which may cause delays to the recovery of amounts owed by insolvent obligors or underlying obligors subject to those regimes. The different insolvency regimes applicable in the different European jurisdictions result in a corresponding variability of recovery rates for senior secured loans, entered into or issued in such jurisdictions, any of which may have a material adverse effect on the performance of a CLO, Loan Warehouse or Risk Retention Companies and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

A Risk Retention Company, a Loan Warehouse or a CLO issuer may be subject to losses on investments as a result of insolvency or clawback legislation and/or fraudulent conveyance findings by courts

Various laws enacted for the protection of creditors and stakeholders may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary between jurisdictions. For example, if a court were to find that an obligor did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest securing such investment, and, after giving effect to such indebtedness, the obligor: (i) was insolvent; (ii) was engaged in a business for which the assets remaining in such obligor constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court may: (a) invalidate such indebtedness and such security interest as a fraudulent conveyance; (b)

subordinate such indebtedness to existing or future creditors of the obligor; or (c) recover amounts previously paid by the obligor (including to a Risk Retention Company, a Loan Warehouse or a CLO issuer) in satisfaction of such indebtedness or proceeds of such security interest previously applied in satisfaction of such indebtedness. In addition, if an obligor in whose debt a Risk Retention Company, a Loan Warehouse or a CLO issuer has an investment becomes insolvent, any payment made on such investment may be subject to avoidance, cancellation and/or clawback as a "preference" if made within a certain period of time (which for example under some current laws may be as long as two years) before insolvency.

In general, if payments on an investment are voidable, whether as fraudulent conveyances, extortionate transactions or preferences, such payments may be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from a Risk Retention Company, a Loan Warehouse or a CLO issuer, there will be an adverse effect on the performance of the CLO issuer and/or such Risk Retention Company and/or such Loan Warehouse and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The due diligence process that Risk Retention Companies are intended to undertake in evaluating specific investment opportunities may not reveal all facts that may be relevant in connection with such investment opportunities and any corporate mismanagement, fraud or accounting irregularities may materially affect the integrity of a Risk Retention Company's due diligence on investment opportunities

When conducting due diligence and making an assessment regarding an investment, a Risk Retention Company will be required to rely on resources available to it, including internal sources of information as well as information provided by existing and potential obligors, any equity sponsor(s), lenders and other independent sources. The due diligence process may at times be required to rely on limited or incomplete information.

A Risk Retention Company will select investments in part on the basis of information and data relating to potential investments filed with various government regulators and publicly available or made directly available to a Risk Retention Company by the entities filing such information or third parties. Although a Risk Retention Company will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, such Risk Retention Company will not be in a position to confirm the completeness, genuineness or accuracy of such information and data. A Risk Retention Company is dependent upon the integrity of the management of the entities filing such information and of such third parties as well as the financial reporting process in general.

The value of an investment made by a Risk Retention Company may be affected by fraud, misrepresentation or omission on the part of an obligor, underlying obligor, any related parties to such obligor or underlying obligor, or by other parties to the investment (or any related collateral and security arrangements). Such fraud, misrepresentation or omission may adversely affect the value of the investment and/or the value of the collateral underlying the investment in question and may adversely affect a Risk Retention Company's ability to enforce its contractual rights relating to that investment or the relevant obligor's ability to repay the principal or interest on the investment.

Investment analysis and decisions by a Risk Retention Company may be undertaken on an expedited basis in order to make it possible for such Risk Retention Company to take advantage of short-lived investment opportunities. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete. Furthermore, a Risk Retention Company may not have sufficient time to evaluate fully such information even if it is available.

Accordingly, it cannot be guaranteed that the due diligence investigation that Risk Retention Companies are intended to carry out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by a Risk Retention Company to identify relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which may have a material adverse effect on the performance of such Risk Retention Company and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The collateral and security arrangements attached to an investment may not have been properly created or perfected, or may be subject to other legal or regulatory restrictions

The collateral and security arrangements in relation to secured obligations in which a Risk Retention Company may invest (and the security arrangements relating to the underlying assets of CLOs) will be subject to such security or collateral having been correctly created and perfected and any applicable legal or regulatory requirements which may restrict the giving of collateral or security by an obligor, such as, for example, thin capitalisation, over-indebtedness, financial assistance and corporate benefit requirements. If the investments do not benefit from the expected collateral or security arrangements, this may adversely affect the value of, or in the event of a default, the recovery of principal or interest from, such investments. Accordingly, any such failure properly to create or perfect collateral and security interests attaching to the investments may adversely affect the performance of the CLO issuer and/or a Risk Retention Company and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The investments will be based in part on valuations of collateral which are subject to assumptions and factors that may be incomplete, inherently uncertain or subject to change

A component of a Risk Retention Company's analysis of the desirability of making a given investment relates to the estimated residual or recovery value of such investments in the event of the insolvency of the obligor (and in the case of the CLO Securities and the Loan Warehouses, the obligors of the assets within the relevant portfolio). This residual or recovery value will be driven primarily by the value of the anticipated future cashflows of the obligor's business and by the value of any underlying assets constituting the collateral for such investment. The anticipated future cashflows of the obligor's business and the value of collateral can, however, be extremely difficult to predict as in certain circumstances market quotations and third party pricing information may not be available. If the recovery value of the collateral associated with the investments in which a Risk Retention Company or a CLO issuer invests decreases or is materially worse than expected by a Risk Retention Company or a CLO issuer (as applicable), such a decrease or deficiency may affect the value of the investments made by a Risk Retention Company or a CLO issuer. Accordingly, there will be an adverse effect on the performance of the CLO issuer and/or a Risk Retention Company and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

CLO Income Notes and certain investments in Loan Warehouses are volatile and interest and principal payments payable on such instruments are not fixed

CLO Income Notes are the most subordinated tranche of a CLO and all payments of principal and interest on such CLO Income Notes are fully subordinated. In addition, investments in Loan Warehouses are expected to be the most subordinated tranche of debt issued in the Loan Warehouse. Interest and principal payments are not fixed but are based on residual amounts available to make such payments. As a result, payments on such CLO Income Notes or Loan Warehouse investments will be made by the CLO issuer or Loan Warehouse vehicle to the extent of available funds, and no payments thereon will be made until amongst other things: (i) the payment of certain costs, fees, taxes and expenses have been made; (ii) interest and principal (respectively) has been paid on the more senior notes of the CLO or more senior debt of the Loan Warehouse (as applicable) and (iii) certain other amounts have been paid to the secured creditors of the CLO or Loan Warehouse, including without limitation, amounts payable to the holders of CLO Securities and any hedge counterparties in respect of CLOs. Non-payment of interest or principal on such CLO Income Notes or Loan Warehouse investments will be unlikely to cause an event of default in relation to the CLO issuer or the Loan Warehouse vehicle (as applicable).

CLO Income Notes, investments in Loan Warehouses and junior tranches of CLO Securities are highly leveraged investments

CLO Income Notes, investments in Loan Warehouses and junior tranches of CLO Securities represent highly leveraged investments in the underlying assets of the CLO issuer or the Loan Warehouse (as applicable). Accordingly, it is expected that changes in the market value of such CLO Income Notes, Loan Warehouse investments and junior tranches of CLO Securities will be greater than changes in the market value of the underlying assets of the CLO issuer or the Loan Warehouse, which themselves are subject to credit, liquidity, interest rate and other risks. Utilisation of leverage is a speculative investment technique and involves certain risks to investors and will generally magnify the opportunities for gain and risk of loss of investors in CLO Income Notes, Loan Warehouses and junior tranches of CLO Securities. In certain scenarios, the CLO

Income Notes, investments in Loan Warehouses and junior tranches of CLO Securities may be subject to a partial or a 100 per cent. loss of invested capital. CLO Income Notes represent the most junior securities in a leveraged capital structure. As a result, any deterioration in performance of the asset portfolio of a CLO issuer, including defaults and losses, a reduction of realised yield or other factors, will be borne first by holders of such CLO Income Notes prior to the rest of the capital structure.

CLO Securities and investments in Loan Warehouses are limited recourse obligations of the CLO issuer or warehouse vehicle (as applicable)

CLO Securities and investments in Loan Warehouses are limited recourse obligations of the CLO issuer or warehouse vehicle (as applicable) and amounts payable on such CLO Securities or Loan Warehouse investments are payable solely from amounts received in respect of the collateral of the CLO issuer or warehouse vehicle (as applicable). Payments on CLO Securities and Loan Warehouse investments prior to and following enforcement of the security over the collateral of a CLO issuer are subordinated to the prior payment of certain costs, fees and expenses of, or payable by, the CLO issuer or warehouse vehicle and to payment of principal and interest on more senior notes of the CLO issuer or senior debt in the Loan Warehouse. To the extent that any interest is not paid on any class of deferrable CLO Securities on any payment date on which such class is not the highest ranking outstanding class, although such amounts will not be added to the principal balance of the related class of CLO Securities, such amounts will be deferred and will bear interest at the interest rate applicable to such CLO Securities, and the failure to pay such amounts will not be an event of default under the relevant terms and conditions of the CLO Securities. Except as provided in the priority of payments of the CLO, no payments of interest or distributions from interest proceeds will be made on any lower ranking class of CLO Securities on any payment date until interest on each priority class has been paid, and no payments of principal will be made on any lower ranking class of CLO Securities on any payment date until principal of each priority class has been paid in full. If any coverage test is not satisfied in relation to any CLO payment date on which it is applicable, cash flows otherwise payable to lower ranking classes of CLO Securities will be diverted to the payment of principal of priority classes of CLO Securities.

The holders of CLO Securities must rely solely on distributions on the collateral of the CLO for payment of principal and interest, if any, on the CLO Securities. There can be no assurance that the distributions on the collateral of a CLO will be sufficient to make payments on CLO Securities. If distributions are insufficient to make payments on the CLO Securities, no other assets of the CLO issuer will be available for payment of the deficiency and following realisation of the collateral and the application of the proceeds thereof, the obligations of the CLO issuer to pay such deficiency shall be extinguished. Such shortfall will be borne in the first instance by the CLO Income Notes and then by the other CLO Securities in reverse order of priority.

In addition, at any time whilst the CLO Securities are outstanding in a CLO, no holder of CLO Securities shall be entitled at any time to institute against the related CLO issuer, or join in any institution against such CLO issuer of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings under any applicable bankruptcy or similar law in connection with any obligations of the CLO issuer relating to the CLO Securities or otherwise owed to the CLO Securities, save for lodging a claim in the liquidation of the CLO issuer which is initiated by another party or taking proceedings to obtain a declaration as to the obligations of the CLO issuer, nor shall it have a claim arising in respect of the share capital of the CLO issuer.

CLO Securities and investments in Loan Warehouses have limited liquidity

In addition to the restrictions mentioned in the section titled "The Risk Retention Companies will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Securities or CLO Retention Income Notes, as applicable except to the extent permitted by the European Risk Retention Requirements or the U.S. Risk Retention Regulations (as applicable), which places limitations on the ability of LuxCo, the Company's wholly owned subsidiary, to redeem the Profit Participating Notes", there will usually be a limited market for notes representing collateralised loan obligations (including the CLO Securities) and investments in Loan Warehouses. There is no guarantee that any party to a CLO transaction will make a secondary market in relation to the CLO Securities or investments in Loan Warehouses. There can be no assurance that a secondary market for any CLO Securities or investments in Loan Warehouses will develop or, if a secondary market does develop, that it will provide the holders of CLO Securities or investments in Loan Warehouses with liquidity of investment or that it will continue for the life of such investments. As a result, a Risk Retention Company may have to hold the CLO Securities for an indefinite

period of time or until their early redemption date or maturity date (only assuming that such sale would be permissible for not causing non-compliance with the U.S. Risk Retention Regulations or the European Risk Retention Requirements (as applicable)). Where a market does exist, to the extent that an investor wants to sell the CLO Securities or investments in Loan Warehouses, the price may, or may not, be at a discount from the outstanding principal amount. There may be additional restrictions on divestment in the terms and conditions of the CLO Securities or investments in Loan Warehouses.

Exercise of Rights; Control of Remedies

Many rights under a CLO's transaction documents (including without limitation the right to remove the collateral manager and certain remedies available if an event of default has occurred and is continuing) are exercisable by holders of a specified percentage of the aggregate outstanding principal amount of one or more classes of CLO Securities. The exercise of such rights could be adverse to holders of CLO Securities that do not have the ability to exercise such rights, with respect to removal of the collateral manager and waiver of events constituting "cause" as a basis for termination of the collateral manager, and the failure to exercise a right because holders of a class or a portion of a class must act in concert with one or more other classes to exercise such right and insufficient holders are willing to do so could also be adverse to holders of one or more classes of CLO Securities. When exercising its rights under the CLO transaction documents, a holder has no obligation to take into account the effect on other holders. At any time one or more other affiliated investors hold a significant percentage of the aggregate outstanding principal amount of one or more classes of CLO Securities, it may be more difficult for other investors, including a Risk Retention Company, to take certain actions.

If an event of default occurs in the CLO, in limited circumstances the controlling class or the holders of the CLO Securities will be entitled to direct a liquidation of the collateral obligations owned by the CLO even if all classes of CLO Securities will not be paid in full. The controlling class will also be entitled to determine certain other remedies to be exercised under the CLO transaction documents. If one or more affiliated investors own a majority of the controlling class (or one or more classes of CLO Securities), they would be able to direct, or block the exercise of remedies. Remedies pursued by any class could be adverse to the interests of other classes and holders will have no obligation under the CLO transaction documents to consider any possible adverse effect on such other interests. The holders of CLO Income Notes will not be able to exercise any remedies following a CLO event of default and will not receive payments pursuant to the CLO priority of payments until the CLO Securities are paid in full.

The CLO Securities may be subject to early redemption, refinancing and/or re-pricing

The CLO Securities will be subject to optional redemption (including via refinancing), tax redemption, mandatory redemption, clean-up call redemption, special redemption and, in the case of certain classes, re-pricing, typically at the direction of holders of a majority of the CLO Income Notes. Any such redemption or re-pricing may result in a shorter term investment than an investor in CLO Securities such as a Risk Retention Company may have anticipated and there can be no assurance that such Risk Retention Company would be able find suitable investments with comparable yields or maturity in which to invest the proceeds.

A redemption of the CLO Securities could require the CLO collateral manager to liquidate positions more rapidly than might otherwise be desirable, which could adversely affect the realised value of the collateral obligations sold by the CLO. There can be no assurance that, upon any such redemption, available funds would permit any distribution on the CLO Income Notes after all required payments are made to the holders of other CLO Securities and for the payment of fees and expenses.

The CLO reinvestment period may terminate earlier than expected

The CLO reinvestment period may terminate earlier than scheduled, including: (i) on any date on which the maturity of any class of CLO Securities is accelerated following a CLO event of default; (ii) if the CLO collateral manager reasonably determines that it can no longer reinvest in additional collateral obligations in accordance with the CLO transaction documents; and (iii) the date of an optional redemption of all the CLO Securities. Such early termination of the CLO reinvestment period may shorten the expected lives of the other CLO Securities and could adversely affect returns on the CLO Retention Income Notes.

Floating rate CLO Securities may be affected by changes in LIBOR or EURIBOR

The interest rate on each class of CLO Securities is likely to be based upon LIBOR or EURIBOR and therefore may fluctuate from one interest accrual period to another in response to changes in LIBOR or EURIBOR (as applicable). From time to time, LIBOR and EURIBOR have experienced historically high volatility and significant fluctuations. Changes in LIBOR or EURIBOR (as applicable) will affect the amount of interest payable on the floating rate CLO Securities, the trading price of the CLO Securities and the yield on the CLO Income Notes, but it is impossible to predict whether such levels will rise or fall.

LIBOR and EURIBOR Reform

Concerns have been raised by a number of regulators that some of the member banks surveyed by the British Bankers' Association (the "**BBA**") in connection with the calculation of the London interbank offered rate ("**LIBOR**") across a range of maturities and currencies may have been manipulating the inter-bank lending rate. There have also been allegations that member banks may have manipulated EURIBOR and other inter-bank lending rates. If manipulation of EURIBOR or LIBOR or another inter-bank lending rate occurred, it may have resulted in that rate being artificially lower (or higher) than it would otherwise have been.

A review of LIBOR was conducted at the request of the UK Government, following which a number of recommendations for changes with respect to LIBOR including the introduction of statutory regulation of LIBOR, replacing the BBA as administrator of LIBOR with an independent administrator, changes to the method of compilation of lending rates and new regulatory oversight and enforcement mechanisms for rate-setting and reduction in the number of currencies and tenors for which LIBOR is published. As of 1 February 2014, ICE Benchmark Administration Limited (the "**IBA**") replaced the BBA as administrator of LIBOR. It is anticipated that a reform of EURIBOR will be implemented also, which may (but will not necessarily) be in a similar fashion. Accordingly, EURIBOR calculation and publication could be altered, suspended or discontinued. It is not possible to predict the effect of any changes in the methods pursuant to which the LIBOR and/or EURIBOR rates are determined and any other reforms to LIBOR and/or EURIBOR that will be enacted in the UK and elsewhere. Any such changes or reforms to LIBOR and/or EURIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR and/or EURIBOR rates, which could have an adverse impact on the value of CLO Securities and any payments linked to LIBOR and/or EURIBOR thereunder.

The IBA as a new administrator of LIBOR and/or any new administrator of EURIBOR may make methodological changes that could change the level of LIBOR or EURIBOR, which in turn may adversely affect the value of the floating rate collateral obligations. The IBA as a new administrator of LIBOR or any new administrator of EURIBOR may also alter, discontinue or suspend calculation or dissemination of LIBOR or EURIBOR. Neither the IBA nor any administrator of LIBOR or EURIBOR will have any obligation to any investor in respect of any floating rate loans or bonds. The IBA or any administrator of EURIBOR may take any actions in respect of LIBOR or EURIBOR without regard to the interests of any investor in CLO Securities, and any of these actions could have an adverse effect on the value of CLO Securities.

The proposals to reform LIBOR in the UK also include compelling more banks to provide LIBOR submissions, and basing these submissions on actual transaction data. This may cause LIBOR to be more volatile than it has been in the past, which may adversely affect the value of the floating rate loans and bonds. It is uncertain if such changes will be made to LIBOR and if so whether corresponding changes will be made to EURIBOR.

If any proposed changes when implemented change the way in which LIBOR or EURIBOR is calculated with respect to floating rate loans and bonds, this could result in the rate of interest being lower than anticipated, which would adversely affect the value of CLO Securities. However, any proposed changes, if implemented, may also result in the rate of interest being higher than anticipated, which could therefore increase payments on loans, bonds and therefore the CLO Securities. This could result in a decrease in the amounts available to be paid to the CLO Income Notes. As the substantial majority of the interest payments due on a CLO asset are expected to be calculated based upon EURIBOR or LIBOR and the CLO Securities are likely to pay interest based upon EURIBOR or LIBOR, an inaccurate EURIBOR or LIBOR setting could have adverse effects on the CLO and/or the holders of loans, bonds or CLO Securities. Furthermore, questions surrounding the integrity in the process for determining EURIBOR or LIBOR may have other unforeseen consequences, including potential litigation against banks and/or obligors on loans, which could

result in a material and adverse effect on the CLO or the holders of the CLO Securities. Investors should consider these recent developments when making their investment decision.

European Market Infrastructure Regulation EU 648/2012 ("EMIR")

EMIR and its corresponding regulations impose certain obligations on parties to OTC derivative contracts according to whether they are "financial counterparties", such as European investment firms, alternative investment funds, credit institutions and insurance companies, or other entities such as "non-financial counterparties" or third country entities equivalent to "financial counterparties" or "non-financial counterparties".

Financial counterparties will be subject to a general obligation (the "**clearing obligation**") to clear all "eligible" OTC derivative contracts entered into with other counterparties subject to the clearing obligation through a duly authorised or recognised central counterparty. They must also report the details of all derivative contracts to a trade repository (the "**reporting obligation**") and in general undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty, including complying with requirements related to timely confirmation of terms, portfolio reconciliation, dispute resolution, daily valuation and margin collection (together, the "**risk mitigation obligations**").

Non-financial counterparties are subject to the reporting obligation and certain of the risk mitigation obligations, but are not subject to the clearing obligation unless the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial entities in its "group", excluding eligible hedging transactions, exceed certain thresholds. If a Risk Retention Company is considered to be a member of such a "group" and if the aggregate notional value of OTC derivative contracts entered into by such Risk Retention Company and any non-financial entities within such group exceeds the applicable threshold, such Risk Retention Company would be subject to the clearing obligation, or if the relevant contract is not a type required to be cleared, to the risk mitigation obligations, including the margin collection requirement.

The clearing obligation does not yet apply, but will gradually be phased in for certain types of interest rate OTC derivative contracts (denominated in Pounds Sterling, Euro, U.S. Dollar and Japanese Yen) over the next three years dependent on the categorisation of a counterparty to an OTC derivative contract. In addition, the European Securities and Markets Authority's ("**ESMA**") final version of regulatory technical standards implementing the clearing obligation for certain additional classes of interest rate OTC derivatives (denominated in Norwegian Krone, Polish Zloty and Swedish Krona) was published on 10 November 2015 and has been submitted to the European Commission for endorsement (the "**Additional Currencies RTS**"). The Additional Currencies RTS is still subject to a legislative approval process and as such, it is not certain when the Additional Currencies RTS will become effective or whether it will be amended. Key details as to how the clearing obligation may apply to other classes of OTC derivatives remain to be clarified via corresponding technical standards.

The clearing obligation may, in certain circumstances, also apply to swap arrangements entered into prior to the relevant future effective date, although the European delegated regulation relating to the clearing obligation contemplates that this will not be the case for swap contracts entered into by non-financial counterparties which are not Alternative Investment Funds. The margin collection requirements do not yet apply, although it is likely that they will be phased in from 1 September 2016. As such, the exact timing for their implementation and whether such requirements will affect entities such as Risk Retention Companies is currently uncertain. Regulatory technical standards have been published in draft form only and are yet to be finalised. The margin collection requirements are expected to apply in respect of new swap arrangements entered into from the relevant future effective dates.

Whilst the hedge transactions which a Risk Retention Company may enter into are expected to be treated as hedging transactions and deducted from the total in assessing the notional value of OTC derivative contracts entered by a Risk Retention Company and/or non-financial entities within its "group", there is currently no certainty as to whether the relevant regulators will share this view.

Therefore, if a Risk Retention Company becomes subject to the clearing obligation or the margin collection requirements, it is unlikely that it would be able to comply with such requirements, which would adversely affect such Risk Retention Company's ability to enter into hedge transactions or significantly increase the cost thereof. As a result of such increased costs, additional regulatory requirements and potential limitations

on the ability of a Risk Retention Company to hedge interest rate and currency risk, the amounts payable to the Company on the Profit Participating Notes may be negatively affected.

The laws of some jurisdictions other than the European Union, including the United States, also impose a clearing obligation. Accordingly, even in circumstances where a Risk Retention Company is exempt from the clearing obligation under the laws of the European Union, such an obligation may be imposed by the laws of such other jurisdictions.

The EU Bank Recovery and Resolution Directive

The EU Bank Recovery and Resolution Directive (2014/59/EU) (collectively with secondary and implementing EU rules, and national implementing legislation, the "**BRRD**") equips national authorities in a member country of the EU (an "**EU member state**") (the "**Resolution Authorities**") with tools and powers for preparatory and preventive measures, early supervisory intervention and resolution of credit institutions and significant investment firms (collectively, "**relevant institutions**"). If a relevant institution enters into an arrangement with a CLO issuer and is deemed likely to fail in the circumstances identified in the BRRD, the relevant Resolution Authority may employ such tools and powers in order to intervene in the relevant institution's failure (including in the case of derivatives transactions, powers to close-out such transactions or suspend any rights to close-out such transactions). In particular, liabilities of relevant institutions arising out of a CLO's transaction documents or underlying instruments (for example, liabilities arising under participations or provisions in underlying instruments requiring lenders to share amounts) not otherwise subject to an exception, could be subject to the exercise of "bail-in" powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to "bail-in" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, CLO issuers may not be able to recover any liabilities owed to them by such an entity which may in turn materially and adversely affect the performance of the Risk Retention Companies' investments and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU member states. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

The Risk Retention Companies will be unable to liquidate, sell, hedge or otherwise mitigate their credit risk under or associated with the CLO Retention Securities or CLO Retention Income Notes, as applicable, except to the extent permitted by the European Risk Retention Requirements or the U.S. Risk Retention Regulations (as applicable), which places limitations on the ability of LuxCo, the Company's wholly owned subsidiary, to redeem the Profit Participating Notes

The European CLOs in which Risk Retention Companies may invest are intended to be compliant with the European risk retention requirements for securitisation transactions, namely Part Five of Regulation No 575/2013 of the European Parliament and of the Council (the "**CRR**") as amended from time to time and including any guidance or any technical standards published in relation thereto, Article 51 of Regulation (EU) No 231/2013 as amended from time to time and Article 17 of the AIFMD, as implemented by Section 5 of Chapter III of the European Union Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012, supplementing the AIFMD and the risk retention requirements and due diligence requirements set out in Article 254 and Article 256 of Chapter VIII of Commission Delegated Regulation (EU) 2015/35 which came into force on 18 January 2015, as amended from time to time, including any guidance published in relation thereto and any implementing laws or regulations in force in any Member State of the European Union (together the "**European Risk Retention Requirements**"). In connection with this intention, a Risk Retention Company will need to, amongst other things: (i) on the closing date of a CLO, commit to purchase: (a) an amount of the CLO Income Notes equal to at least 5 per cent. of the maximum portfolio principal amount of the assets in the CLO (the "**CLO Retention Income Notes**"); or (b) an amount of the CLO Securities of no less than 5 per cent. of the nominal value of each of the tranches sold or transferred to investors of the CLO (the "**CLO Retention Securities**"); and (ii) undertake that, for so long as any securities of the CLO remain outstanding (including the CLO Retention Income Notes or CLO Retention Securities (as applicable)), it will retain its interest in the CLO Retention Income Notes or CLO Retention Securities (as applicable) and will not (except to the extent permitted by the European Risk Retention Requirements) sell, hedge or otherwise mitigate its credit risk under or associated with such CLO Retention Income Notes or

CLO Retention Securities (as applicable). A Risk Retention Company may make certain representations and/or give certain undertakings in favour of Risk Retention Company CLOs (and/or certain other transaction parties) in respect of its ongoing retention of the CLO Retention Income Notes or CLO Retention Securities (as applicable) and regarding its agreement to sell certain assets to such Risk Retention Company CLO from time to time. There are currently transactions in the market which are similar to the Risk Retention Company CLOs; however, if an applicable regulatory authority supervising investors in a Risk Retention Company CLO were to conclude that the Risk Retention Company was not holding the CLO Retention Income Notes or CLO Retention Securities (as applicable) in accordance with the European Risk Retention Requirements, it is possible, but far from certain, that this may negatively impact upon the investors in such Risk Retention Company CLO. If such investors decided to take action against the Risk Retention Company as a result of any negative impact, this may have an adverse effect on the Risk Retention Company's business and financial position and, by extension, may have an adverse effect on the Company's financial performance and prospects.

In addition, with the intention of achieving classification as an "originator" (as defined in the CRR) and complying with the European Risk Retention Requirements, a Risk Retention Company investing in European CLOs intended to be compliant with European Risk Retention Requirements will be required to commit to: (i) establishing the relevant CLO; (ii) selling investments to the relevant CLO which it has: (a) purchased for its own account initially; or (b) itself or through related entities, directly or indirectly, been involved in the original agreement which created such obligations; and (iii) during each relevant CLO's reinvestment period agreeing to sell investments to the relevant CLO from time to time so that, for so long as the securities of the CLO are outstanding, the required percentage of the total securitised exposures held by the CLO issuer have come from the Risk Retention Company (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any Risk Retention Company sourced assets).

Where Risk Retention Companies hold CLO Retention Securities or CLO Retention Income Notes and the relevant CLO is intended to be compliant with the European Risk Retention Requirements, the relevant Risk Retention Company will be unable (except to the extent permitted by the European Risk Retention Requirements) to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Income Notes or CLO Retention Securities until such time as the securities of the relevant CLO have been redeemed in full (whether at final maturity or early redemption), which places limitations on the ability of LuxCo, the Company's wholly owned subsidiary, to redeem the Profit Participating Notes. Consequently, in the case of BGCF, if the EU Profit Participating Notes or U.S. Profit Participating Notes were to become due and repayable in connection with an early redemption or were subject to partial-redemption, BGCF will not be obliged under the terms of the EU Profit Participating Notes, the U.S. Profit Participating Notes, the agreement entered into between *inter alia* the Company and BGCF dated 1 July 2014 (as amended) (the "**EU NPA**") or the agreement to be entered into between *inter alia* the Company and BGCF (the "**U.S. NPA**") (as applicable) to immediately sell, transfer or liquidate the CLO Retention Income Notes or the CLO Retention Securities and the proceeds of such CLO Retention Income Notes or the CLO Retention Securities (if any) will not be available until the final maturity or early redemption in full of the securities of the relevant CLO. In addition, cash held by BGCF will not be able to be used to repay the EU Profit Participating Notes or the U.S. Profit Participating Notes to the extent that such repayment could leave BGCF unable to continue to originate and sell assets to the CLO issuers in order to ensure, during the relevant CLO's reinvestment period, that it has provided the required percentage of the total securitised exposures of each CLO issuer (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any BGCF sourced assets).

Where BGCF holds CLO Retention Income Notes in a European Risk Retention Company CLO, BGCF will hold a controlling equity stake in such CLO; accordingly upon exercise by BGCF, an early redemption option will result in a full redemption of the applicable CLO securities. BGCF will generally not be able to exercise any early redemption options until two years from the closing date of the CLO. As a result of this feature and the European Risk Retention Requirements, the relevant CLO Retention Income Notes will not be permitted to be sold, transferred or liquidated during this time. In addition, even after an early redemption option is permitted to be exercised, such an option usually contains a number of conditions to its exercise including, but not limited to, a threshold that the liquidation value of the CLO collateral exceed an amount which would pay: (i) all expenses of the CLO; and (ii) principal and accrued interest on the CLO notes senior to the CLO Income Notes. If the liquidation value of the portfolio will not achieve this threshold at the time BGCF intends to exercise its early redemption option, the CLO will not be able to be optionally redeemed by BGCF at such time. In such circumstances the CLO Retention Income Notes may not redeem until their final stated maturity (which may be in excess of 20 years), therefore producing no proceeds to repay the

Profit Participating Notes until this point. See further the risk factor titled "The Profit Participating Notes issued by BGCF and held by LuxCo, the Company's wholly owned subsidiary, have limited liquidity".

The Company may invest in CLOs which are intended to be compliant with the U.S. Risk Retention Regulations including by virtue of the Risk Retention Companies retaining CLO Retention Securities and/or CLO Retention Income Notes. In connection with this intention, the applicable retention holder would have to, among other things: (i) on the closing date of a CLO, purchase either: (a) CLO Retention Income Notes representing at least 5 per cent. of the credit risk relating to the assets collateralising the CLO; or (b) CLO Retention Securities representing at least 5 per cent. of the principal amount of each class of CLO Securities issued; and (ii) undertake that, until at least the U.S. Risk Retention Hedging Prohibition End Date, it will retain its interest in the CLO Retention Securities or CLO Retention Income Notes and will not (except to the extent permitted by the U.S. Risk Retention Regulations) sell, hedge or otherwise mitigate its credit risk under or associated with such CLO Retention Securities or CLO Retention Income Notes. Such purchase and retention of CLO Retention Securities or CLO Retention Income Notes would need to be undertaken by the applicable retention holder either in its capacity as the collateral manager of the relevant CLO or as a majority-owned affiliate of the collateral manager of such CLO. The applicable retention holder may be required to make certain representations and/or give certain undertakings in favour of new CLOs (and/or certain other transaction parties) in respect of its ongoing retention of the CLO Retention Securities or CLO Retention Income Notes.

Where the Risk Retention Companies hold CLO Retention Securities or CLO Retention Income Notes and the relevant CLO is intended to be compliant only with the U.S. Risk Retention Regulations, the relevant Risk Retention Company will be unable (except to the extent permitted by the U.S. Risk Retention Regulations) to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Securities or CLO Retention Income Notes, as applicable, until the U.S. Risk Retention Hedging Prohibition End Date. Consequently, if the Company has exposure to the applicable risk retention holder and such investment was to become due and repayable in connection with an early redemption or were subject to partial-redemption, the risk retention holder will not be obliged under the terms of the relevant investment instruments to immediately sell, transfer or liquidate the CLO Retention Securities or CLO Retention Income Notes, and the proceeds of such CLO Retention Securities or CLO Retention Income Notes (if any) will not be available until a later time.

Relevant investors are required to independently assess and determine the sufficiency of the information described herein for the purposes of complying with any relevant requirements and none of GSO or its affiliates makes any representation that the information described therein is sufficient in all circumstances for such purposes or any other purpose or that the structure of the Risk Retention Company CLOs, the Risk Retention Companies (including their holding of the CLO Retention Income Notes or CLO Retention Securities) and the transactions described herein are compliant with the European Risk Retention Requirements and/or U.S. Risk Retention Regulations described herein or any other applicable legal or regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions or structure contemplated hereby to comply with or otherwise satisfy such requirements. Without limiting the foregoing, investors should be aware that at this time, save for the EBA Report described below, the EU authorities have not published any binding guidance relating to the satisfaction of the European Risk Retention Requirements by institutions similar to the Risk Retention Companies including in the context of a transaction involving a separate collateral manager. Furthermore, the European Banking Authority's or any other applicable regulator's views with regard to the European Risk Retention Requirements and/or the U.S. Risk Retention Regulations may not be based exclusively on technical standards, guidance or other information known at this time.

In relation to compliance with the European Risk Retention Requirements, it should be noted that the European Commission published legislative proposals on 30 September 2015 for two new regulations related to securitisation. Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by BCBS and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are differences between the legislative proposals and the current requirements, including with respect to the application approach under the European Risk Retention Requirements and in relation to the originator entities which are eligible to retain the required interest.

In particular, investors should note that the European Banking Authority published a report on 22 December 2014 (the "**EBA Report**"). In the EBA Report the European Banking Authority recommended that the definition of "originator" should be narrowed in order to avoid potential abuses. In response, the abovementioned legislative proposals seek to implement the European Banking Authority's recommendation. These proposals include a provision which would restrict an entity from being an "originator" (as defined in the legislative proposals) for risk retention purposes if it has been established or operates "for the sole purpose of securitising exposures". The explanatory memorandum published in conjunction with the legislative proposals indicates that the provision relating to originators is intended to restrict retention by an entity if it has been established as a dedicated shelf entity for the sole purpose of securitising exposures and lacks a broad business purpose, providing the example of an entity which does not have the capacity to meet a payment obligation from resources not related to the exposures being securitised. In this regard investors should note that BGCF currently makes the following representations in any CLOs in which it holds the retention piece: "(i) it is not an entity that has been established or that operates for the sole purpose of securitising exposures; and (ii) it has the capacity to meet a payment obligation from resources not related to the exposures it securitises".

It is not clear whether, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted. In particular, the proposed restriction in relation to originators may be adopted in a different form to that currently proposed and/or other changes to the risk retention requirements (including to the technical standards) applicable to securitisations such as this transaction and any affected investors may be made through the political negotiation process and adopted. The compliance position under any adopted and potentially revised requirements of transactions entered into, and of activities undertaken by a party (including an investor), prior to (and, in certain circumstances, on and after) adoption is uncertain. There can be no assurances as to whether the transactions described herein and any investors in the Notes will be affected, if at all, by any change which may be adopted in any final law or regulation (including any regulatory technical standards) relating to the European Risk Retention Requirements.

Potential non-compliance with or changes to the European Risk Retention Requirements and the U.S. Risk Retention Regulations

The purchase and retention of the CLO Retention Income Notes or CLO Retention Securities in a CLO will be undertaken by BGCF or the other Risk Retention Companies with the intention of achieving compliance with the European Risk Retention Requirements and/or the U.S. Risk Retention Regulations (as applicable) by the relevant CLO.

The European Risk Retention Requirements and/or the U.S. Risk Retention Regulations may be amended, supplemented or revoked from time to time. There is no guarantee that existing CLOs will be grandfathered into the regime which results from such amendments, supplements or revocations and, as such, the CLOs in which BGCF or other Risk Retention Company is retaining the CLO Retention Income Notes or CLO Retention Securities, may become non-compliant with the European Risk Retention Requirements and/or the U.S. Risk Retention Regulations.

Potential non-compliance with or changes to the U.S. Risk Retention Regulations

On 21 and 22 October 2014, the joint final regulations implementing the credit risk retention requirements of section 15G of the U.S. Exchange Act as added by the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**U.S. Risk Retention Regulations**") were adopted and will become effective with respect to CLOs on 24 December 2016 (the "**U.S. Risk Retention Regulations Effective Date**"). The U.S. Risk Retention Regulations generally require "sponsors" of securitisation transactions, including collateral managers of CLOs, or their "majority-owned affiliates" (each as defined in the U.S. Risk Retention Regulations) to retain not less than 5 per cent. of the credit risk of the assets collateralising such securitisation transactions unless an exemption applies. The U.S. Risk Retention Regulations are applicable to asset-backed securities, including CLOs, issued on or after the U.S. Risk Retention Regulations Effective Date.

While the U.S. MOA has been structured to comply with the definition of "majority-owned affiliate" set forth in the U.S. Risk Retention Regulations, U.S. regulators have made many statements regarding the U.S. Risk Retention Regulations generally and the definition of U.S. MOA specifically that may be difficult to reconcile with the text of the definition. Moreover, the U.S. Risk Retention Regulations are new and are not even yet in effect, and, accordingly, there are no judicial decisions, and limited other guidance, with which to gain clarity on how to interpret them. In addition, the U.S. Risk Retention Regulations may be amended,

supplemented or revoked, or their interpretation may change, from time to time. There is no guarantee that existing CLOs will be grandfathered into the regime which results from such amendments, supplements or revocations or re-interpretation and, as such, CLOs which were intended to be compliant with the U.S. Risk Retention Regulations at the time they were issued may become, or be determined to be, non-compliant with the U.S. Risk Retention Regulations. The U.S. Risk Retention Regulations also include additional disclosure and other requirements that would need to be satisfied by the relevant risk retention holder or (if it is a different entity) the collateral manager of the CLO on or prior to the date of issuance of the CLO Securities. If an applicable regulatory authority were to conclude that the relevant risk retention holder was not holding the CLO Retention Securities or CLO Retention Income Notes in accordance with the U.S. Risk Retention Regulations or that the additional disclosure and other requirements of the U.S. Risk Retention Regulations were not complied with, this could result in regulatory action taken against the risk retention holder as well as liability on the part of the risk retention holder to the CLOs and their investors. If the Company has invested in such risk retention holder, any such action may have an adverse effect on the Company's financial performance and prospects. Any failure by the U.S. MOA to qualify as a "majority-owned affiliate" for purposes of the U.S. Risk Retention Regulations, or any failure by the business of the U.S. MOA as currently contemplated to be determined to be in compliance with the U.S. Risk Retention Regulations, would adversely affect the business of the U.S. MOA, perhaps significantly.

The U.S. Risk Retention Regulations may also have other adverse effects on the market for CLO Securities prior to the U.S. Risk Retention Regulations Effective Date. It is possible that the U.S. Risk Retention Regulations may reduce the number of collateral managers active in the CLO market, which may result in fewer new-issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the leveraged loan market could reduce opportunities for collateral managers of CLOs to sell collateral obligations or to invest in collateral obligations when they believe it is in the interest of the relevant CLO issuer to do so, including after the U.S. Risk Retention Regulations Effective Date. If the Company were to become exposed to a risk retention holder in relation to a CLO intending to be compliant with the U.S. Risk Retention Regulations, such a contraction may adversely affect the Company's ability to pursue its commercial objectives. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Regulations will have any material adverse effect on the business, financial condition or prospects of collateral managers of CLOs that issue securities prior to the U.S. Risk Retention Regulations Effective Date, including DFME, DFM and their affiliates.

Liability for breach of a risk retention letter

The arranger and certain other parties of a CLO in which a Risk Retention Company agrees to hold the CLO Retention Income Notes or CLO Retention Securities will require such a Risk Retention Company to execute a risk retention letter. Under a risk retention letter a Risk Retention Company will typically be required to, amongst other things, make certain representations, warranties and undertakings: (i) in relation to its acquisition and retention of the CLO Retention Income Notes or CLO Retention Securities (as applicable) for the life of the CLO (or, in the case of CLOs intended to be compliant only with the U.S. Risk Retention Regulations, the U.S. Risk Retention Hedging Prohibition End Date); and (ii) regarding its agreement to sell assets to the relevant CLO from time to time.

If the Risk Retention Company sells or is forced to sell the CLO Retention Income Notes or CLO Retention Securities (as applicable) prior to the maturity of the relevant CLO, or, in the case of BGCF CLOs, BGCF holds insufficient cash or investments to continually sell the assets to the CLO as described above or for any other reason BGCF is not considered to be an "originator" (as such term is defined in the CRR), the Risk Retention Company may be in breach of the terms of the related risk retention letter. In such circumstances the arranger of the relevant CLO and the other parties to the related risk retention letter would have recourse to the Risk Retention Company for losses incurred as a result of such breach. Such claims may reduce, or entirely diminish any cash or assets of the Risk Retention Company which may have been available to repay the Profit Participating Notes and the interest payable on the Profit Participating Notes.

If the Company were to become exposed to a Risk Retention Company investing in a CLO intending to be compliant with the U.S. Risk Retention Regulations, such a Risk Retention Company may be required to execute a comparable letter and will therefore be subject to comparable risks.

Where a Risk Retention Company enters into retention financing arrangements with respect to CLO Retention Securities, if such arrangements are enforced by the lender(s), the CLO Retention Securities and other assets of the Risk Retention Company may be appropriated, potentially leading to the relevant CLO being non-compliant with the applicable risk retention requirements and a reduction in the level of assets of the Risk Retention Company

A Risk Retention Company may enter into financing arrangements with respect to CLO Retention Securities. Should such Risk Retention Company default in the performance of its obligations under such financing arrangements, the lender(s) will have the right to enforce any security granted by the Risk Retention Company including effecting the sale of some or all of the CLO Retention Securities. In carrying out such sales, such lender(s) will not be required to have regard to the retention requirements applicable to the Risk Retention Company and the relevant CLO and any such sale may therefore cause the CLO or its managers to become non-compliant with the applicable retention requirements. This could materially and adversely affect the performance of the Risk Retention Company and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In addition, the financing arrangements for the CLO Retention Securities will be provided to the Risk Retention Company on a full recourse basis. Should the Risk Retention Company default in the performance of its obligations under such financing arrangements, the lender(s) may have a right of recourse over certain other assets of the Risk Retention Company (in addition to the recourse described above over the CLO Retention Securities). Such recourse could materially and adversely affect the performance of the Risk Retention Company and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The Risk Retention Companies may need to sell CLO Retention Income Notes or CLO Retention Securities below market value

A Risk Retention Company may be contractually obligated to transfer CLO Retention Securities or CLO Retention Income Notes in the event it acts as, and is replaced as, collateral manager of a CLO. The terms of such transfer may not reflect the market price of the CLO Retention Securities or CLO Retention Income Notes at such time.

RISK RELATING TO INVESTMENTS IN LOANS AND BONDS

Nature of the loans and bonds

The CLOs in which a Risk Retention Company invests ("**Risk Retention Company CLOs**") will commonly invest in a portfolio of loans and bonds consisting at the time of acquisition of predominantly senior secured obligations, unsecured senior loans, second lien loans, mezzanine obligations and high yield bonds, as well as certain other investments, all of which will have greater credit and liquidity risk than investment grade sovereign or corporate bonds or loans. Risk Retention Companies may also invest directly in such types of collateral. Collateral of the nature held by a Risk Retention Company CLO or invested in by the Risk Retention Company is subject to credit, liquidity, interest rate and exchange rate risks.

The lower rating of below investment grade collateral reflects a greater possibility that adverse changes in the financial condition of an obligor or in general economic conditions or both may impair the ability of the relevant obligor, as the case may be, to make payments of principal or interest. Such investments may be speculative.

Due to the fact that CLO Income Notes represent a leveraged investment in the underlying collateral obligations of the CLO, it is anticipated that changes in the market value of the CLO Income Notes will be greater than changes in the market value of the underlying collateral obligations.

The offering of the CLO Securities is commonly structured so that the CLO Securities are assumed to be able to withstand certain assumed losses relating to defaults on the underlying collateral obligations. There is no assurance that actual losses will not exceed such assumed losses. If any losses exceed such assumed levels, payments on the CLO Securities could be adversely affected by such defaults. To the extent that a default occurs with respect to any collateral obligation securing the CLO Securities and the CLO issuer sells or otherwise disposes of such collateral obligation, it is likely that the proceeds of such sale or disposition will be less than the unpaid principal and interest thereon.

The financial markets periodically experience substantial fluctuations in prices for obligations of the types that may be held by a CLO issuer or the Risk Retention Companies directly and limited liquidity for such obligations exists. No assurance can be made that the conditions giving rise to such price fluctuations and limited liquidity will not occur, subsist or become more acute in due course. During periods of limited liquidity and higher price volatility, the ability of the CLO Manager (on behalf of the CLO issuer) or the Risk Retention Companies to acquire or dispose of collateral obligations at a price and time that the CLO Manager or a Risk Retention Company deems advantageous may be impaired. As a result, in periods of rising market prices, the CLO issuer or a Risk Retention Company (as applicable) may be unable to participate in price increases fully to the extent that it is either unable to dispose of collateral obligations whose prices have risen or to acquire collateral obligations whose prices are on the increase; the CLO Manager's or Risk Retention Company's inability to dispose fully and promptly of positions in declining markets will conversely cause its Net Asset Value to decline as the value of unsold positions is marked to lower prices. A decrease in the market value of the collateral obligations would also adversely affect the proceeds of sale that could be obtained upon the sale of the collateral obligations and could ultimately affect the ability of the CLO issuer to pay in full or redeem the CLO Securities or, in the case of a Risk Retention Company, to redeem the Profit Participating Notes. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such collateral obligations at any time, or that the proceeds of any such sale or disposition would be sufficient to repay a corresponding par amount of principal of and interest on the CLO Securities or the Profit Participating Notes. Moreover, there can be no assurance as to the amount or timing of any recoveries received in respect of loans or bonds that have defaulted.

Characteristics and Risk of the portfolio of the Risk Retention Companies and/or the Risk Retention Company CLOs

The collateral in the Risk Retention Company's portfolio and/or the portfolio of the Risk Retention Company CLOs will be subject to credit, liquidity, interest rate and exchange rate risks. The portfolios may be comprised of secured senior obligations (which may consist of secured senior loans and/or secured senior notes), unsecured senior loans, second lien loans, mezzanine obligations and high yield bonds lent to or issued by a variety of obligors which are primarily rated below investment grade.

Investors in the Company should be aware that the amount and timing of payment of the principal and interest on the collateral obligations forming part of the Risk Retention Company's portfolio or the portfolio of a Risk Retention Company CLO will depend upon the detailed terms of the documentation relating to each of the collateral obligations and on whether or not any obligor thereunder defaults in its obligations.

Characteristics of senior obligations, mezzanine obligations and high yield bonds

Senior obligations, mezzanine obligations and high yield bonds (in which a Risk Retention Company or a Risk Retention Company CLO may invest) are of a type generally incurred by the obligors thereunder in connection with highly leveraged transactions, often (although not exclusively) to finance internal growth, pay dividends or other distributions to the equity holders in the obligor, or finance acquisitions, mergers, and/or stock purchases. As a result of the additional debt incurred by the obligor in the course of such a transaction, the obligor's creditworthiness is typically judged by the rating agencies to be below investment grade. Secured senior obligations, unsecured senior loans and, in some but not all cases, high yield bonds are typically at the most senior level of the capital structure with the security claim in respect of second lien loans being subordinated thereto and mezzanine obligations being subordinated to any other senior obligations or to any other senior debt of the obligor. High yield bonds may represent a senior or subordinated claim, both in respect of security and of ranking of the debt claim represented thereby. Secured senior obligations and (to a lesser extent) high yield bonds are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the obligor and its subsidiaries and any applicable associated liens relating thereto. In continental Europe, security is often limited to shares in certain group companies, accounts receivable, bank account balances and intellectual property rights. Senior obligations may be in the form of loans or a security, which may present different risks and concerns. Mezzanine obligations may have the benefit of a second priority charge over such assets. Unsecured senior loans do not have the benefit of such security. Secured senior obligations usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flows, asset dispositions and offerings of debt and/or equity securities.

Secured senior notes and high yield bonds typically bear interest at a fixed rate. Additionally, secured senior notes and high yield bonds typically contain noteholder collective action clauses permitting specified majorities of noteholders to approve matters which, in a typical secured senior loan, would require unanimous lender consent. The obligor under a secured senior note or high yield bond may therefore be able to amend the terms of the note, including terms as to the amount and timing of payments, with the consent of a specified majority of noteholders, either voting by written resolution or as a majority of those attending and voting at a meeting, and a Risk Retention Company or CLO issuer (as applicable) is unlikely to have a blocking minority position in respect of any such resolution. A CLO Manager may be further restricted by the collateral management agreement from voting on certain matters, particularly extensions of maturity, which may be considered at a noteholder meeting. Consequently, material terms of a secured senior note or high yield bond may be varied without the consent of the CLO issuer.

Mezzanine obligations generally take the form of medium term loans repayable shortly (perhaps six months or one year) after the senior loans of the obligor thereunder are repaid. Because mezzanine obligations are only repayable after the senior debt (and interest payments may be blocked to protect the position of senior debt interest in certain circumstances), it will carry a higher rate of interest to reflect the greater risk of it not being repaid. Due to the greater risk associated with mezzanine obligations as a result of their subordination below senior loans of the obligor, mezzanine lenders may be granted share options, warrants or higher cash paying instruments or payment in kind in the obligor which can be exercised in certain circumstances, principally being immediately prior to the obligor's shares being sold or floated in an initial public offering.

The majority of senior obligations and mezzanine obligations bear interest based on a floating rate index, for example EURIBOR, a certificate of deposit rate, a prime or base rate (each as defined in the applicable underlying instrument) or other index, which may reset daily (as most prime or base rate indices do) or offer the obligor a choice of one, two, three, six, nine or twelve month interest and rate reset periods. The purchaser of an interest in a senior obligation or mezzanine obligation may receive certain syndication or participation fees in connection with its purchase. Other fees payable in respect of a senior obligation or mezzanine obligation, which are separate from interest payments on such loan, may include facility, commitment, amendment and prepayment fees.

Senior obligations and mezzanine obligations also generally provide for restrictive covenants designed to limit the activities of the obligors thereunder in an effort to protect the rights of lenders or noteholders to receive timely payments of interest on, and repayment of, principal of the loans or securities. Such covenants may include restrictions on dividend payments, specific mandatory minimum financial ratios, limits on total debt and other financial tests. A breach of covenant (after giving effect to any cure period) under a senior obligation or mezzanine obligation which is not waived by the lending syndicate normally is an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. However, although any particular senior obligation or mezzanine obligation may share many similar features with other loans, securities and obligations of its type, the actual term of any senior obligation or mezzanine obligation will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees. In addition, collateral obligations in the form of floating rate notes are similar in nature to cov-lite loans and typically do not provide for financial covenants and thus, may result in difficulties in triggering a default.

Limited liquidity, prepayment and default risk in relation to senior obligations, mezzanine obligations and high yield bonds

In order to induce banks and institutional investors to invest in a senior obligation or mezzanine obligation, and to obtain a favourable rate of interest, an obligor under such an obligation often provides the investors therein with extensive information about its business, which is not generally available to the public. Because of the provision of confidential information, the unique and customised nature of the underlying instrument including such senior obligation or mezzanine obligation, and the private syndication of the loan, senior obligations and mezzanine obligations are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to, for example, the high yield bond market. Historically, investors in or lenders under European or U.S. senior obligations, mezzanine obligations and high yield bonds have been predominantly commercial banks and investment banks. The range of investors for such loans and securities has broadened significantly to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and investment managers of trusts or special purpose companies issuing collateralised bond and loan

obligations. As secondary market trading volumes increase, new loans are frequently adopting more standardised documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. This means that such assets will be subject to greater disposal risk in the event that such assets are sold following enforcement of the security over the collateral or otherwise. The European and U.S. market for mezzanine obligations is also generally less liquid than that for senior obligations, resulting in increased disposal risk for such obligations.

Secured senior notes and high yield bonds are generally freely transferrable negotiable instruments (subject to standard selling and transfer restrictions to ensure compliance with applicable law, and subject to minimum denominations) and may be listed and admitted to trading on a regulated or an exchange-regulated market; however, there is currently no liquid market for them to any materially greater extent than there is for secured senior loans. Additionally, as a consequence of the disclosure and transparency requirements associated with any such listing, the information supplied by the obligors to their debtholders may typically be less than would be provided on a secured senior loan.

Increased Risks for Mezzanine Obligations

The fact that mezzanine obligations are generally subordinated to any senior obligation and potentially other indebtedness of the relevant obligor thereunder, may have a longer maturity than such other indebtedness and will generally only have a second ranking security interest over any security granted in respect thereof, increases the risk of non-payment thereunder of such mezzanine obligations in an enforcement situation.

Mezzanine obligations may provide that all or part of the interest accruing thereon will not be paid on a current basis but will be deferred. Mezzanine obligations also generally involve greater credit and liquidity risks than those associated with investment grade corporate obligations and senior obligations. They are often entered into in connection with leveraged acquisitions or recapitalisations in which the obligors thereunder incur a substantially higher amount of indebtedness than the level at which they previously operated and, as referred to above, sit at a subordinated level in the capital structure of such companies.

Mezzanine obligations are likely to be subject to inter-creditor arrangements that may include restrictions on the ability of the holders of the relevant mezzanine obligations from taking independent enforcement action.

Prepayment Risk

Loans are generally pre-payable in whole or in part at any time at the option of the obligor thereof at par plus accrued and unpaid interest thereon. Secured senior notes may include obligor call or prepayment features, with or without a premium or make-whole. Prepayments on loans and bonds (whether held directly or through a CLO) may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans and bonds purchased at a price greater than par may experience a capital loss as a result of such a prepayment.

Defaults and Recoveries

There is limited historical data available as to the levels of defaults and/or recoveries that may be experienced on senior obligations, mezzanine obligations and high yield bonds and no assurance can be given as to the levels of default and/or recoveries that may apply to any senior obligations, mezzanine obligations and high yield bonds purchased by a Risk Retention Company or a CLO issuer. As referred to above, although any particular senior obligation, mezzanine obligation and high yield bond often will share many similar features with other loans, securities and obligations of its type, the actual terms of any particular senior obligation, mezzanine obligation and high yield bond will have been a matter of negotiation and will thus be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on both senior obligations, mezzanine obligations and high yield bonds may also be affected by the different bankruptcy regimes applicable in different jurisdictions, the availability of comprehensive security packages in different jurisdictions and the enforceability of claims against the obligors thereunder.

The effect of an economic downturn on default rates and the ability of finance providers to protect their investment in a default situation is uncertain. Furthermore, the holders of senior obligations, mezzanine obligations and high yield bonds are more diverse than ever before, including not only banks and specialist finance providers but also alternative investment managers, specialist debt and distressed debt investors

and other financial institutions. The increasing diversification of the investor base has also been accompanied by an increase in the use of hedges, swaps and other derivative instruments to protect against or spread the economic risk of defaults. All of these developments may further increase the risk that historic recovery levels will not be realised. The returns on senior obligations, mezzanine obligations and/or high yield bonds therefore may not adequately reflect the risk of future defaults and the ultimate recovery rates.

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become defaulted for a variety of reasons. Upon any collateral obligation becoming defaulted, such obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial change in the interest rate, a substantial write-down of principal, a conversion of some or all of the principal debt into equity, or an extension of its maturity, and a substantial change in the terms, conditions and covenants with respect to such obligation. Junior creditors may find that a restructuring leads to the total eradication of their debt whilst the obligor continues to service more senior tranches of debt on improved terms for the senior lenders. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in uncertainty with respect to the ultimate recovery on such defaulted obligation. Forum shopping for a favourable legal regime for a restructuring is not uncommon, English law schemes of arrangement having become a popular tool for European incorporated companies, even for obligors with little connection to the UK. The liquidity for defaulted obligations may be limited, and to the extent that defaulted obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon.

In some European jurisdictions, obligors or lenders may seek a "scheme of arrangement". In such instance, a lender may be forced by a court to accept restructuring terms. Recoveries on senior obligations, mezzanine obligations and high yield bonds will also be affected by the different bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the obligors thereunder.

Characteristics of Second Lien Loans

A Risk Retention Company or Risk Retention Company CLOs may invest in second lien loans. Such loans will be secured by a pledge of collateral, subordinated (with respect to liquidation preferences with respect to pledged collateral) to other secured obligations of the obligors secured by all or a portion of the collateral securing such secured loan. Second lien loans are typically subject to intercreditor arrangements, the provisions of which may prohibit or restrict the ability of the holder of a second lien loan to: (i) exercise remedies against the collateral with respect to their second liens; (ii) challenge any exercise of remedies against the collateral by the first lien lenders with respect to their first liens; (iii) challenge the enforceability or priority of the first liens on the collateral; and (iv) exercise certain other secured creditor rights, both before and during a bankruptcy of any obligor. In addition, during a bankruptcy of the obligor, the holder of a second lien loan may be required to give advance consent to: (a) any use of cash collateral approved by the first lien creditors; (b) sales of collateral approved by the first lien lenders and the bankruptcy court, so long as the second liens continue to attach to the sale proceeds; and (c) debtor-in-possession financings.

Liens arising by operation of law may take priority over a Risk Retention Company or CLO issuer's (as applicable) liens on an obligor's underlying collateral in connection with a second lien loan and impair a Risk Retention Company or the CLO issuer's recovery on a collateral obligation if a default or foreclosure on that collateral obligation occurs. If the creditor holding a lien exercises its remedies, it is possible that, after such creditor is repaid, sufficient cash proceeds from the underlying collateral will not be available to pay the outstanding principal amount of such collateral obligations.

Characteristics of Unsecured Senior Loans

A Risk Retention Company or Risk Retention Company CLOs may invest in unsecured senior loans. Such loans generally have greater credit, insolvency and liquidity risk than is typically associated with secured obligations. Unsecured senior loans will generally have lower rates of recovery than secured obligations following a default. Also, if the insolvency of an obligor of any unsecured senior loans occurs, the holders of such obligation will be considered general, unsecured creditors of the obligor and will have fewer rights than secured creditors of the obligor.

Investing in Cov-Lite Loans involves certain risks

A Risk Retention Company or Risk Retention Company CLOs may invest in cov-lite loans. Such loans typically do not have maintenance covenants, they usually have incurrence covenants in the same manner as a high yield bond. Ownership of cov-lite loans may expose a Risk Retention Company or the CLO issuer (as applicable) to greater risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have maintenance covenants. In addition, the lack of maintenance covenants may make it more difficult to trigger a default in respect of such collateral obligations. This makes it more likely that any default will only arise under a cov-lite loan at a stage where the relevant obligor is in a greater degree of financial distress. Such a delay may make any successful restructuring more difficult to achieve and/or result in a greater reduction in the value of the cov-lite loans as a consequence of any restructuring effected in such circumstances.

Characteristics of high yield bonds

Some high yield bonds are unsecured, may be subordinated to other obligations of the applicable obligor and may involve greater credit and liquidity risks than those associated with investment grade corporate obligations. They are often issued in connection with leveraged acquisitions or recapitalisations in which the obligors thereunder incur a substantially higher amount of indebtedness than the level at which they previously operated.

High yield bonds have historically experienced greater default rates than investment grade securities. Although several studies have been made of historical default rates in the U.S. high yield market, such studies do not necessarily provide a basis for drawing definitive conclusions with respect to default rates and, in any event, do not necessarily provide a basis for predicting future default rates in either the European or the U.S. high yield markets.

The lower rating of securities in the high yield sector reflects a greater possibility that adverse changes in the financial condition of an issuer thereof, or in general economic conditions (including a sustained period of rising interest rates or an economic downturn), or both, may affect the ability of such issuer to make payments of principal and interest on its debt. Many issuers of high yield bonds are highly leveraged, and specific developments affecting such issuers, including reduced cash flow from operations or inability to refinance debt at maturity, may also adversely affect such issuers' ability to meet their debt service obligations. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on the high yield bonds in the portfolio of a Risk Retention Company or a Risk Retention Company CLO.

Some European high yield bonds are subordinated structurally, as opposed to contractually, to senior secured debtholders. Structural subordination is when a high yield security investor lends to a holding company whose primary asset is ownership of a cash-generating operating company or companies. The debt investment of the high yield investor is serviced by passing the revenues and tangible assets from the operating companies upstream through the holding company (which typically has no revenue-generating capacity of its own) to the security holders. In the absence of upstream guarantees from operating or asset owning companies in the group, such a process may leave the high yield bond investors deeply subordinated to secured and unsecured creditors of the operating companies and means that investors therein will not necessarily have access to the same security package as the senior lenders (even on a second priority charge basis) or be able to participate directly in insolvency proceedings or pre-insolvency discussions relating to the operating companies within the group. This facet of the European high yield market differs from the U.S. high yield market, where structural subordination is markedly less prevalent. Furthermore, security granted may be similar to that granted under a second lien loan (as discussed above).

In the case of high yield bonds issued by issuers with their principal place of business in Europe, structural subordination of high yield bonds, coupled with the relatively shallow depth of the European high yield market, leads European high yield defaults to realise lower average recoveries than their U.S. counterparts. Another factor affecting recovery rates for European high yield bonds is the bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the high yield bond issuer. It must be noted, however, that the overall probability of default (based on credit rating) remains similar for both U.S. and European credits; it is the severity of the effect of any default that differs between the two markets as a result of the aforementioned factors.

In addition to the characteristics described above, high yield securities frequently have call or redemption features that permit the issuer to redeem such obligations prior to their final maturity date. If such a call or

redemption were exercised by an issuer during a period of declining interest rates, it may only be possible to replace such called obligation with a lower yielding obligation, thus decreasing the net investment income from a Risk Retention Company or a Risk Retention Company CLO's portfolio.

Corporate Rescue Loans

A Risk Retention Company or Risk Retention Company CLOs may invest in corporate rescue loans. Such loans are made to companies that have experienced, or are experiencing, significant financial or business difficulties such that they have become subject to bankruptcy or other reorganisation and liquidation proceedings and thus involves additional risks. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that a Risk Retention Company or a CLO issuer (or the CLO Manager on its behalf) will correctly evaluate the value of the assets securing the corporate rescue loan or the prospects for a successful reorganisation or similar action and accordingly the Risk Retention Company or Risk Retention Company CLOs (as the case may be) could suffer significant losses on its investments in such corporate rescue loan. An investment in such type of loan may lead to a loss of the entire investment, or the holder may be required to accept cash or securities with a value less than the original investment and/or may be required to accept payment over an extended period of time.

Distressed company and other asset-based investments require active monitoring and may, at times, require participation by the lender in business strategy or bankruptcy proceedings. To the extent that a Risk Retention Company or the CLO Manager becomes involved in such proceedings, the more active participation in the affairs of the bankruptcy debtor could result in the imposition of restrictions limiting their ability to liquidate their position in the debtor.

Although a corporate rescue loan is secured, where the obligor is subject to U.S. bankruptcy law, it has a priority permitted by section 364(c) or section 364(d) under the United States Bankruptcy Code and at the time that it is acquired is required to be current with respect to scheduled payments of interest (if any).

Bridge Loans

A Risk Retention Company or Risk Retention Company CLOs may invest in bridge loans. Bridge loans are generally a temporary financing instrument and as such the interest rate may increase after a short period of time in order to encourage an obligor to refinance the bridge loan with more long-term financing. If an obligor is unable to refinance a bridge loan, the interest rate may be subject to an increase and as such bridge loans may have greater credit and liquidity risk than other types of loans.

Voting Restrictions on Syndicated Loans for Minority Holders

A Risk Retention Company and/or a CLO issuer will generally purchase each underlying asset in the form of an assignment of, or participation interest in, a note or other obligation issued under a loan facility to which more than one lender is a party. These loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator. The terms and conditions of these loan facilities may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement requires the consent of a majority or a super-majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders, and a Risk Retention Company or CLO issuer (as applicable) may have a minority interest in such loan facilities. Consequently, the terms and conditions of an underlying asset issued or sold in connection with a loan facility could be modified, amended or waived in a manner contrary to the preferences of a Risk Retention Company or the CLO issuer (as applicable) if the amendment, modification or waiver of such term or condition does not require the unanimous vote of the lenders and a sufficient number of the other lenders concur with such modification, amendment or waiver. There can be no assurance that any collateral obligations issued or sold in connection with any loan facility will maintain the terms and conditions to which a Risk Retention Company or CLO issuer (as applicable) or a predecessor in interest, originally agreed.

Lender Liability Considerations; Equitable Subordination

In recent years, a number of judicial decisions in the United States and other jurisdictions have upheld the right of obligors to sue lenders or bondholders on the basis of various evolving legal theories (collectively, termed "**lender liability**"). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the

obligor or has assumed a degree of control over the obligor resulting in the creation of a fiduciary duty owed to the obligor or its other creditors or shareholders. Although it would be a novel application of the lender liability theories, a Risk Retention Company and/or the CLO issuer may be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the under capitalisation of the obligor to the detriment of other creditors of such obligor, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control the obligor to the detriment of other creditors of such obligor, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination". Because of the nature of the collateral obligations, a Risk Retention Company or the CLO issuer may be subject to claims from creditors of an obligor that collateral obligations issued by such obligor that are held by a Risk Retention Company or the CLO issuer (as applicable) should be equitably subordinated.

The preceding discussion is based upon principles of United States federal and state laws. Insofar as collateral obligations that are obligations of non-United States obligors are concerned, the laws of certain foreign jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under United States federal and state laws.

RISKS RELATING TO DFME AND DFM

The performance of the Company, BGCF and U.S. MOA has some dependence on the skills and the personnel of DFME, DFM and the human resources DFME provides to BGCF in its capacity as the Service Support Provider

In accordance with the Portfolio Service Support Agreement, DFME (in its capacity as the Service Support Provider) is responsible for providing certain service support and assistance to BGCF. The Service Support Provider will also be responsible for providing the necessary human resources to BGCF so that the business and management functions of BGCF can be carried on. BGCF's directors, acting on the advice of the human resources provided to BGCF by the Service Support Provider, will have responsibility for managing the business affairs of BGCF, in accordance with the EU NPA and the U.S. NPA, the applicable laws and its constitutional documents, and BGCF's directors will have overall responsibility for the activities of BGCF. While BGCF's directors will have responsibility for and oversight of BGCF's business, and such business will be managed by BGCF's directors, BGCF's day-to-day performance will also be reliant on service support received from the Service Support Provider. As a result, if the Service Support Provider were no longer able to provide the service support under the Portfolio Service Support Agreement or failed to provide the service support in the manner required by BGCF's directors to manage BGCF's portfolio and business, this could have a material adverse effect on the performance of BGCF and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

DFME (in its capacity as Adviser) will also be providing certain advice directly to the Company pursuant to the Advisory Agreement and, in its capacity as the CLO Manager, will also manage Risk Retention Company CLOs.

Pursuant to the U.S. MOA Management Agreement, DFM, in its capacity as the U.S. MOA Manager, will be responsible for supervising and directing the investment and reinvestment of U.S. MOA's assets, advising U.S. MOA with respect to its financing (including the declaration of dividends, share buybacks, rights issuances and similar corporate matters), the entry into of any shareholders agreements, and performing on behalf of U.S. MOA the duties that have been specifically delegated to the U.S. MOA Manager in the various transaction documents entered into from time to time by the U.S. MOA Manager and/or U.S. MOA in connection with U.S. MOA's assets and the financing thereof. As a result, if the U.S. MOA Manager is no longer able to provide the services under the U.S. Management Agreement, this could have a material adverse effect on the performance of U.S. MOA and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

DFME and DFM (or any of their affiliates) will also be managing certain Risk Retention Company CLOs.

Consequently, the Company, BGCF and U.S. MOA will be dependent on the advisory and management experience of the individuals employed by DFME and DFM, some of whom (in the case of DFME) will be made available to BGCF pursuant to the Portfolio Service Support Agreement (as more fully described in Part VIII of this Prospectus). As a result, DFME and DFM will be providing services and advice (as applicable) in several different capacities, which may result in conflicts of interest. If such conflicts of interest arise, they may need to be resolved in a manner which adversely affects one of the parties which DFME or DFM provides services or advice (as applicable). This could have a material adverse effect on the performance of the Company, a CLO issuer, Risk Retention Company and/or BGCF (and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares).

Further, the future ability of BGCF and U.S. MOA to pursue their respective investment policies successfully and the ability of DFME to advise the Company as required under the Advisory Agreement may depend on the ability of DFME and DFM to retain their existing staff and/or to recruit individuals of similar experience and calibre. Whilst DFME and DFM have endeavoured to ensure that the principal members of their advisory and service support teams, as applicable, are suitably incentivised, the retention of key members of the teams cannot be guaranteed. In the event of a departure of a key DFME or DFM employee, there is no guarantee that DFME or DFM (as applicable) would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of U.S. MOA, BGCF and, by extension, the Company. Events impacting but not entirely within DFME's or DFM's control, such as its financial performance, its being acquired or making acquisitions or changes to its internal policies and structures could in turn affect its ability to retain key personnel. If key personnel of DFME or DFM were to depart or DFME or DFM were unable to recruit individuals with similar experience and calibre, DFME or DFM may not be able to provide services or advice (as applicable) to the requisite level expected or required by U.S. MOA, BGCF or the Company (as applicable). This could have a material adverse effect on the performance of U.S. MOA, BGCF and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Under both the Portfolio Service Support Agreement and the Advisory Agreement, DFME agrees to perform its obligations to a specified Standard of Care (as defined in the relevant agreement); provided that DFME will not be liable for any loss or damages resulting from any failure to satisfy the Standard of Care except in certain limited circumstances. If a liability were to be incurred by BGCF or the Company (as applicable) in a situation where DFME had acted in accordance with its Standard of Care, BGCF or the Company (as applicable) would (except in certain limited circumstances) have no recourse to DFME and such liabilities would be for the account of BGCF or the Company (as applicable). Similarly, if a liability were to be incurred by U.S. MOA in a situation where DFM had acted in accordance with its obligations under the U.S. MOA Management Agreement, U.S. MOA would have no recourse to DFM and such liabilities would be for the account of U.S. MOA. This could have a material adverse effect on the performance of U.S. MOA, BGCF and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Additionally, under each of the Portfolio Service Support Agreement and the Advisory Agreement, BGCF and the Company (respectively) will be required to indemnify DFME and its affiliates, managers, directors, officers, partners, agents and employees, from and against all liabilities incurred in connection with the Portfolio Service Support Agreement or the Advisory Agreement (as applicable) (except to the extent such liabilities are incurred as a result of any acts or omissions of DFME that constitute a Service Support Provider Breach). Similarly, under the U.S. MOA Management Agreement, U.S. MOA will be required to indemnify DFM against liabilities incurred in performing its duties thereunder; provided, that U.S. MOA will not indemnify DFM for any liabilities incurred as a result of any acts or omissions constituting bad faith, fraud, wilful misconduct or gross negligence or reckless disregard of the duties and obligations of DFM. As a result, if such liabilities arise, U.S. MOA, BGCF or the Company (as applicable) will be required to make payment under such indemnity, as applicable, which could have a material adverse effect on the performance of U.S. MOA, BGCF or the Company and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. Further details in respect of the U.S. MOA Management Agreement, the Advisory Agreement and the Portfolio Service Support Agreement are set out in the sections titled "Material Contracts" in Parts IX, VII and VIII (respectively) of this Prospectus.

DFME is able to resign its role as Service Support Provider under the Portfolio Service Support Agreement upon 90 days' written notice to BGCF and, in the case of the Advisory Agreement, its role as Adviser upon 30 days' written notice to the Company. Similarly, DFM may resign its role as the U.S. MOA Manager under the U.S. MOA Management Agreement upon 90 days' written notice to U.S. MOA. Whilst such a resignation

under any of these agreements will not be effective until the date as of which a successor adviser has been appointed, it may be difficult to locate a successor to any of these roles. If a successor cannot be found for either role, U.S. MOA or BGCF (as the case may be) may not have the resources it considers necessary to manage its portfolio or to make investments appropriately and, as a result, there may be a material adverse effect on the performance of U.S. MOA, BGCF and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In addition, the Service Support Provider under the Portfolio Service Support Agreement and the Adviser under the Advisory Agreement, may in each case immediately resign under either agreement by providing written notice to BGCF upon the occurrence of certain events relating to BGCF (in respect of the Portfolio Service Support Agreement or the Company under the Advisory Agreement) such as, amongst others, the failure of BGCF or the Company (as applicable) to comply in any material respect with its investment policy, a wilful breach or knowing violation by BGCF or the Company (as applicable) of a material provision of the Portfolio Service Support Agreement or Advisory Agreement (as applicable) or the occurrence of insolvency proceedings in respect of BGCF. If any of these events were to occur and resulted in the resignation of the Service Support Provider or the Adviser (as applicable), BGCF or the Company (as applicable) may not have the expertise available to it in order to manage its assets and may experience difficulty in locating an alternative service support provider or adviser and, as a result, there may be a material adverse effect on the performance of BGCF and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In the event of the occurrence of a removal event in respect of DFME or DFM as CLO Manager in respect of a Risk Retention Company CLO, such relevant entity will continue as CLO Manager of the relevant Risk Retention Company CLO until a suitable replacement is found (in accordance with the applicable Risk Retention Company CLO's transaction documents), and will continue to receive any CLO Management Fees and expenses accrued to the date of actual termination of its duties.

Examination by the SEC

Recently the SEC has focused on issues related to private equity firms. More specifically, the SEC has indicated that its list of examination priorities includes, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interests. DFME, DFM and their affiliates are regularly subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which they routinely cooperate. In the current environment, even historical practices that have been previously examined by regulators are being revisited. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing would not have a material adverse effect on the ability of DFME or DFM to perform its duties under the relevant CLO transaction documents. Even if an investigation or proceedings did not result in a sanction or the sanctions imposed against DFME or DFM or their personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceedings or imposition of these sanctions could have an adverse effect on the value of investments in Loan Warehouses or CLO Securities held by the Risk Retention Companies, this may have a material adverse effect on the performance of the Risk Retention Companies and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

RISKS RELATING TO CONFLICTS OF INTEREST

The following briefly summarises various potential and actual conflicts of interest that may arise from the overall advisory, investment, capital markets, lending and other activities of DFME, DFM and their affiliates and their respective clients and employees, but it is not intended to be an exhaustive list of all such conflicts. References in this conflicts discussion to DFME and DFM include their affiliates unless otherwise specified or the context otherwise requires.

DFME and DFM are entitled to receive CLO Management Fees from the Risk Retention Company CLOs managed by them as CLO Manager out of proceeds received by the Risk Retention Company CLOs from the collateral obligations each such Risk Retention Company CLO holds, subject in each case to the priority of payments of the relevant Risk Retention Company CLO. The payment of any incentive management fee that forms part of the CLO Management Fees is dependent to some degree on the yield earned on the collateral obligations of the Risk Retention Company CLOs. The fee structure could create an incentive for the CLO Managers to manage the Risk Retention Company CLOs' investments in a manner as to seek to

maximise the yield on the collateral obligations relative to investments of higher creditworthiness. Managing the portfolio with the objective of increasing yield, even though the applicable CLO Manager is constrained by investment restrictions, could result in an increase in collateral obligation issuer defaults or volatility and could contribute to a decline in the aggregate market value of the collateral obligations and therefore the return and repayment of the CLO Retention Securities and CLO Retention Income Securities. Neither DFME nor DFM is under an obligation to manage Risk Retention Company CLOs or Loan Warehouses in a manner which will favour the investments in Loan Warehouses or CLO Securities held by the Risk Retention Companies in such Risk Retention Company CLOs. If the applicable Risk Retention Company CLO or Loan Warehouse is not managed in a manner which favours the Risk Retention Companies' investments in Loan Warehouses or CLO Securities, this may have a material adverse effect on the performance of the Risk Retention Companies and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Certain inherent conflicts of interest arise from the fact that DFME, DFM, The Blackstone Group L.P. and their affiliates that operate under the credit business of The Blackstone Group L.P. (collectively, "**GSO Affiliates**") may provide investment management, advisory and service support services to the Risk Retention Company CLOs, the Risk Retention Companies, the Company and to other clients, including other collateralised debt obligation vehicles, other investment funds, and any other investment vehicles that the GSO Affiliates may establish from time to time (the "**Other GSO Funds**"), as well as client accounts (including one or more managed accounts (or other similar arrangements, including those that may be structured as one or more entities), collectively, the "**GSO Managed Accounts**") and proprietary accounts managed by GSO Affiliates in which none of the Risk Retention Company CLOs, the Risk Retention Companies or the Company will have an interest (such other clients, funds and accounts, collectively the "**Other GSO Accounts**"). In addition, The Blackstone Group L.P. and its affiliates (collectively, "**The Blackstone Group**") provide investment management services to other clients, including other investment funds, and any other investment vehicles that The Blackstone Group may establish from time to time (such funds, other than the Other GSO Funds, the "**Other Blackstone Funds**"), client accounts and proprietary accounts in which none of the Risk Retention Company CLOs, the Risk Retention Companies or the Company will have an interest (such other clients, funds and accounts, other than the Other GSO Accounts, collectively the "**Other Blackstone Accounts**" and together with the Other GSO Accounts, the "**Other Accounts**"). The respective investment programs of the Risk Retention Company CLOs, the Risk Retention Companies, the Company and the Other Accounts may or may not be substantially similar. The GSO Affiliates and The Blackstone Group may give advice and recommend securities to Other Accounts that may differ from advice given to, or securities recommended or purchased on behalf of, the Risk Retention Company CLOs, the Risk Retention Companies or the Company (if applicable) even though their investment objectives may be the same or similar to those of the Risk Retention Company CLOs, the Risk Retention Companies or the Company.

Allocation of opportunities between Risk Retention Company CLOs, the Risk Retention Companies and the Other Accounts

While DFME, DFM and the Risk Retention Companies (as applicable in their relevant roles) will seek to manage potential conflicts of interest in good faith, the portfolio management or advisory strategies employed by The Blackstone Group in managing its respective Other Accounts could conflict with the transactions and strategies employed: (i) by DFME or DFM in managing the portfolio of a Risk Retention Company CLO; (ii) by DFM or DFME in providing services to any Risk Retention Company; (iii) by the Risk Retention Companies in managing their own portfolio; and/or (iv) by DFME in advising the Company under the Advisory Agreement. The portfolio strategies employed by The Blackstone Group may also affect the prices and availability of the securities and instruments in which the Risk Retention Company CLOs invest and in which the Risk Retention Companies themselves may invest.

In addition, in certain circumstances a specific investment opportunity may be appropriate, at times, for the Risk Retention Companies, the Risk Retention Company CLOs and/or Other Accounts, as applicable. It is the policy of the GSO Affiliates and The Blackstone Group to generally share appropriate investment opportunities (including purchase and sale opportunities) with the Other Accounts (and by association, with the applicable Risk Retention Companies and Risk Retention Company CLOs).

Each of DFME, DFM and the applicable Risk Retention Companies is committed to transacting in securities and loans in a manner that is consistent with the investment objectives of its clients, and to allocating investment opportunities (including purchase and sale opportunities) among its clients on a fair and equitable

basis. In allocating investment opportunities, each of DFME, DFM and the applicable Risk Retention Companies determine which clients' investment mandates are consistent with the investment opportunity (such clients, which may include applicable Other Accounts, "**Relevant Clients**"), taking into account each client's risk/return profile, investment guidelines and objectives, and liquidity objectives.

As a general matter, investment opportunities will be allocated *pro rata* among Relevant Clients based on their respective targeted acquisition size (which may be based upon available capacity or, in some cases, a specified maximum target size of a client) or targeted sale size (which is generally based upon the position size held by selling clients), in a manner that takes into account the applicable factors listed below.

In addition, each of DFME, DFM and, if applicable, the Risk Retention Companies complies with specific allocation procedures set forth in the documents governing its relationship with its clients and described during the marketing process. While no client will be favoured over any other client, in allocating investment opportunities certain clients may have priority over other clients consistent with disclosures made to the applicable investors.

Consistent with the foregoing, each of DFME, DFM and, if applicable, the Risk Retention Companies will generally allocate investment opportunities pursuant to certain allocation methodologies as appropriate depending on the nature of the investment. Notwithstanding the foregoing, investment opportunities may be allocated in a manner that differs from such methodologies but is otherwise fair and equitable to clients, taken as a whole (including, in certain circumstances, a complete opt-out of the allocation).

In instances where a particular investment fits different strategies targeted by multiple Relevant Clients, DFME, DFM or, if applicable, the Risk Retention Companies may determine that a particular investment most appropriately fits within the portfolio and strategy focus of particular Relevant Clients and may allocate the investment to those clients. Any such allocations (i) must be documented in accordance with their procedures; and (ii) must be undertaken with reference to one or more of the following considerations (in each case as applicable):

(a) the risk-return and target-return profile of the investment opportunity relative to the Relevant Client's current risk profile;

(b) the Relevant Client's investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of their respective portfolio's overall holdings;

(c) the need to re-size risk in the Relevant Clients' portfolios (including the potential for the proposed investment to create an industry, sector or issuer imbalance within a Relevant Client's portfolio) and taking into account any existing non-*pro rata* investment positions in such portfolios;

(d) liquidity considerations of the Relevant Client, including during a ramp-up or wind-down of one or more of such clients, proximity to the end of such client's specified investment period, redemption/withdrawal requests from or with respect to a client, anticipated future contributions into a client and available cash;

(e) tax consequences;

(f) regulatory or contractual restrictions or consequences;

(g) avoiding *de minimis* or odd lot allocations;

(h) availability and degree of leverage and any requirements or other terms of any existing leverage facilities;

(i) the particular client's investment focus on a classification attributable to an investment or issuer of an investment, including, without limitation, investment strategy, geography, industry or business sector;

(j) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals or service support teams dedicated to the applicable client;

(k) managing any actual or potential conflict of interest;

(l) with respect to investments that are made available to DFME, DFM or the Risk Retention Companies by counterparties pursuant to negotiated trading platforms (e.g., ISDA contracts) which may not be available for all clients in the absence of such relationships; and

(m) any other considerations deemed relevant by DFME (including certain of the personnel provided by DFME under the Portfolio Service Support Agreement), DFM, the Risk Retention Companies or the applicable investment adviser to a client.

Because of these and other factors, certain Other Accounts may effectively have priority in investment allocation over the Risk Retention Company CLOs, the Risk Retention Companies or the Company, notwithstanding DFM's, DFME's and, if applicable, the Risk Retention Companies' policies of *pro rata* distribution.

Investment orders may be combined for DFME, DFM, the Risk Retention Companies or for the Other Accounts, and if any order is not filled at the same price, they may be allocated on an average price basis between such accounts. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities or loans may be allocated among the different accounts on a basis which the relevant party or their respective affiliates consider equitable.

From time to time, the Risk Retention Company CLOs, the Risk Retention Companies and the Other Accounts may make investments at different seniority levels of an obligor's or issuer's capital structure or otherwise in different classes of an obligor's or issuer's securities. When making such investments, DFME, DFM, or any employees assigned to the applicable Risk Retention Companies each expect its clients to have conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by such entities.

Neither The Blackstone Group nor the Other Accounts are under any obligation to offer investment opportunities of which they become aware to the Risk Retention Company CLOs or the Risk Retention Companies or to share with the Risk Retention Company CLOs or the Risk Retention Companies or to inform the Risk Retention Company CLOs or the Risk Retention Companies of any such transaction or any benefit received by them from any such transaction, or to inform the Risk Retention Company CLOs or the Risk Retention Companies of any investments before offering any investments to other funds or accounts that GSO and/or its affiliates manage or advise. Furthermore, GSO Affiliates may make an investment on their own behalf or on behalf of their clients without offering the opportunity to add such investment, or adding such investment, to the portfolios of the Risk Retention Company CLOs or the Risk Retention Companies. Affirmative obligations may exist or may arise in the future, whereby GSO Affiliates may be obligated to offer certain investments to funds or accounts that such affiliates manage or advise before or without GSO offering those investments to the Risk Retention Company CLOs or the Risk Retention Companies. DFME or DFM may invest in or, in the capacity as Service Support Provider, U.S. MOA Manager or CLO Manager (as applicable), provide services in respect of, assets held by the Risk Retention Company CLOs or the Risk Retention Companies (as applicable) in which it or any of its clients has declined to invest for its own account, the account of any of its affiliates or the account of its other clients.

Co-investments among the Risk Retention Company CLOs, the Risk Retention Companies and the Other Accounts

From time to time, DFME and DFM expect the Risk Retention Company CLOs, the Risk Retention Companies and the Other Accounts to make investments at different levels of an issuer's capital structure or otherwise in different classes of a borrower's or an issuer's securities. When making such investments, DFME, DFM, or, if applicable, any employees assigned to the Risk Retention Companies each expects its clients (if applicable) to have conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by such entities. To the extent the Risk Retention Company CLOs, the Risk Retention Companies or the Company hold securities that are different (or more senior or junior) from those held by an Other Account, DFME, DFM, the Risk Retention Companies or their relevant affiliates are likely to be presented with decisions involving circumstances where the interests of the Risk Retention Companies CLOs, the Risk Retention Companies, the Company and such Other Account are in conflict. Furthermore, it is possible that the Risk Retention Companies', the Risk Retention Company CLOs or the Company's interest may be subordinated or otherwise adversely affected by virtue of such Other Account's involvement and actions relating to their investment. If the Risk Retention Company CLOs, BGCF or the other Risk Retention Companies, if applicable, make or have an investment in, or, through the purchase of debt obligations become a lender to, a company in which an Other Account has a debt or an equity investment, GSO may have conflicting loyalties between their duties to the Risk Retention Company CLOs, the Risk Retention Companies, the Company and to other affiliates. In addition, conflicts may arise in determining the amount of an investment, if any, to be allocated among potential investors and the

respective terms thereof. In that regard, actions may be taken for the Other Accounts that are adverse to the Risk Retention Company CLOs, the Risk Retention Companies or the Company. In connection with negotiating senior loans and bank financings in respect of transactions sponsored by The Blackstone Group, The Blackstone Group may obtain the right to participate on its own behalf (or on behalf of vehicles that it manages) in a portion of the senior term financings with respect to such transactions on an agreed upon set of terms. GSO does not, however, believe that the foregoing arrangements have an effect on the overall terms and conditions negotiated with the arrangers of such senior loans. Notwithstanding this, there is no guarantee that such conflicts will be resolved in favour of any of the Risk Retention Company CLOs, the Risk Retention Companies or the Company and, if the conflict is resolved in a manner which is considered by such entities (or their investors) to be adverse to their interests, this may have a material adverse effect on the performance of the Risk Retention Companies and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The collateral obligations to be held by the Risk Retention Company CLOs or the Risk Retention Companies, directly or indirectly, as applicable, may include obligations issued by entities in which The Blackstone Group or Other Accounts have made investments, obligations that The Blackstone Group has assisted in structuring but in which they have or have not chosen to invest and obligations in respect of which The Blackstone Group or Other Accounts participated in the original lending group and/or acted or act as an agent. In addition, the collateral obligations may include obligations previously held by The Blackstone Group or Other Accounts, and the Risk Retention Company CLOs or the Risk Retention Companies may purchase collateral obligations from, or sell collateral obligations to, The Blackstone Group or one or more Other Accounts, including in the event of a wind-down of the portfolio of collateral obligations. Although any such purchase or sale must comply with certain criteria set forth in the management and administration agreement and other transaction documents entered into by such Risk Retention Company CLOs or the Risk Retention Companies (including the tax guidelines set forth in the management agreement (if applicable) and the requirement that any such purchase or sale be on an arm's length basis), DFME or DFM (as applicable) may take into consideration the interests of the Other Accounts when making decisions regarding the purchase and sale of collateral obligations on behalf of the Risk Retention Company CLOs under the management and administration agreement or in providing the services or human resources DFME provides to BGCF under the Portfolio Service Support Agreement or DFM may provide to the Risk Retention Companies. DFME or DFM's consideration of the interests of Other Accounts may result in the Risk Retention Companies or the Risk Retention Company CLOs purchasing different assets than they would have purchased had DFME or DFM (as applicable) not considered such interests, and depending on the performance of such assets, this may have a material adverse effect on the performance of the Risk Retention Companies and, by extension, the Company.

Further conflicts could arise once the Risk Retention Company CLOs, the Risk Retention Companies and other affiliates have made their respective investments. For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the Risk Retention Company CLOs or the Risk Retention Companies to provide such additional financing. If the other affiliates of The Blackstone Group were to lose their respective investments as a result of such difficulties, the ability of the CLO Manager to recommend actions in the best interests of the Risk Retention Company CLOs might be impaired.

Acquisition and disposal of Risk Retention Company CLO Income Notes, Other Notes or CLO Securities by The Blackstone Group or Other Accounts

The Blackstone Group or Other Accounts may from time to time purchase any of the CLO Income Notes issued by the Risk Retention Company CLOs (in this risk factor, referred to as the "**Risk Retention Company CLO Income Notes**") or other classes of notes of the Risk Retention Company CLOs ("**Other Notes**"). The Blackstone Group or Other Accounts (other than the Risk Retention Companies in relation to the CLO Retention Income Notes or CLO Retention Securities) will not be required to retain all or any part of the Risk Retention Company CLO Income Notes or Other Notes acquired by them. If The Blackstone Group or Other Accounts were to purchase any Risk Retention Company CLO Income Notes or Other Notes, DFME or DFM (as applicable) may face a conflict of interest in the performance of its duties as the CLO Manager because of the conflicting interests of the holders of classes of CLO Securities that are senior to the CLO Securities to be held by The Blackstone Group or Other Accounts. Such purchases may be in the secondary market and may occur a significant amount of time after the issue date of the relevant CLO. Resulting conflicts of interest could include (a) divergent economic interests between the CLO Manager and The Blackstone Group or Other Accounts that hold such notes, on the one hand, and other investors in the

Risk Retention Company CLOs, on the other hand, and (b) voting of notes by The Blackstone Group or Other Accounts, or a recommendation to vote by the same, to cause, among other things, an early redemption of the notes and/or an amendment of the transaction documents relating to the notes.

If the CLO Manager were to perform its duties in a manner which was considered favourable to the interests of the Other Notes, this may have a material adverse effect on the performance of the Risk Retention Companies due to a lower relative return on its investment in Risk Retention Company CLO Income Notes and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares may be adversely affected. In particular, DFME or DFM (as applicable) may have an incentive to manage the Risk Retention Company CLOs' investments in a manner as to seek to maximise the yield on the collateral obligations and maximise the yield on the CLO Income Notes but which may result in an increase of defaults or volatility that adversely affects the return on Other Notes. Furthermore, DFME or DFM (as applicable), in its capacity as the CLO Manager, acting in its sole discretion on behalf of the applicable CLO issuer or Risk Retention Company CLO, will be entitled to designate amounts that would otherwise be treated as interest proceeds to be treated as principal proceeds and vice versa in certain limited circumstances. There can be no assurance that DFME or DFM (as applicable), in their capacity as the CLO Manager, will not make such designations in a manner that seeks to maximise the yield on any CLO Securities held by it or a GSO Affiliate while increasing the probability of reductions or delays in payments on the more senior CLO Securities.

In addition, DFME or DFM may enter into agreements with one or more holders of CLO Securities pursuant to which DFME or DFM may agree, subject to its obligations under the relevant share trust deeds, indentures, management and administration agreements and applicable law, to take actions with respect to such noteholder or noteholders that it will not take with respect to all of the noteholders (including the Risk Retention Companies). If DFME or DFM were to enter into such agreements, the information or rights which the Risk Retention Companies receive regarding the relevant Risk Retention Company CLO may differ from that received by an investor in CLO Securities. This could result in a differing relative performance between the CLO Income Notes held by the Risk Retention Companies and the other CLO Securities.

Any relevant management and administration agreements or indentures for a Risk Retention Company CLO may place significant restrictions on DFME or DFM's ability to invest in and dispose of collateral obligations. Accordingly, during certain periods or in certain circumstances, DFME or DFM may be unable as a result of such restrictions to invest in or dispose of collateral obligations or to take other actions that it might consider to be in the best interests of the Risk Retention Company CLOs and the holders of the Risk Retention Company CLO Income Notes. This may lead to a reduced relative return on the Risk Retention Company CLOs' investments and/or those of the Risk Retention Companies, and, by extension the performance of the Company's business, NAV and/or the market price of the Shares.

At any given time, the CLO Securities held by The Blackstone Group or Other Accounts will be disregarded and deemed not to be outstanding with respect to a vote to remove the CLO Manager. However, at any given time the CLO Manager affiliates will be entitled to vote CLO Securities held by them or over which they have discretionary voting authority with respect to all other matters. If The Blackstone Group or Other Accounts hold or otherwise have discretionary voting authority over the requisite percentage of the outstanding principal amount of the CLO Income Notes, the CLO Manager affiliates will control certain matters under the indenture, trust deed and/or the collateral management agreement (as applicable) that may affect the performance of the collateral obligations and the return on one or more classes of CLO Securities, including, without limitation: (i) an optional redemption at the direction of a majority of the CLO Income Notes; and (ii) the appointment of a successor collateral manager.

To the extent the applicable CLO issuer or Risk Retention Company CLO is prohibited from receiving a payment, fee or other consideration with respect to an investment made (or to be made) by the applicable Risk Retention Company CLO due to restrictions contained in the guidelines attached to the collateral management agreement or otherwise, such amount will either be foregone or paid to the CLO Manager, which payment will not reduce the amount payable to the CLO Manager for services pursuant to the collateral management agreement or under any other transaction documents in any capacity.

DFME or DFM (in their capacity as CLO Manager) may arrange for the Risk Retention Company CLOs to acquire collateral obligations from, and sell collateral obligations to The Blackstone Group or Other Accounts from time to time subject to the applicable procedures in the relevant management and administration agreement.

Each of DFME or DFM will be required to use commercially reasonable endeavours to obtain the best prices and execution for all orders placed with respect to the collateral obligations (or assistance given to the Risk Retention Companies in this respect, if applicable), considering all circumstances that are relevant in its reasonable determination. Subject to the objective of obtaining best prices and execution, DFME or DFM may take into consideration research and other brokerage services furnished to it or its affiliates by brokers and dealers that are not affiliates of DFME or DFM. Such services may be used by The Blackstone Group and Other Accounts in connection with their other advisory activities or investment operations. In addition, DFME or DFM may aggregate sales and purchase orders of securities placed with respect to assets with similar orders being made simultaneously for other accounts managed by DFME, DFM or with accounts of the affiliates of DFME's or DFM's if in DFME's or DFM's (as applicable) reasonable judgment such aggregation shall result in an overall economic benefit to the accounts, taking into consideration the advantageous selling or purchase price, brokerage commission and other expenses. There is no guarantee that DFME or DFM, as applicable, will be able to aggregate orders in a way which achieves such overall economic benefit, and if such benefit is not achieved this may have a material adverse effect of the performance of the Risk Retention Company CLOs, the Risk Retention Companies and, by extension the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Neither The Blackstone Group nor the Other Accounts are under any obligation to offer investment opportunities of which they become aware to the Risk Retention Company CLOs or the Risk Retention Companies to share with Risk Retention Company CLOs or the Risk Retention Companies or to inform the Risk Retention Company CLOs or the Risk Retention Companies of any such transaction or any benefit received by them from any such transaction, or to inform the Risk Retention Company CLOs or the Risk Retention Companies of any investments before offering any investments to other funds or accounts that they manage or advise. Furthermore, affiliates of DFME or DFM may make an investment on their own behalf or on behalf of their clients without offering the opportunity to add such investment, or adding such investment, to the portfolios of the Risk Retention Company CLOs or the Risk Retention Companies. Affirmative obligations may exist or may arise in the future, whereby affiliates of DFME or DFM may be obligated to offer certain investments to funds or accounts that such affiliates manage or advise before or without DFME or DFM offering those investments to the Risk Retention Company CLOs or the Risk Retention Companies. DFME or DFM (in their capacity as CLO Manager) may invest in assets on behalf of the Risk Retention Company CLOs that it or any of its clients has declined to invest in for its own account, the account of any of its affiliates or the account of its other clients. The Risk Retention Companies may also invest in any such assets.

Allocation of Expenses

DFME, DFM and/or an affiliate may from time to time incur expenses jointly on behalf of the Risk Retention Company CLOs, BGCF (in accordance with the Portfolio Service Support Agreement), other applicable Risk Retention Companies, the Company (in accordance with the Advisory Agreement) or other accounts managed or advised by them and one or more subsequent entities established or advised by them. Although DFME, DFM and/or their affiliates will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will, in all cases, be allocated appropriately among such parties.

The level of expenses allocated to the Risk Retention Company CLOs, the Risk Retention Companies and the Company may have an adverse effect on each of them. A high level of expenses may: (i) in relation to the Risk Retention Company CLOs, result in a decreased return on the Risk Retention Companies' investments in Loan Warehouses, CLO Income Notes or the CLO Securities; (ii) in relation to the Risk Retention Companies', result in a significant reduction in its cash reserves available for investment; and (iii) in relation to the Company, result in a reduction of its working capital. In each case, the level of expenses may have a material adverse effect on the performance of the Risk Retention Company CLOs, the Risk Retention Companies and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Risks arising out of the broad spectrum of activities engaged in by The Blackstone Group (including DFME, DFM and their affiliates)

The Blackstone Group engages in a broad spectrum of activities. In the ordinary course of their business activities, The Blackstone Group may engage in activities where the interests of certain divisions of The Blackstone Group or the interests of their clients may conflict with the interests of the holders of the Risk

Retention Company CLO Income Notes or Other Notes, the Risk Retention Companies or the Company. Other present and future activities of The Blackstone Group may give rise to additional conflicts of interest. In the event that a conflict of interest arises, DFME or DFM (as applicable) will attempt to resolve such conflict in a fair and equitable manner. DFME or DFM (as applicable) will have the power to resolve, or consent to the resolution of, conflicts of interest on behalf of, and such resolution will be binding on, the Risk Retention Company CLOs, the Risk Retention Companies or the Company (as applicable). Investors should be aware that conflicts will not necessarily be resolved in favour of the Risk Retention Company CLOs', the Risk Retention Companies' or the Company's interests. As a result, if conflicts were resolved in a manner perceived to be adverse to the Risk Retention Company CLOs, the Risk Retention Companies or the Company, this may have a material adverse effect on the performance of the Risk Retention Company CLOs, the Risk Retention Companies and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Specified policies and procedures implemented by The Blackstone Group (including DFME, DFM and their affiliates) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions reduce the synergies across The Blackstone Group's various businesses that the Risk Retention Company CLOs, the Company or the Risk Retention Companies expect DFME, DFM or their affiliates to draw on for the purposes of pursuing attractive investment opportunities. Because The Blackstone Group has many different asset management and advisory businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business.

In addressing related conflicts and the regulatory, legal and contractual requirements across its various businesses, The Blackstone Group has implemented certain policies and procedures (e.g. information walls) that may reduce the positive synergies that the Risk Retention Company CLOs, the Company (if applicable) or the Risk Retention Companies expect to utilise for purposes of finding attractive investments. For example, The Blackstone Group may come into possession of material non-public information with respect to companies in which the Risk Retention Companies or the Risk Retention Company CLOs may be considering making an investment or companies that are clients of The Blackstone Group. In certain situations, the Risk Retention Companies' or the Risk Retention Company CLOs' activities could be restricted even if such information, which could be of benefit to the Risk Retention Companies or the Risk Retention Company CLOs, was not made available to DFME or DFM. Additionally, The Blackstone Group may limit a client and/or its portfolio companies from engaging in agreements with, or related to, companies of any client of The Blackstone Group has or has considered making an investment or which is otherwise an advisory client of The Blackstone Group and/or from time to time restrict or otherwise limit the ability of the Risk Retention Company CLOs or the Risk Retention Companies to make investments in or otherwise engage in businesses or activities competitive with companies or other clients of The Blackstone Group, either as a result of contractual restrictions or otherwise. Finally, The Blackstone Group has in the past entered, and is likely in the future to enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although possibly intended to provide greater opportunities for the Risk Retention Company CLOs (in connection with the management services DFME, DFM or their affiliates provide to them) or the Risk Retention Companies (in connection with the service support, if any, DFME or DFM may provide or otherwise), may require the Risk Retention Company CLOs or the Risk Retention Companies to share such opportunities or otherwise limit the amount of an opportunity the Risk Retention Company CLOs or the Risk Retention Companies' can otherwise take, in each case, as applicable. Any of the foregoing restrictions on The Blackstone Group may (either directly, or indirectly via restrictions on the Risk Retention Companies' or Risk Retention Company CLOs' ability to participate in any relevant investments), result in a relative decrease in the performance of the Risk Retention Company CLOs, the Risk Retention Companies and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

As part of its regular business, The Blackstone Group provides a broad range of investment banking, advisory, underwriting, placement agent and other services. In addition, The Blackstone Group may provide services in the future beyond those currently provided. Neither the Risk Retention Company CLOs nor the Risk Retention Companies will receive a benefit from the fees or profits derived from such services. As a result of these and other obligations, The Blackstone Group are not exclusively dedicated to the Risk Retention Companies or the Risk Retention Company CLOs and there may be a relatively lower performance of the Risk Retention Company CLOs, the Risk Retention Companies and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares as compared to a situation where The Blackstone Group are exclusively dedicated to providing services to them. In

addition, future services The Blackstone Group agree to provide as part of their business may create a conflict of interest with the Risk Retention Companies or Risk Retention Company CLOs that has an adverse effect on the performance of the Risk Retention Company CLOs, the Risk Retention Companies and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. In such a case, a client of The Blackstone Group would typically require The Blackstone Group to act exclusively on its behalf. This advisory request may preclude the Risk Retention Company CLOs or the Risk Retention Companies from participating in related transactions that would otherwise be suitable. The Blackstone Group will be under no obligation to decline any such engagements in order to make an investment opportunity available to the Risk Retention Company CLOs, or to provide support to any Risk Retention Company, and, as a result, the relative return of the Risk Retention Company CLOs and the Risk Retention Companies on their investments may be lower than in a situation where they were able to invest in such transactions.

In connection with its investment banking, advisory and other businesses, The Blackstone Group will likely come into possession of information that limits its ability to engage in potential transactions. The Risk Retention Company CLOs' or the Risk Retention Companies' activities are expected be constrained as a result of the inability of the personnel of The Blackstone Group to use such information. For example, from time to time employees of The Blackstone Group may be prohibited by law or contract from sharing information with members of DFME or DFM's investment teams. Additionally, there are expected to be circumstances in which affiliates of The Blackstone Group, including the Risk Retention Company CLOs and, if applicable, Risk Retention Companies, will be precluded from providing services related to the Risk Retention Company CLOs' or the Risk Retention Companies' activities because of certain confidential information available to those individuals or to other parts of The Blackstone Group (e.g. trading may be restricted). Where The Blackstone Group is engaged to find buyers or financing sources for potential sellers of assets, the seller may permit the Risk Retention Company CLOs or the Risk Retention Companies to act as a participant in such transaction (as a buyer or financing participant), which would raise certain conflicts of interest inherent in such a situation (including as to the negotiation of the purchase price). Any of the foregoing restrictions on The Blackstone Group may (either directly, or indirectly via restrictions on the Risk Retention Companies' or Risk Retention Company CLOs' ability to participate in any relevant investments) result in a relative decrease in the performance of the Risk Retention Company CLOs, the Risk Retention Companies' and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The Blackstone Group has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on behalf of the Risk Retention Company CLOs, in providing support to the applicable Risk Retention Companies or providing advice to the Company under the Advisory Agreement, DFME or DFM (as applicable) will consider those relationships, which may result in certain transactions that DFME or DFM (as applicable) will not undertake on behalf of the Risk Retention Company CLOs, will not assist any Risk Retention Companies in relation to or will not advise the Company in respect of, in view of such relationships. This may result in a lack of availability of the resources, support or advice to the Risk Retention Companies, the Risk Retention Company CLOs and the Company require to manage effectively their respective businesses and investments.

The Risk Retention Company CLOs, the Company or the Risk Retention Companies may also co-invest with clients of The Blackstone Group in particular investment opportunities, and the relationship with such clients could influence the decisions made by DFME or DFM (as applicable) with respect to such investments. Any such relationships may have an adverse relative effect on the performance of the Risk Retention Company CLOs, the Risk Retention Companies and, by extension on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The Blackstone Group is expected to participate from time to time in underwriting or lending syndicates for portfolio companies of the Risk Retention Company CLOs or, if applicable, the Risk Retention Companies or to otherwise be involved in the public offering and/or private placement of debt or equity securities issued by, or loan proceeds borrowed by, the Risk Retention Company CLOs' or the applicable Risk Retention Companies' portfolio companies. Such engagements may be on a firm commitment basis or may be on an uncommitted "best efforts" basis. The Blackstone Group may also, on behalf of a client or other parties to a transaction involving a client, effect transactions, including transactions in the secondary markets where it may nonetheless have a potential conflict of interest regarding a client and the other parties to those transactions to the extent it receives commissions or other compensation from a client and such other parties. Subject to applicable law, The Blackstone Group may receive underwriting fees, discounts,

placement commissions, lending arrangement and syndication fees (or, in each case, rebates of any such fees, whether in the form of purchase price discounts or otherwise) or other compensation with respect to the foregoing activities, which are not required to be shared with the Risk Retention Company CLOs, the Company, the Risk Retention Companies, DFME, DFM or their affiliates. In addition, management or similar fees paid by the applicable clients, if any, generally will not be reduced by such amounts. DFM or DFME will recommend a transaction in which The Blackstone Group broker-dealer acts as an underwriter, as broker for a client, or as dealer, broker or advisor, on the other side of a transaction with a client only where DFME or DFM, as applicable, believes in good faith that such transaction is appropriate for a client. In addition, where The Blackstone Group serves as underwriter with respect to any of its portfolio company's securities, the Risk Retention Company CLOs or the Risk Retention Companies may be subject to a "lock-up" period following the offering under applicable regulations during which time its ability to sell any securities that it continues to hold is restricted. This may prejudice such clients' ability to dispose of such securities at an opportune time.

From time to time employees of The Blackstone Group may serve as directors or advisory board members of certain portfolio companies or other entities. In connection with such services and subject to applicable law, The Blackstone Group receives directors' fees or other similar compensation. Such amounts may, but are not expected to be, material, and will not be passed through to the Risk Retention Company CLO, the Risk Retention Companies or the Company.

The Blackstone Group may have ongoing relationships with, render services to or engage in transactions with, companies whose securities are pledged to secure the Risk Retention Company CLOs and may own equity or debt securities issued by issuers of and other obligors on the portfolio of a Risk Retention Company CLO. As a result, The Blackstone Group may possess information relating to issuers of the portfolio of a Risk Retention Company CLO which is not known to the individuals at DFM or DFME responsible for monitoring the portfolio of such Risk Retention Company CLO and performing the other obligations under the relevant collateral management agreement. In addition, The Blackstone Group may invest in loans and securities that are senior to, or have interests different from or adverse to, the collateral obligations making up the portfolios Risk Retention Company CLOs. It is intended that all collateral obligations will be purchased and sold by the CLO issuers on terms prevailing in the market.

DFME and DFM's activities (including, without limitation, the holding of securities positions or having one of its employees on the board of directors of an obligor) could result in securities law restrictions on transactions in securities held by the Risk Retention Company CLOs or the Risk Retention Companies or affect the prices of such securities or the ability of such entities to purchase, retain or dispose of such investments. The Blackstone Group is expected to come into possession of material non-public information with respect to an issuer. Should this occur, DFME or DFM (as applicable) would be restricted from buying or selling securities, derivatives or loans of the issuer on behalf of the Risk Retention Company CLOs or providing service support to the Risk Retention Companies (under any applicable portfolio service support agreement or similar document) in respect thereof until such time as the information became public or was no longer deemed material to preclude the Risk Retention Company CLOs or Risk Retention Companies from participating in an investment. As a result, the Risk Retention Company CLOs and/or the Risk Retention Companies may miss out on opportunities which could have resulted in greater returns on their investments. Disclosure of such information to DFME or DFM's personnel responsible for the affairs of the Risk Retention Company CLOs or providing service support to the Risk Retention Companies (in the case of BGCF, under the Portfolio Service Support Agreement) will be on a need-to-know basis only, and the Risk Retention Company CLOs or Risk Retention Companies may not be free to act upon any such information. Therefore, the Risk Retention Company CLOs or Risk Retention Companies may not have access to material non-public information in the possession of The Blackstone Group which might be relevant to an investment decision to be made by the Risk Retention Company CLOs or the Risk Retention Companies, and the Risk Retention Company CLOs or Risk Retention Companies may initiate a transaction or sell an asset which, if such information had been known to it, may not have been undertaken. Due to these restrictions, the Risk Retention Company CLOs or the Risk Retention Companies may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold, all of which could have a material adverse effect on the performance of the Risk Retention Company CLOs or the Risk Retention Companies and, by extension, on the Company's financial condition, results of operations, NAV and/or the market price of the Shares.

DFM or DFME may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect owners of interests in the Risk Retention Company

CLOs) in respect of obligations being considered for acquisition by a CLO issuer. Some of those same third parties may have interests adverse to those of the Retention Companies' CLOs and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities.

DFME or DFM may hire, or advise to hire, as applicable, consultants, advisers or other professionals on behalf of the Risk Retention Companies, the Company or Risk Retention Company CLOs from time to time. There can be no assurance that the advice offered by any such professionals will not conflict with the interest of investors in the Company, the Risk Retention Companies or Risk Retention Company CLOs.

DFME, DFM and their members, partners, officers and employees will devote as much of their time to the activities of the Risk Retention Company CLOs (under the CLO Management Agreements), the Risk Retention Companies (under any applicable portfolio service support agreement or similar document), or the Company (under the Advisory Agreement) as they deem necessary and appropriate (as applicable), in accordance with the relevant agreement and reasonable commercial standards. Subject to the terms of the applicable offering and/or governing documents, The Blackstone Group (including GSO) expect to form additional investment funds, enter into other investment advisory relationships and engage in other business activities, even though such activities may be in competition with the Risk Retention Company CLOs, the Risk Retention Companies or the Company and/or may involve substantial time and resources of DFME or DFM. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of DFME or DFM and their officers, managers, members and employees will not be devoted exclusively to the business of the Risk Retention Company CLOs, the Company or to the service it provides to the Risk Retention Companies but will be allocated between the business of the Risk Retention Company CLOs, the Company, the Risk Retention Companies and the management of the monies of other clients of DFME or DFM. In the event that sufficient DFME resources are not (or not able to be) devoted to the Risk Retention Company CLOs or the Risk Retention Companies, the Risk Retention Companies' ability to implement their investment policies may be adversely affected. This could have an adverse effect on the financial performance of the Risk Retention Company CLOs or the Risk Retention Companies and, by extension, the financial performance of the Company.

No provision in the collateral management agreements or the Portfolio Service Support Agreement (as applicable) prevents either DFME, DFM or any member of The Blackstone Group from rendering services of any kind, including but not limited to acting as corporate services provider, to any person or entity, including the issuer of any obligation included in the portfolios of the Risk Retention Company CLOs or the Risk Retention Companies, transaction parties of any Risk Retention Company CLO or the holders of notes issues by any Risk Retention Company CLO. Without limiting the generality of the foregoing, The Blackstone Group and the directors, officers, employees and agents of The Blackstone Group may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for any issuer of any obligation included in the portfolios of the Risk Retention Company CLOs; (b) receive fees for services rendered to the issuer of any obligation included in the portfolios of the Risk Retention Company CLOs or any affiliate thereof; (c) be retained to provide services unrelated to the relevant collateral management and administration agreement to the CLO issuer and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any obligation included in the portfolios of the Risk Retention Company CLOs; (e) sell or terminate any assets to, or purchase or enter into any assets from, the CLO issuer while acting in the capacity of principal or agent, subject to applicable law; and (f) serve as a member of any "creditors' board" with respect to any obligation included in the portfolios of the Risk Retention Company CLOs which has become or may become a defaulted obligation. Services of this kind may lead to conflicts of interest with DFME, DFM or the relevant member of The Blackstone Group and the Risk Retention Company CLOs and may lead individual officers or employees of DFME, DFM or the relevant member of The Blackstone Group to act in a manner adverse to the Risk Retention Company CLOs.

DFME, DFM and their affiliates may expand the range of services that they provide over time. Except as described in this Prospectus, DFME, DFM and their affiliates will not be restricted in the scope of their business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. DFME, DFM and their affiliates have, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by the Risk Retention Company CLOs or the Risk Retention Companies. These clients may themselves represent appropriate investment opportunities for the Risk Retention Company CLOs or the Risk Retention Companies or may compete with the Risk Retention Company CLOs or the Risk Retention Companies for investment opportunities. As

compared to a situation where DFME, DFM and their affiliates were bound not to advise clients on similar (and potentially competing) interests as those held by the Risk Retention Company CLOs or the Risk Retention Companies, the relative performance of the Risk Retention Company CLOs and the Risk Retention Companies (and, by extension, the Company) may be lower.

Vulnerabilities of DFME's and DFM's information and technology systems

DFME's and DFM's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although DFME and DFM have implemented various measures to manage risks relating to these types of events, the failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in DFME's and DFM's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data. Such a failure could impede the ability of DFME or DFM, as applicable, to perform its duties to the Company, the Risk Retention Companies and the Risk Retention Company CLOs.

Financial and Strategic Advisory Services

On 1 October 2015, The Blackstone Group spun off its financial and strategic advisory services, restructuring and reorganisation advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners, an independent financial advisory firm founded by Paul J. Taubman. While the new combined business will operate independently from The Blackstone Group and will not be an affiliate thereof, nevertheless conflicts may arise in connection with transactions between or involving the Company, the Risk Retention Companies and the Risk Retention Company CLOs and the entities in which the Company, the Risk Retention Companies and the Risk Retention Company CLOs invest on the one hand and the spun-off firm on the other. Specifically, given the spun-off firm will not be an affiliate of The Blackstone Group, there may be fewer or no restrictions or limitations placed on transactions or relationships engaged in by the new advisory business as compared to the limitations or restrictions that might apply to transactions engaged in by an affiliate of The Blackstone Group. It is expected that there will be substantial overlapping ownership between The Blackstone Group and the spun-off firm for a considerable period of time going forward. Therefore, conflicts of interest in doing transactions involving the spun-off firm will still arise. The pre-existing relationship between The Blackstone Group and its former personnel involved in such financial and strategic advisory services, the overlapping ownership, co-investment and other continuing arrangements, may influence the CLO Managers in deciding to select or recommend such new company to perform such services for the Company, the Risk Retention Companies and the Risk Retention Company CLOs (or an entity in which the Company, the Risk Retention Companies and the Risk Retention Company CLOs invest), as applicable (the cost of which will generally be borne directly or indirectly by the Company, the Risk Retention Companies and the Risk Retention Company CLOs or such entity, as applicable).

Informal or formal investigations by the SEC and other regulatory authorities

It is worth noting that the SEC has publicly indicated its specific focus in the area of sponsors of private funds and certain of their activities. In that connection, the SEC's list of examination priorities includes, among other things, advisers' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interests. The Blackstone Group is regularly subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which The Blackstone Group routinely cooperates and, in the current environment, even historical practices that have been previously examined are being revisited. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against The Blackstone Group or its personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Company, DFME, DFM, The Blackstone Group, the Risk Retention Companies and the Risk Retention Company CLOs. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing, whether applicable to The Blackstone Group specifically or the underlying private funds sponsored by The Blackstone Group, would not have a material adverse effect on the Risk Retention Companies, the Company, the Risk Retention Company CLOs and/or their ability to achieve their applicable investment objectives.

Investments by the Risk Retention Company CLOs, the Risk Retention Companies and Other Accounts in separate securities issued by an obligor

The Risk Retention Company CLOs or Risk Retention Companies' service providers (including lenders, brokers, attorneys and investment banking firms) may be investors in Other Funds, Other Accounts and/or sources of investment opportunities and counterparties therein. This may influence DFME, DFM or an affiliate in deciding whether to select such a service provider or have other relationships with The Blackstone Group. In situations where DFME, DFM or their affiliates were influenced to not use a particular service provider as a result of the above and it was considered that the refused service provider would have performed in a manner considered to be relatively better than the service provider actually chosen, this may be perceived to have an adverse relative effect on the performance of the Risk Retention Company CLOs, the Risk Retention Companies and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. Notwithstanding the foregoing, investment transactions for the Risk Retention Company CLOs or the Risk Retention Companies that require the use of a service provider will generally be allocated to service providers on the basis of best execution (and possibly to a lesser extent in consideration of such service provider's provision of certain investment-related and other services that are believed to be of benefit for the Risk Retention Company CLOs or the Risk Retention Companies). The allocation is not guaranteed, however, and if an allocation was not able to be made on the basis of best execution, this could result in an adverse relative effect on the performance of the Risk Retention Company CLOs, the Risk Retention Companies and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. Advisers, such as DFME and DFM, and their service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. In addition, service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. Therefore, based on the types of services used by clients (such as the Risk Retention Companies, the Company and the Risk Retention Company CLOs) as compared to Blackstone and its affiliates and the terms of such services, GSO or its affiliates may benefit to a greater degree from such vendor arrangements than the clients (such as the Risk Retention Companies, the Company and the Risk Retention Company CLOs).

Risk Retention Company CLOs may invest in the securities of companies affiliated with The Blackstone Group or companies in which DFM or DFME or its affiliates have an equity or participation interest. The purchase, holding and sale of such investments by the Risk Retention Company CLOs may enhance the profitability of The Blackstone Groups' own investments in such companies. It is possible that one or more affiliates of DFM or DFME may also act as counterparty with respect to one or more participations.

Sale Price of loans or other securities

Where a Risk Retention Company sells or commits to sell loans or other securities which are assets that such Risk Retention Company has itself purchased on the same day of such sale or commitment to sell to a CLO, the transfer price for such loans or other securities may be the Risk Retention Company's purchase price. The Risk Retention Companies may enter into Forward Purchase Agreements to sell loans or other securities to a CLO on or after the issue date of such CLO and the prices of such transactions will be the prices at the time that such Forward Purchase Agreements are entered into by the relevant Risk Retention Company and not the settlement date thereof.

Investments in securities by officers, directors, members, managers, and employees of DFME or DFM for their own accounts

The officers, directors, members, managers, and employees of DFME or DFM may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law or the policies of The Blackstone Group, or otherwise determined from time to time by DFME. Conflicts of interest may arise between such parties and the Risk Retention Company CLOs or the Risk Retention Companies due to the fact that such parties could hold an interest in the same or similar assets as those held by the Risk Retention Company CLOs or the Risk Retention Companies. If such parties act in a way which differs from the strategies or approaches of the Risk Retention Company CLOs or the Risk Retention Companies, this could have an adverse effect on the financial performance of the Risk Retention Company CLOs or the Risk Retention Companies and, by extension, the financial performance of the Company.

U.S. Investment Company Act

The U.S. Investment Company Act may prohibit certain "joint" or "principal" transactions between and among the Risk Retention Companies and registered funds managed by The Blackstone Group (including GSO Affiliates and Other Accounts), which could include investment in the same portfolio company (whether at the same or different times). These prohibitions may limit the scope of investment opportunities that would otherwise be available to the Risk Retention Company CLOs or the Risk Retention Companies and this could have a material adverse effect on the Risk Retention Company CLOs' or the Risk Retention Companies' ability to find suitable investments, and consequently on the Risk Retention Company CLOs' or Risk Retention Companies' financial performance and, by extension, that of the Company.

Cross Transactions and Principal Transactions

It is expected that a portion of the assets the applicable Risk Retention Companies acquire may be loans or other securities in respect of which The Blackstone Group, GSO Affiliates or Other Accounts either participated in the original lending group or structured or originated the asset (in each case, a "**GSO-Related Loan**"). Additionally, a significant portion of the assets the applicable Risk Retention Companies acquire may be purchased from and will be sold to funds or Other Accounts that The Blackstone Group or GSO Affiliates manage or otherwise provide advice in respect of ("**Related Accounts**"). Any of the aforementioned transactions may be considered to be affiliate transactions (as defined below). The board of directors and/or an independent client representative (as applicable) of each Risk Retention Company will be authorised by the relevant Risk Retention Company to consent or decline to consent, on the Risk Retention Company's behalf, to the terms of any affiliate transaction where a potential conflict of interest may arise by reason of, amongst other things, the involvement of GSO Affiliates or GSO Accounts, such as a purchase or sale of an asset (including a GSO-Related Loan) from The Blackstone Group or Other Accounts, or the purchase of assets by the Risk Retention Companies from Related Accounts. In the case of an asset purchase or sale by the Risk Retention Companies from The Blackstone Group or GSO Affiliate or an entity (including a Related Account) in which The Blackstone Group and/or GSO Affiliate has an ownership interest of 25 per cent. or more, the consent of the board of directors of the relevant Risk Retention Company to such purchase or sale will be obtained prior to settlement thereof. In any other case, the board of directors of the relevant Risk Retention Company must consent to the applicable transaction on a quarterly basis, and such consent may occur after the applicable transaction has settled. If any transaction is subject to the disclosure and consent requirements of Section 206(3) of the Investment Advisers Act, such requirements will be deemed to be satisfied with respect to the relevant Risk Retention Company if the procedures described above are followed. Each investor in the Company will be deemed to have consented to the procedures described herein with respect to affiliate transactions.

For the purposes of the paragraph above, an "affiliate transaction" shall mean: (i) a purchase or sale of an asset between a Risk Retention Company and a fund managed by The Blackstone Group or GSO Affiliates; (ii) a transaction involving one or more Risk Retention Company and The Blackstone Group or a GSO Affiliate, where The Blackstone Group or GSO Affiliate is acting as principal for its own account; or (iii) a transaction in which The Blackstone Group or GSO Affiliate, acts as broker for another person on the other side of the transaction.

Additional conflicts of interest

There is no limitation or restriction on DFME, DFM, the Risk Retention Companies or any of their respective affiliates with regard to acting as CLO Manager or retention holder (or in a similar role) to other parties or persons.

This and other future activities of DFME, DFM, the Risk Retention Companies and/or their respective Affiliates may give rise to additional conflicts of interest.

RISKS RELATING TO AN INVESTMENT IN THE SHARES

The Shares may trade at a discount to the Net Asset Value per Share (of the relevant class) and Shareholders may be unable to realise their Shares on the market at the Net Asset Value per Share (of the relevant class) or at any other price

The Shares may trade at a discount to the Net Asset Value per Share (of the relevant class) for a variety of reasons, including due to market or economic conditions or to the extent investors undervalue the Risk Retention Companies.

Subject to the Companies (Jersey) Law 1991 ("**Companies Law**"), under its articles of association ("**Articles**"), the Company may issue additional securities, including Shares, for any purpose. Any additional issuances by the Company, or the possibility of such issue, may cause the market price of the Shares to decline.

Shareholders have no right to have their Shares redeemed or repurchased by the Company

The Company has been established as a closed-ended vehicle. Accordingly, there is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

The existence of a liquid market in the Shares cannot be guaranteed

The Shares are, or in the case of the Placing Shares, will be admitted to trading on the Specialist Fund Market and to listing on the CISE Official List, however there can be no guarantee that a liquid market in the Shares will be sustained or develop, as the case may be, or that the Shares of either class will trade at prices close to the Net Asset Value per Share of the relevant class. The number of Shares to be issued pursuant to the Placing Programme is not yet known, and there may be a limited number of holders of Shares of either class. Limited numbers and/or holders of Shares of any class may mean that there is limited liquidity in such Shares which may affect: (i) a Shareholder's ability to realise some or all of their investment; (ii) the price at which such Shareholder can effect such realisation; and/or (iii) the price at which Shares of such class trade in the secondary market. Accordingly, Shareholders may be unable to realise their investment at Net Asset Value per Share of the relevant class or at all.

Issuance of additional Shares could have a detrimental effect on the Net Asset Value and the market price of the Shares

Under the Companies Law, to which the Company is subject, there are no rules restricting the ability of the Directors to issue additional Shares on a non-pre-emptive basis at any time, or otherwise. However, the Company has elected to include pre-emption rights in its Articles. Such pre-emption rights have, following Shareholder approval at the Extraordinary General Meeting, been disapplied in respect of, in aggregate, a maximum of 500 million Shares (either U.S. Dollar Shares or Euro Shares). The Directors' authority to issue the Shares on a non-pre-emptive basis will expire at the conclusion of its annual general meeting to be held in 2017 (save that where the Company has, prior to such expiry, made an offer or agreement that would or might require Shares to be allotted and issued after such expiry, the Directors may issue Shares pursuant to such offer or agreement as if their authority to issue Shares on a non-pre-emptive basis had not expired).

The Directors also intend to request a general authority to allot Shares on a non-pre-emptive basis at the next annual general meeting of the Company to be held in 2016 and at each subsequent annual general meeting of the Company.

Subject to the terms of issue of any such Shares, if the Directors were to issue further Shares in the future this could have a detrimental effect on the market price of the Shares.

The Shares will be subject to purchase and transfer restrictions under the Placing Programme and in secondary transactions in the future

The Company intends to restrict the ownership and holding of its Shares so that none of its assets will constitute "plan assets" under the U.S. Plan Assets Regulations. The Company intends to impose such restrictions based on deemed representations in the case of a subscription of Shares. If the Company's assets were deemed to be "plan assets" of any U.S. Plan Investor, pursuant to the U.S. Plan Assets Regulations then: (i) the prudence and other fiduciary responsibility standards of ERISA would apply to investments made by the Company; and (ii) certain transactions that the Company or a subsidiary of the Company may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the U.S. Tax Code and might have to be rescinded. Governmental, certain church and non-U.S. plans, accounts or arrangements (each, an "**Other Plan**"), while not subject to Title I of ERISA or Section 4975 of the U.S. Tax Code, may nevertheless be subject to other federal, state, local, non-U.S. or other laws or regulations that would have the same or similar effect as the U.S. Plan Assets Regulations so as to subject the Company (or other persons responsible for the investment and operations of the Company assets) to laws or

regulations that are similar to the fiduciary responsibility and/or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the U.S. Tax Code (collectively, "**Similar Laws**").

Each purchaser and subsequent transferee of the Shares will be deemed to represent and warrant that no portion of the assets used to acquire or hold its interest in the Shares constitutes or will constitute the assets of any U.S. Plan Investor or any Other Plan subject to Similar Laws. The Articles of the Company provide that the Board may refuse to register a transfer of Shares to any person they believe to be a Non-Qualified Holder (as defined in the Articles), including a U.S. Plan Investor. If any Shares are owned directly or beneficially by a person believed by the Board to be a Non-Qualified Holder, the Board may give notice to such person requiring such person either: (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder or a U.S. Plan investor; or (ii) to sell or transfer their Shares to a person qualified to own the same within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited their Shares.

In addition, to avoid being required to register as an investment company under the U.S. Investment Company Act and to avoid violating the U.S. Investment Company Act, the Company has implemented restrictions on the purchase of the Shares by persons who are located in the United States or are U.S. Persons (or are acting for the account or benefit of any U.S. Person). For more information, refer to "*Risks relating to regulation and taxation with respect to the Company, LuxCo, BGCF and U.S. MOA — The Company is not, and does not intend to become, registered in the United States as an investment company under the U.S. Investment Company Act and related rules*" in this section of this Prospectus.

For more information on purchase and transfer restrictions, prospective investors should refer to the section entitled "*Purchase and Transfer Restrictions*" in Part V of this Prospectus.

Individual share classes may be exposed to currency risk

The Placing Shares may be denominated in U.S. Dollars and/or Euros. Also, investments made by the Risk Retention Companies may be denominated in U.S. Dollars, Euros or other currencies. The financial statements of the Company, however, will be prepared in Euros and the operational and accounting currency of the Company will be the Euro. Therefore, the holders of a specific class of Placing Shares may be subject to foreign currency fluctuations between the currency in which such Placing Shares are denominated and the currency of the investments made by the Company, LuxCo and Risk Retention Companies. The Company will normally seek to hedge currency exposure between the Euro (being the Company's operational and accounting currency) and any other currency in which the Risk Retention Company's assets may be denominated. In addition, the Company will normally seek to hedge the exposure of the U.S Dollar Shares against fluctuations between the U.S. Dollar and the Euro (which is the Company's operational and accounting currency).

However, hedging arrangements will be implemented on behalf of the Company only when suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts, are available in a timely manner and on terms acceptable to the Directors, in their sole and absolute discretion. To the extent that the Company is unable to engage, or is unsuccessful, in hedging currency exposure, Shareholders will be subject to fluctuations between the currency in which Placing Shares are denominated and the other currencies in which the assets and investments comprising the portfolio are denominated.

The Company reserves the right to terminate any hedging arrangement in its absolute discretion, including, without limitation, if it considers it to be in the interests of Shareholders to do so or such arrangements may adversely affect the performance of the Company. In connection with any currency hedging transactions, the Company may be required to pledge some of its assets to the relevant counterparties to such transactions as collateral. Moreover, the agreements related to the Company's currency hedging transactions typically will give the counterparties the right to terminate the transactions upon the occurrence of certain termination events. Such events may include, among others, the failure to pay amounts owed when due, the failure to provide required reports or financial statements, a decline in the value of the Company's assets pledged as collateral, the failure to maintain sufficient collateral coverage, the failure to comply with the investment policy and any investment restrictions, key changes in the Company's management, a significant reduction in the Company's assets and material violations of the terms of, or representations, warranties or

covenants under, the transaction agreements, as well as other events determined by counterparties. If a termination event were to occur, a counterparty would be entitled, in its sole discretion and without regard to the Company's investment objective, to realise and liquidate pledged assets as collateral, and as a result, the Company's investment return and performance could be materially adversely affected and the Company could incur significant losses. Furthermore, in selecting pledged assets for liquidation, a counterparty will realise the most liquid investments, which could result in the remaining portfolio of investments being less diverse than would otherwise be the case.

As a result of currency exchange rate exposure and the profits, losses and expenses of hedging transactions being, where relevant, borne by the class of Shares subject to the hedging transaction, the performance of such Shares may differ from that of the other class of Shares. Furthermore, while the profits, losses and expenses relating to currency hedging transactions, if any, will, where relevant, be specifically allocated to and paid by the class of Shares to which such transactions are related, under the laws of Jersey, were the assets of the Company attributable to such class of Shares insufficient to pay any of its specific liabilities, including without limitation, their specific hedging expenses, such liabilities would be borne by the Company as a whole.

The use of derivatives and other instruments to reduce risk involves costs. Consequently, the use of hedging transactions might result in lower performance for the hedged Shares than if the Company had not sought to hedge exposure against foreign currency exchange risk.

There can be no assurance that appropriate hedging transactions will be available to the Company or that any such hedging transactions will be successful in protecting against currency fluctuations or that the performance of the Placing Shares will not be adversely affected by the currency exchange rate exposure. In addition, the Company may concentrate its hedging activities with one or a few counterparty(ies) and the Company is subject to the risk that a counterparty may fail to fulfil its obligations under a hedging contract. To the extent that a counterparty fails to fulfil its obligations, the relevant Share class, and potentially the Company as a whole, could suffer loss.

RISKS RELATING TO REGULATION AND TAXATION WITH RESPECT TO THE COMPANY, LUXCO, BGCF AND U.S. MOA

Changes in law or regulations, or a failure to comply with any laws or regulations, may adversely affect the respective businesses, investments and performance of the Company, LuxCo, BGCF and U.S. MOA

The Company, LuxCo, BGCF and U.S. MOA are subject to laws and regulations enacted by national and local governments.

The Company is subject to, and is required to comply with, certain regulatory requirements that are applicable to closed-ended investment companies which are domiciled in Jersey. These include compliance with any decision of the JFSC. In addition, the Company is subject to: (i) the continuing obligations imposed by the London Stock Exchange on all investment companies whose shares are admitted to trading on the Specialist Fund Market; and (ii) the continuing obligations imposed by the Exchange on all investment companies whose shares are listed on the CISE Official List.

BGCF is subject to, and is required to comply with, certain tax requirements that are applicable to companies which are tax resident in Ireland and fall within the scope of Section 110 of the Taxes Consolidation Act 1997 (the "**TCA**"). These include:

(a) only acquiring "qualifying assets" within the meaning of Section 110 TCA (where "qualifying assets" includes financial assets such as loans, debts and securities);

(b) acquiring qualifying assets with a value of at least €10m on the day it first acquires qualifying assets;

(c) carrying on only the business of holding or managing qualifying assets or activities ancillary thereto;

(d) only entering into arrangements which are by way of a bargain made at arms-length (subject to certain limited exceptions); and

(e) complying with certain anti-avoidance tests to ensure that payments in respect of its debt obligations are deductible and do not attract Irish withholding tax.

BGCF has notified the Irish Revenue within the specified time period of its intention to qualify as a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act 1997.

The Cayman Islands at present impose no taxes on profit, income, capital gains or appreciations in value of U.S. MOA. There are also currently no taxes imposed in the Cayman Islands by withholding or otherwise on shareholders on profit, income, capital gains or appreciations in respect of their shares nor any taxes on the shareholders in the nature of estate duty, inheritance or capital transfer tax.

Further, U.S. MOA has obtained an undertaking from the Cayman Islands Government that, for a period of twenty years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax on such profit, income, capital gains or appreciations will apply to U.S. MOA and that, for the same period of twenty years, no taxes on such profit, income, capital gains or appreciations nor any tax in the nature of estate duty or inheritance tax will be payable on the shares, debentures or other obligations of U.S. MOA.

U.S. MOA may be subject to anti-money laundering legislation in the Cayman Islands pursuant to the Proceeds of Crime Law (as amended) (the "PCL"). Pursuant to the PCL, the Cayman Islands government enacted The Money Laundering Regulations (as amended), which impose specific requirements with respect to the obligation to "know your client." Unless an exemption under the Money Laundering Regulations applies, U.S. MOA will require a detailed verification of each investor's identity and the source of the payment used by such investor for purchasing equity interests in a manner similar to the obligations imposed under the laws of other major financial centers. In addition, if any Person who is resident in the Cayman Islands knows or has a suspicion that a payment to U.S. MOA (by way of investment or otherwise) constitutes or is derived from the proceeds of criminal conduct, that Person must report such suspicion to the Cayman Islands authorities pursuant to the PCL. If U.S. MOA were determined by the Cayman Islands government to be in violation of the PCL or The Money Laundering Regulations (as amended), U.S. MOA could be subject to substantial criminal penalties. Such a violation could materially adversely affect the timing and amount of payments by U.S. MOA to the holders of equity interests.

LuxCo is incorporated as a fully taxable Luxembourg resident company. As such, LuxCo will be subject to corporate tax in Luxembourg at a rate of 29.22 per cent. (in 2016 for a company located in Luxembourg city) on its worldwide income unless it can benefit from a specific exemption provided by Luxembourg internal tax law or double tax treaties.

Luxembourg tax law permits the deduction of arm's length operating expenses incurred in the economic interest of the Luxembourg company when calculating taxable income (unless they relate to an exempt income).

In the case at hand, any income derived by LuxCo from the Profit Participating Notes issued by BGCF will be fully taxable in Luxembourg. However, given that the cash settlement warrants issued by LuxCo should be treated as debt for Luxembourg accounting and direct tax purposes, any expense under the cash settlement warrants should be tax deductible and not subject to withholding tax in Luxembourg.

Considering that LuxCo should be viewed as carrying on intra-group financing activities, it will have to comply with Luxembourg transfer pricing regulations as per the transfer pricing circulars issued by the Luxembourg tax authorities. This means that LuxCo will have to comply with certain economic and organisational substance requirements and an arm's length remuneration will also have to be earned on such financing activities. Such remuneration will have to be at arm's length (in line with the Organisation for Economic Co-operation and Development's ("**OECD**") general guidelines and the Luxembourg transfer pricing regulations) and properly documented from a transfer pricing perspective.

LuxCo will also be subject to an annual net wealth tax at a rate of 0.5 per cent. on its worldwide net wealth (provided the total net worth does not exceed €500 million, otherwise 0.05 per cent.) unless a double tax treaty or a specific disposition provides otherwise. The net wealth is determined on 1 January of each year. The taxable basis is determined roughly as the market value of all the assets (including cash and receivables) less all the liabilities (unless they are connected to an exempt asset).

In the case at hand, the Profit Participating Notes issued by BGCF should be included in the net wealth tax basis of LuxCo whereas the cash settlement warrants – treated as a debt instrument for Luxembourg accounting and tax purposes – should be deductible from the latter.

The confirmation by the Luxembourg tax authorities of the above Luxembourg direct tax treatment applicable to LuxCo has been requested in writing through the filing of an advance tax analysis letter ("**ATA**") on 8 September 2015. To the extent accepted by the Luxembourg tax authorities, the ATA will have a binding effect on the tax authorities for a 5-year period unless the facts described in the ATA are incomplete, inaccurate or altered or the ATA appears to be no longer compliant with Luxembourg, European or international law.

In order to support the position that payments by BGCF on the Profit Participating Notes issued by BGCF are deductible and are not subject to withholding tax, BGCF will need certain confirmations from LuxCo as holder of the Profit Participating Notes. LuxCo will need to confirm to BGCF firstly that it is resident in Luxembourg and secondly that in respect of interest or other distributions it may receive on the Profit Participating Notes LuxCo is subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in Luxembourg which generally applies to profits, income or gains received in Luxembourg by persons from sources outside Luxembourg.

LuxCo has confirmed these matters to BGCF. If however these circumstances were to change, this could potentially lead to LuxCo receiving a lower return from BGCF and the Company therefore receiving a lower return from LuxCo which would adversely affect the Company's business, financial condition, results of operations, NAV, the market price of the Shares and/or the after-tax return to its shareholders. The laws and regulations affecting the Company and BGCF are evolving and any changes in such laws and regulations may have an adverse effect on the ability of the Company and/or BGCF to carry on their respective businesses. Any such changes may also have an adverse effect on the ability of the Company and/or BGCF to pursue the investment policies, and may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The European Directive on Alternative Investment Fund Managers may impair the ability of the Company to market its Shares to EU investors and gives rise to the risk that an EU regulatory authority may determine that the Company has a third party alternative investment fund manager. The timing of any resulting licensing requirements could be problematic for the on-going operation of the Company and the regulatory obligations applicable to the relevant third party may create significant additional compliance costs

The AIFM Directive, which was due to be transposed by EU member states into national law by July 2013 (and was so transposed by, *inter alia*, Ireland and the United Kingdom), seeks to regulate alternative investment fund managers (in this paragraph, "**AIFM**") and imposes obligations on managers who manage alternative investment funds (in this paragraph, "**AIF**") in the EU or who market shares in such funds to EU investors. In order to obtain authorisation under the AIFM Directive, an AIFM needs to comply with various obligations in relation to the AIF, which may create significant additional compliance costs, some of which may be passed to investors in the AIF.

The Company is a non-EU AIF for the purposes of the AIFM Directive and related regimes in relevant EU member states. The Company operates as a self-managed AIF and has not appointed a third party as its AIFM. As the Company is a self-managed non-EU AIF, only a limited number of provisions of the AIFM Directive apply, at least until July 2018 (at which point additional obligations may apply under the AIFM Directive, but only if the Company markets Shares to investors in the EU after that date).

There is a risk that a relevant regulatory authority may determine that the Company is not a self-managed AIF and that a particular third party which assists the Company in various functions is its AIFM. If a relevant regulatory authority determines that the Company is not a self-managed AIF and that a particular third party, which is established in the EU, is its AIFM, that AIFM may be subject to the full range of requirements of the AIFM Directive. Subject to the availability of transitional or grandfathering provisions in the AIFM Directive, the AIFM might be required to apply for a license in an EU member state, and until it has obtained such authorisation, it may not be able to act as the AIFM of the Company. As a result, the Company may not be able to utilise the relevant third party for the services it had been providing to the Company.

Following national transposition of the AIFM Directive in a given EU member state, the marketing of shares in AIFs that are established outside the EU (such as the Company) to investors in that EU member state will be prohibited unless certain conditions are met. Certain of these conditions are outside the Company's control as they are dependent on the regulators of the relevant third country (in this case Jersey) and the relevant EU member state entering into regulatory co-operation agreements with one another. The Company

cannot guarantee that such conditions will be satisfied. In cases where the conditions are not satisfied, the ability of the Company to market Shares or raise further equity capital in the EU may be limited or removed. In that event the Company may be required to consider a re-domiciliation to an EU member state or to another third country which has satisfied the relevant conditions.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that limit the Company's ability to carry on its business or to market future issues of its Shares may materially adversely affect the Company's ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The potential effects of the AIFM Directive as explained herein could also apply in respect of BGCF, being Ireland domiciled, were it to fall to be considered an EU AIF. Based on guidance issued by the Central Bank of Ireland in November 2015, BGCF should not constitute an EU AIF.

However, if BGCF were to constitute an AIF (either because it does not satisfy the conditions set down by the Central Bank of Ireland or because of a change in the guidance from the Central Bank of Ireland or ESMA), then it would be necessary for BGCF to appoint an AIFM which would be subject to the AIFM Directive and would need to be appropriately regulated. The AIFM would be subject to certain duties and responsibilities in respect of its management of BGCF's investments, which could result in significant additional costs and expenses being incurred which may be reimbursable by BGCF and which may materially adversely affect BGCF's ability to carry on its business.

Final regulations implementing the "Volcker Rule" in the United States have become effective. Full conformance with the Volcker Rule was required by 21 July 2015, and the sponsorship activities and covered fund investments that were not in place on or before 31 December 2013 of all banking entities (and their affiliates) subject to the Volcker Rule must now comply with the requirements of the Volcker Rule. If the Volcker Rule applies to an investor's ownership of Shares, the investor may be forced to sell its shares, or the continued ownership of such shares may be subject to certain restrictions.

The "Volcker Rule" was enacted in 2010 in the United States as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Implementing regulations were promulgated in final form in December 2013 by the relevant US regulatory authorities (which includes the Board of Governors of the Federal Reserve System (the "**FRB**") and the SEC) and became effective on 1 April 2014. Full conformance with the Volcker Rule was required by 21 July 2015, and the sponsorship activities and covered fund investments that were not in place on or before 31 December 2013 of all banking entities (and their affiliates) subject to the Volcker Rule must now comply with the requirements of the Volcker Rule. In general, the Volcker Rule prohibits a "banking entity" as defined therein (which definition includes all U.S. banks and their affiliates and all non-U.S. banks which engage in the banking business in the United States (and all of such non-U.S. banks' affiliates) from acquiring or retaining directly or indirectly as principal any "ownership interest" in, and from "sponsoring", a "covered fund", except as otherwise permitted by the Volcker Rule.

U.S. regulators, including the FRB and the SEC, charged with responsibility for implementing and enforcing the Volcker Rule may conclude that the Company is a "covered fund" and that the acquisition of Placing Shares in the Company constitutes the acquisition of "ownership interests" in a "covered fund" under the Volcker Rule.

If the US regulatory authorities charged with implementing and enforcing the Volcker Rule conclude that the Company is a covered fund and that the Placing Shares constitute "ownership interests", then (in the absence of an applicable exemption or exclusion from the Volcker Rule) no U.S. or non-U.S. banking entity (or its affiliates) would be permitted to sponsor the Company and/or acquire and/or continue to hold (as applicable) Placing Shares and all such entities will be required to bring any such sponsorships and/or investments into compliance with the Volcker Rule by terminating such sponsorships and/or divesting of such Placing Shares (as the case may be), subject to any extensions that might be granted at the discretion of such U.S. regulatory authorities. Banking entities which desire to acquire Placing Shares should consult with their own attorneys before investing in such Placing Shares to determine whether or not such investments can be made in compliance with the Volcker Rule.

If the Company becomes subject to tax on a net income basis in any tax jurisdiction, or BGCF becomes subject to tax on a net income basis in any tax jurisdiction other than Ireland, the Company's financial condition and prospects could be materially and adversely affected

The Company intends to conduct its affairs so that it will not be treated as Irish resident for taxation purposes, or as having a permanent establishment or otherwise being engaged in a trade or business, in the UK or Ireland. BGCF intends to conduct its affairs so that it will not be treated as UK resident for taxation purposes, or as having a permanent establishment or being engaged in a trade or business in the UK or the US.

The Company and BGCF intend that they will not be subject to tax on a net income basis in any country, excluding Ireland in the case of BGCF. There can be no assurance, however, that the net income of the Company or BGCF will not become subject to income tax in one or more countries, including Jersey, the United Kingdom, the United States and, in the case of the Company, Ireland, as a result of unanticipated activities performed by the Company, adverse developments or changes in law, contrary conclusions by the relevant tax authorities, changes in the Directors' personal circumstances or management errors, or other causes. The imposition of any such unanticipated net income taxes could materially reduce the post-tax returns available for distributions on the Shares, and consequently may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

CFTC Regulation; Commodity Pool Registration

The Company and/or a Risk Retention Company may enter into hedges to hedge interest rate or FX risk associated with its portfolio of loans or CLO Securities. Pursuant to the Dodd-Frank Act, the U.S. Commodity Futures Trading Commission ("**CFTC**") has promulgated a range of new regulatory requirements (the "**CFTC Regulations**") that the Company and/or a Risk Retention Company may be subject to, and that may affect the pricing, terms and compliance costs associated with the entry into any hedge transaction by the Company or a Risk Retention Company and the availability of such hedge transactions. Some or all of the hedge transactions that the Company or a Risk Retention Company may enter into may be affected by: (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility; (ii) initial and variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation requirements as may otherwise be required by law with respect to uncleared swaps; (iii) swap reporting and recordkeeping obligations, and other matters. These new requirements may significantly increase the cost to the Company and/or Risk Retention Company of entering into hedge transactions such that the Company and/or Risk Retention Company may be unable to purchase certain types of investments, have unforeseen legal consequences on the Company and/or Risk Retention Company or have other material adverse effects on the Company, Risk Retention Company and/or the Shareholders.

In addition, the Company's and the Risk Retention Companies' ability to enter into hedge transactions may cause the Company and/or a Risk Retention Company to be a "commodity pool" as defined in the United States Commodity Exchange Act of 1936, as amended ("**CEA**") and DFM and/or DFME to be a "commodity pool operator" ("**CPO**") and/or a "commodity trading advisor" ("**CTA**"), each as defined in the CEA. The CEA, as amended by the Dodd-Frank Act, defines a "commodity pool" to include certain investment vehicles operated for the purpose of trading in "commodity interests" which term includes swaps. CPOs and CTAs are subject to regulation by the CFTC and must register with the CFTC unless an exemption from registration is available.

Registration of the Company or a Risk Retention Company as a CPO could cause the Company or Risk Retention Company to be subject to extensive compliance and reporting requirements that would involve material costs. The scope of such compliance costs is uncertain but could adversely affect the amount of funds available to make payments to the Shareholders. In addition, in the event an exemption from registration were available and the Company or Risk Retention Company elected to file for an exemption, the Company or Risk Retention Company would not be required to deliver certain CFTC mandated disclosure documents or a certified annual report to investors or satisfy on-going compliance requirements under Part 4 of the CFTC Regulations, as would be the case for a registered CPO. Further, the conditions of such exemption may constrain the extent to which the Company or Risk Retention Company may be able to enter into swap transactions to hedge its interest rate or FX exposure. In particular, the limits imposed by such exemptions may prevent the Company or Risk Retention Company from entering into a hedge transaction that the Company or Risk Retention Company believes would be advisable or result in the Company or Risk Retention Company incurring financial risks that would have been hedged pursuant to swap transactions absent such limits.

The Company and/or any Risk Retention Company may be able to rely on a certain exemption from registration as a CPO available to commodity pools that only engage in a minimal amount of hedge transactions. If any such exemption is obtained, investors will not have the benefit of the disclosure and other regulatory protections that would have applied had the relevant entity been subject to regulation as a CPO.

Further, if the Company or Risk Retention Company determines that additional hedge transactions should be entered into by the Company or Risk Retention Company in excess of the trading limitations set forth in any applicable exemption from registration as a "commodity pool operator", the Company or Risk Retention Company may elect to withdraw its exemption from registration and instead register with the CFTC as a CPO. The costs of obtaining and maintaining these registrations and the related compliance obligations would reduce the amount of funds available to make payments to the Shareholders. These costs are uncertain and could be materially greater than the Company or Risk Retention Company anticipated when deciding to enter into the transaction and register as a CPO. In addition, it may not be possible or advisable for the Company or Risk Retention Company to withdraw from registration as a CPO after any relevant swap transactions terminate or expire. The costs of CPO registration and the ongoing CPO compliance obligations of the Company or Risk Retention Company could exceed, perhaps significantly, the financial risks that are being hedged pursuant to any hedge transaction.

The Company may be unable to maintain its non-Irish tax resident status, which would adversely affect its financial and operating results, the value of the Shares and the after-tax return to Shareholders

In order to maintain its non-Irish tax resident status, the Company is required to be controlled and managed outside Ireland. The composition of the Board, the place of residence of the individual Directors and the location(s) in which the Board makes decisions will be important in determining and maintaining the non-Irish tax resident status of the Company. Although the Company is established outside Ireland and a majority of the Directors live outside Ireland, continued attention must be given to ensure that major decisions are not made in Ireland or the Company may lose its non-Irish tax resident status. As such, changes in Directors' personal circumstances or management errors could potentially lead to the Company being considered Irish tax resident which would adversely affect the Company's business, financial condition, results of operations, NAV, the market price of the Shares and/or the after-tax return to its shareholders.

Changes in taxation legislation, or the rate of taxation, may adversely affect the Company, LuxCo, BGCF and U.S. MOA

Any change in the tax status of the Company, LuxCo, BGCF or U.S. MOA, or in taxation legislation or practice in Jersey, the United Kingdom, Ireland, the Cayman Islands, the United States, Luxembourg or elsewhere could affect the value of the investments held by the Company, BGCF or U.S. MOA or the Company's ability to achieve its investment objectives or alter the post-tax returns to shareholders. Statements in this Prospectus concerning the taxation of Shareholders and/or the Company are based upon current Jersey, United Kingdom, Luxembourg, United States and Irish law and published practice as at the date of this Prospectus, which law and practice is, in principle, subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to meet its investment objective and which could adversely affect the taxation of shareholders and/or the Company.

Potential investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Company.

The OECD and other government agencies in jurisdictions where the Company, BGCF, U.S. MOA and LuxCo do business have had an extended focus on issues related to the taxation of multinational corporations and the taxation of cross-border transactions. One example is in the area of "base erosion and profit shifting", where profits are claimed to be earned for tax purposes in low-tax jurisdictions, or payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. The OECD has released components of its comprehensive plan to create an agreed set of international rules for fighting base erosion and profit shifting. As a result, the tax laws in Jersey, Ireland, the Cayman Islands and Luxembourg and other countries in which Company, BGCF, U.S. MOA and LuxCo do business could change on a prospective or retroactive basis, and any such changes could adversely affect the Company, BGCF, U.S. MOA and LuxCo.

Further, on 14 February 2013, the European Commission published a proposal for a Directive for a common financial transaction tax (the "**FTT**") requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal Spain, Slovakia and Slovenia, (the "**Participating Member States**"). Discussions between Participating Member States are on-going.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to financial transactions where at least one party is a financial institution and: (i) one party is established in a participating Member State; or (ii) the financial instrument which is subject to the transaction is issued in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including by transacting with a person established in a participating Member State. The FTT will be payable by each financial institution established or deemed established in a participating Member State which is either a party to the financial transaction, or acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, will become jointly and severally liable for the payment of the FTT due.

The issuance and subscription of the Placing Shares should, in principle, not be subject to the FTT. There are no broad exemptions for financial intermediaries or market makers. While the FTT proposal remains subject to negotiation between the Member States, and may therefore be altered, if adopted in its current proposed form any investments BGCF may make may be affected by the FTT and it may have an adverse effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the Placing Shares.

At this stage, it is too early to say whether the proposed FTT will be adopted and in what form. Additional Member States may also decide to participate. Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to implementation. While the proposal for a Council Directive identified the date of introduction of the FTT across the Participating Member States as being 1 January 2014, a subsequent joint statement by the finance ministers of the Participating Member States (except for Slovenia) published on 6 May 2014 identified the revised date of introduction of the FTT as being 1 January 2016 at the latest.

The meeting of the European Union Economic and Financial Affairs Council on 7 November 2014 confirmed the aim among the Participating Member States of implementing the first phase of the FTT with effect from 1 January 2016. In a further joint statement by the finance ministers of the Participating Member States (except for Greece) published on 27 January 2015 reiterated that the anticipated implementation date remained 1 January 2016.

However, a publication by the Luxembourg Presidency of the Council of the European Union (the "**Luxembourg Presidency**") on 3 December 2015 set out the 'state of play' in relation to the FTT. In that publication, the Luxembourg Presidency concluded that further work was required on a number of open questions that constitute the 'building blocks' of the design of the FTT. A meeting of the European Finance Ministers on 8 December 2015 took note of a statement made by 10 of the Participating Member States (excluding Estonia) relating to the scope and timetable for introduction of the FTT. In that statement, the Participating Member States (excluding Estonia) announced agreement on a number of features of the FTT which had been considered in the publication by the Luxembourg Presidency on 3 December 2015, but indicated that a decision on the remaining open issues would only be made at some point before the end of June 2016. The anticipated implementation date for the FTT of 1 January 2016 was not met. The earliest implementation of the FTT now looks to be a practical possibility only at some date after 30 June 2016.

Prospective holders of Placing Shares are strongly advised to seek their own professional advice in relation to the FTT.

Different regulatory, tax or other treatment of the Company or the Shares in different jurisdictions, or changes to such treatment in different jurisdictions, may adversely impact shareholders in certain jurisdictions

For regulatory, tax and other purposes, the Company and the Shares may be treated in different ways in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Shares may be treated as more akin to holding units in a collective investment scheme. Furthermore, in certain jurisdictions,

the treatment of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosure by the Company of that information. The Company may be subject, therefore, to financially and logistically onerous requirements to disclose any or all of such information or to prepare or disclose such information in a form or manner which satisfies the regulatory, tax or other authorities in certain jurisdictions. The Company may elect not to disclose such information or prepare such information in a form which satisfies such authorities. Therefore Shareholders in such jurisdictions may be unable to satisfy the regulatory requirements to which they are subject.

The Company is not, and does not intend to become, registered in the United States as an investment company under the U.S. Investment Company Act and related rules

The Company has not, does not intend to, and may be unable to, become registered in the United States as an investment company under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to U.S. investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, does not intend to so register and may be unable to so register, none of these protections or restrictions is or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the U.S. Investment Company Act and to avoid violating the U.S. Investment Company Act, the Company has implemented restrictions on the purchase of the Shares by persons who are located in the United States or are U.S. Persons (or are acting for the account or benefit of any U.S. Person). For more information, prospective investors should refer to the section entitled "Purchase and Transfer Restrictions" in Part V of this Prospectus.

Certain payments to the Company will in the future be subject to 30 per cent. withholding tax unless the Company agrees to certain reporting and withholding requirements and certain Shareholders will be required to provide the Company with required information so that the Company may comply with its obligations under FATCA

Under Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**"), Financial Institutions are required to use enhanced due diligence procedures to identify U.S. persons who have invested in either non-U.S. financial accounts or non-U.S. entities. Pursuant to FATCA, certain payments of (or attributable to) U.S.-source income and, beginning in 2019, the proceeds of sales of property that give rise to U.S.-source payments will be subject to 30 per cent. withholding tax unless the Company agrees to certain reporting and withholding requirements.

The United States and Jersey have entered into an Intergovernmental Agreement ("**U.S. IGA**") to implement FATCA. Under the terms of the U.S. IGA, the Company may be obliged to comply with the provisions of FATCA as enacted by the Jersey legislation implementing the U.S. IGA (the "**Jersey IGA Legislation**"), rather than directly complying with the U.S. Treasury Regulations implementing FATCA. Under the terms of the U.S. IGA, Jersey resident entities that comply with the requirements of the Jersey IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA ("**FATCA Withholding**") on payments they receive and will not be required to withhold under FATCA on payments they make.

As a Jersey resident financial institution, the Company therefore will be required to comply with the requirements of the Jersey IGA Legislation.

Pursuant to the Jersey IGA Legislation, the Company has registered with the United States Internal Revenue Service ("**IRS**") and is required to report to the Jersey Minister for Treasury and Resources certain holdings by and payments made to certain U.S. investors in the Company, as well as to non-U.S. financial institutions that do not comply with the terms of the Jersey IGA Legislation. Under the terms of the U.S. IGA, such information will be onward reported by the Jersey Minister for Treasury and Resources to the United States under the general information exchange provisions of the United States-Jersey Agreement for the Exchange of Information Relating to Taxes.

Note that Shareholders may be required to provide any information that the Company determines necessary in order to allow the Company to satisfy its obligations under FATCA.

Additional intergovernmental agreements similar to the U.S. IGA have been entered into or are under discussion by other jurisdictions with the United States. Different rules than those described above may

apply depending on whether a payee is resident in a jurisdiction that has entered into an intergovernmental agreement to implement FATCA.

In addition to the U.S. IGA, Jersey and the United Kingdom have entered into an inter-governmental agreement ("**UK IGA**") for the implementation of information exchange arrangements, based on FATCA, whereby relevant financial information held in Jersey in respect of a person or entity who is resident in the UK for tax purposes will be reported to Jersey Minister for Treasury and Resources for onward reporting to the UK's HM Revenue and Customs. Under the UK IGA, the Company may be required to provide information to the Jersey authorities about investors and their interests in the Company in order to fully discharge its reporting obligations and, in the event of any failure or inability to comply with the proposed arrangements, may suffer a financial penalty or other sanction under Jersey law.

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the IGAs are subject to review by the United States, the United Kingdom, Jersey and other IGA governments, and the rules may change. Although the UK IGA and U.S. IGA have been ratified by Jersey's parliament, guidance published to date has been in draft format only and therefore, while the Company intends to comply with applicable law, it cannot be predicted at this time what the full impact on the Company and the Company's reporting responsibilities pursuant to the UK IGA and U.S. IGA will be. Shareholders should consult with their own tax advisors regarding the application of FATCA to their particular circumstances.

In addition to FATCA, the OECD has developed a new global standard for the automatic exchange of financial information between tax authorities (the "**Common Reporting Standard**"). The Common Reporting Standard has been implemented in the European Union through the European Union Council adopting Council Directive 2014/107/EU on December 9 2014, amending Council Directive 2011/16/EU regarding mandatory automatic exchange of information in the field of taxation. Jersey is a signatory jurisdiction to the Common Reporting Standard and intends to conduct its first exchange of information with tax authorities of other signatory jurisdictions in September 2017. The Taxation (Implementation) (International Tax Compliance) (Common Reporting Standard) (Jersey) Regulations 2015 were adopted by the States of Jersey on December 1 2015 with an entry into force date of 1 January 2016. Broadly the regulations place an obligation on "reporting financial institutions" in Jersey ("**Jersey RFI**") to identify, review and report on "financial accounts" maintained by them and which are held by residents for tax purposes (whether individuals or entities) of jurisdictions with which Jersey has agreed to exchange information. Reports will be made to the Comptroller of Taxes and then passed to the competent authority of the jurisdiction in which the account holder is resident. Although the Company will attempt to satisfy any obligations imposed on it by the Common Reporting Standard, no assurance can be given that it will be able to satisfy such obligations. Implementation of the Common Reporting Standard may require the Company to conduct additional due diligence and report upon accounts held with it by Shareholders who are reportable persons in other participating jurisdictions. The Company may require certain additional financial information from Shareholders to comply with its diligence and reporting obligations under the Common Reporting Standard. Failure by the Company to comply with the obligations under the Common Reporting Standard may result in fines being imposed on the Company and in such event, the target returns of the Company may be materially affected.

IMPORTANT NOTICES

Investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or to make any representations in connection with the Placing Programme other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, BGCF, U.S. MOA, Fidante or N+1 Singer. No representation or warranty, express or implied, is made by Fidante or N+1 Singer as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by Fidante or N+1 Singer as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G(1) of FSMA, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained in this Prospectus is correct as of any time subsequent to its date.

The contents of this Prospectus are not to be construed as legal, financial, business, investment or tax advice. Each prospective investor should consult his or her own legal adviser, financial adviser or tax adviser for legal, financial or tax advice in relation to any purchase or proposed purchase of Placing Shares.

An investment in the Placing Shares is suitable only for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who are capable of evaluating the merits and risks of such an investment and/or who have received advice from their fund manager or broker regarding such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Placing Shares should constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Placing Programme including the merits and risks involved. Investors who purchase Placing Shares will be deemed to have acknowledged that: (i) they have not relied on Fidante or N+1 Singer or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) they have relied only on the information contained in this Prospectus; and (iii) no person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Fidante or N+1 Singer.

In connection with the Placing Programme, each of Fidante and N+1 Singer and any of their affiliates acting as an investor for its or their own account(s), may subscribe for the Placing Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Placing Programme or otherwise. Accordingly, references in this Prospectus to the Placing Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Fidante, N+1 Singer and any of their affiliates acting as an investor for its or their own account(s). None of Fidante, N+1 Singer or any of their affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

General

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (i) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Placing Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Placing Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer,

redemption or other disposal of Placing Shares. Prospective investors must rely on their own representatives, including their own legal advisers, financial advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this Prospectus are based on the law and practice currently in force and are subject to changes therein. This Prospectus should be read in its entirety before making any application for Placing Shares.

Application will be made to the London Stock Exchange for all the Placing Shares to be admitted to trading on the Specialist Fund Market and to be listed on the CISE Official List. It is expected that Admission will become effective and that dealings in Placing Shares issued pursuant to the Placing Programme will take place between 1 April 2016 and 30 March 2017.

All times and dates referred to in this Prospectus are, unless otherwise stated, references to London times and dates and are subject to change without further notice.

Capitalised terms contained in this Prospectus shall have the meanings set out in Part XIII of this Prospectus, save where the context indicates otherwise.

Restrictions on distribution and sale

The distribution of this Prospectus and the offering and sale of securities offered hereby in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and observe any such restrictions. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or solicitation to purchase, any such securities in any jurisdiction in which solicitation would be unlawful.

For a description of restrictions on offers, sales and transfers of Shares, please refer to the sections entitled "Selling restrictions" below and "Purchase and Transfer Restrictions" in Part V of this Prospectus. Save as set out in these sections, there are no restrictions on the transfer of Shares under the Articles.

No incorporation of Company's website

The contents of the Company's website do not form part of this Prospectus. Investors should base their decision to invest on the contents of this Prospectus alone and should consult their professional advisers prior to making an application to subscribe for Placing Shares.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements typically can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "projects", "targets", "aims", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and BGCF (as applicable) concerning, amongst other things, the investment objective and investment policy, investment strategy, financing strategies, investment performance, results of operations, financial condition, prospects, target return, target dividend yield and dividend/distribution policy of the Company, BGCF, and the markets in which BGCF, and their respective portfolios of investments, invest and/or operate. By their nature, forward-looking statements involve risks (including those set out in the section entitled "Risk Factors" in this Prospectus) and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's and BGCF's actual investment performance, results of operations, financial condition, dividend policy and the development of its investment strategy financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company and BGCF, and the development of its financing strategies, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of

results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and the Company's ability to achieve its investment objective and target returns and target dividends for investors;
- the ability of BGCF and U.S. MOA to invest the cash on its balance sheet and the proceeds of any Placing on a timely basis within the investment objective and investment policy;
- foreign exchange mismatches with respect to exposed assets;
- changes in the interest rates and/or credit spreads, as well as the success of the Company's, BGCF's and U.S. MOA's investment strategy in relation to such changes and the management of the un-invested proceeds of the Placing Programme;
- impairments in the value of the investments;
- the availability and cost of capital for future investments;
- the departure of key personnel employed by the Service Support Provider or the U.S. MOA Manager;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company, BGCF, U.S.MOA or LuxCo; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the "Risk Factors" section of this Prospectus before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. Although the Company undertakes no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Rules or Disclosure and Transparency Rules), whether as a result of new information, future events, conditions or circumstances, any change in the Company's expectations with regard thereto or otherwise, prospective investors are advised to consult any communications made directly to them by the Company and/or any additional disclosures through announcements that the Company may make through a RIS announcement.

Selling Restrictions

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Placing Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of Placing Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Placing Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction in connection with any applications for Placing Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Save for the United Kingdom, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Placing Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required.

Bailiwick of Jersey

The Company has been established in Jersey as a listed fund under a fast-track authorisation process. It is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice.

Certain Jersey regulatory requirements which may otherwise be deemed necessary by the Jersey Financial Services Commission for the protection of retail or inexperienced investors, do not apply to listed funds. By investing in the Company you will be deemed to be acknowledging that you are a professional or experienced investor, or have taken appropriate professional advice, and accept the reduced Jersey requirements accordingly.

You are wholly responsible for ensuring that all aspects of the Company are acceptable to you. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of the Company and the potential risks inherent in this fund you should not invest in the Company.

Further information in relation to the regulatory treatment of listed funds domiciled in Jersey may be found on the website of the Jersey Financial Services Commission at www.jerseyfsc.org.

This Prospectus is prepared, and a copy of it has been sent to the Jersey Financial Services Commission, in accordance with the Collective Investment Funds (Certified Funds – Prospectuses) (Jersey) Order 2012.

The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this Prospectus.

The applicant is strongly recommended to read and consider this Prospectus before completing an application.

Bailiwick of Guernsey

This document has not been filed with, or approved by, the Guernsey Financial Services Commission ("**GFSC**") and no authorisations in respect of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "**POI Law**") have been issued by the GFSC in respect of it. Neither the GFSC nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. This document does not comply with the requirements of Guernsey's Prospectus Rules 2008 on the basis that the Placing Shares will be admitted to trading on the Specialist Fund Market of the London Stock Exchange plc: if the Placing Shares are not so admitted, then the document may be required to comply with the requirements of such Prospectus Rules 2008 and may need to be re-drafted in some respects.

This document is directed in the Bailiwick of Guernsey only at the following: (i) those who have specifically solicited this document, where such approach was not itself specifically solicited by JPMC ("**Requesting Investors**"); or (ii) those holding a licence from the GFSC under any of the following laws: the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended or the Regulation of Fiduciaries, Administration Businesses and Company Directors etc. (Bailiwick of Guernsey) Law, 2000, as amended (such persons being "**Licensees**"). This document must only be distributed to persons who are not either Requesting Investors or Licensees by a person holding an appropriate licence from the GFSC under the POI Law. This document may not be relied upon by those who are not Requesting Investors or Licensees, unless it has been distributed to them by a person holding such a licence under the POI Law.

European Economic Area

In relation to each member state of the European Economic Area (other than the UK) which has implemented Directive 2003/71/EC (and the amendments thereto, including the relevant provision of Directive 2010/73/EU (the "**2010 PD Amending Directive**"), to the extent implemented in the Member State) and includes any relevant implementing measure in each Member State (the "**Prospectus Directive**") (each, a "**Relevant Member State**"), no Placing Shares have been offered or will be offered pursuant to the Placing to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Placing Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Placing Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU (the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive)) in such Relevant Member State; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Placing Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State (other than the UK) and each person who initially acquires any Placing Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Placing Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Placing Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Placing Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In relation to each member state of the European Economic Area, the Placing Shares will only be offered in a member state to the extent that the Company: (i) is permitted to be marketed into the relevant member state pursuant to Article 42 of the AIFM Directive (as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including at the initiative of investors). Each person who initially acquires Placing Shares or to whom any offer is made will be deemed to have represented, warranted to and agreed with the entity placing such shares and the Company that: (i) it is a "qualified investor" within the meaning of the law in that relevant member state implementing Article 2.1(e) of the Prospectus Directive; and (ii) it is a person to whom Placing Shares in the Company may lawfully be marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that relevant member state.

Denmark

The Danish Financial Supervisory Authority has received proper notification of or authorised the Company's marketing of the Placing Shares to investors in Denmark who qualify as professional clients (as defined in the Directive 2004/39/EC on Markets in Financial Instruments).

This Prospectus does not constitute a prospectus under Danish securities law and consequently is not required to be nor has been filed with or approved by the Danish Financial Supervisory Authority as this Prospectus either: (i) has not been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market within the meaning of the Danish Securities Trading Act or any executive orders issued pursuant thereto; or (ii) has been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Securities Trading Act or any executive orders issued pursuant thereto.

Any resale of Shares to investors in Denmark will constitute a separate offer of the Shares under Danish securities law, including its prospectus regulation, and accordingly such resale must either: (i) not constitute a public offering of securities in Denmark or the admission of securities to trading on a regulated market within the meaning of the Danish Securities Trading Act or any executive orders issued pursuant thereto; or (ii) only be completed in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Securities Trading Act or any Executive Orders issued pursuant thereto.

Germany

The Shares have not been admitted for marketing to semi-professional and retail investors in the territory of Germany. Accordingly, the Shares may not be offered and marketed to semi-professional and retail investors within the meaning of Section 1 (19) no. 31 and 33 German Capital Investment Act (Kapitalanlagegesetzbuch – KAGB) in the territory of Germany. This Prospectus may not be passed on to semi-professional and retail investors in Germany.

Ireland

The Company:

(i) has not offered or sold and will not offer or sell any Placing Shares, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), as amended, including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;

(ii) has not offered or sold and will not offer or sell any Placing Shares, otherwise than in conformity with the provisions of the Companies Act 2014 (as amended), with the provisions of the Central Bank Acts 1942 – 2015 (as amended) and with any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;

(iii) has not offered or sold and will not offer or sell any Placing Shares, or otherwise do anything in Ireland in respect of the Placing Shares, otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under Section 1363 of the Companies Act 2014 (as amended) by the Central Bank of Ireland; and

(iv) has not offered or sold and will not offer or sell any Placing Shares, or otherwise act in Ireland in respect of the Placing Shares, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005, as amended, and any rules issued by the Central Bank under Section 1370 of the Companies Act 2014 (as amended by the Central Bank of Ireland).

United States

The Company has not been and will not be registered under the U.S. Investment Company Act and as such holders of the Placing Shares will not be entitled to the benefits of the U.S. Investment Company Act. The Placing Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, any U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the U.S. Investment Company Act. There will be no public offer of the Placing Shares in the United States.

In connection with the Placing Programme, offers and sales of the Placing Shares will be made only: (i) outside the United States in "offshore transactions" to non-U.S. Persons pursuant to Regulation S under the U.S. Securities Act; and (ii) in the United States, or to U.S. Persons, only to persons who are both Qualified Institutional Buyers and Qualified Purchasers pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

In addition, prospective investors should note that the Placing Shares may not be acquired by: investors using assets of: (i)(a) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (b) a "plan" as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account, that is subject to Section 4975 of the U.S. Tax Code; or (c) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (a) or (b) in such entity pursuant to the U.S. Plan Assets Regulations; or (ii) a governmental, church, non-U.S. or other plan, account or arrangement that is subject to any federal, state, local or non-U.S. law that would have the same or similar effect as the U.S. Plan Asset Regulations so as to subject the Company (or other persons responsible for the investment and operations of the Company's assets) to laws or regulations that are similar to the fiduciary responsibility and/or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the U.S. Tax Code.

If 25 per cent. or more of any class of equity in the Company is owned, directly or indirectly, by U.S. Plan Investors that are subject to Title I of ERISA or Section 4975 of the U.S. Tax Code, the assets of the Company will be deemed to be "plan assets", subject to the constraints of ERISA and Section 4975 of the U.S. Tax Code. This would result, among other things, in: (i) the application of the prudence and fiduciary responsibilities standards of ERISA to investments made by the Company; and (ii) the possibility that certain transactions that the Company and its subsidiaries might enter into, or may have entered into in the ordinary course of business, might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the U.S. Tax Code and might have to be rescinded. A non-exempt prohibited transaction may also result in the imposition of an excise tax under the U.S. Tax Code upon a "party in interest" (as defined in ERISA) or "disqualified person" (as defined in the U.S. Tax Code), with whom a plan engages in the transaction. The Company will use commercially reasonable efforts to limit ownership by U.S. Plan Investors of equity in the Company. However, no assurance can be given that investment by U.S. Plan Investors will not exceed 25 per cent. or more of any class of equity in the Company.

For a description of restrictions on offers, sales and transfers of Placing Shares, please refer to the section entitled "Purchase and Transfer Restrictions" in Part V of this Prospectus.

The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

EXPECTED TIMETABLE

Publication of Prospectus	31 March 2016
Placing Programme opens	1 April 2016
Publication of Placing Price in respect of each Placing	As soon as practicable following the closing of each Placing
Admission and crediting of CREST accounts in respect of each Placing	As soon as practicable following the closing of each Placing
Share certificates in respect of Placing Shares dispatched (if applicable)	Approximately one week following the Admission of any Placing Shares
Last date for Placing Shares to be issued pursuant to the Placing Programme	30 March 2017

* The dates and times specified are subject to change without further notice. References to times are London times unless otherwise stated.

PLACING PROGRAMME STATISTICS

Maximum size of Placing Programme: 500 million Placing Shares

Placing Price

	Initial Placing	**Subsequent Placings**
Euro Share	At a premium to the latest published NAV per Euro Share to be determined by Directors, in their absolute discretion, from time to time	
U.S. Dollar Share	U.S.$1	At a premium to the latest published NAV per U.S. Dollar Share to be determined by Directors, in their absolute discretion, from time to time

DIRECTORS, ADVISERS AND SERVICE PROVIDERS

Directors
Charlotte Valeur (Chair)
Philip Austin MBE
Gary Clark
Joanna Dentskevich

All c/o the Company's registered office

Registered Office
Liberté House
19-23 La Motte Street
St Helier
Jersey
JE2 4SY

Adviser, Service Support Provider and CLO Manager (to European CLOs)
Blackstone / GSO Debt Funds Management Europe Limited
Arthur Cox Building
Earlsfort Terrace
Dublin 2
Ireland

U.S. MOA Manager and CLO Manager (to U.S.CLOs)
GSO / Blackstone Debt Funds Management LLC
345 Park Avenue
New York
NY 10154
United States

Joint Financial Adviser, Bookrunner and Global Co-Ordinator
Fidante Partners Europe Limited
(trading as Fidante Capital)
1 Tudor Street
London
EC4Y 0AH
United Kingdom

Joint Financial Adviser, Bookrunner and Global Co-Ordinator
Nplus1 Singer Advisory LLP
1 Bartholomew Lane
London
EC2N 2AX
United Kingdom

Listing Sponsor (Channel Islands Securities Exchange Authority Limited)
Carey Olsen Corporate Finance Limited
47 Esplanade
St Helier
Jersey
JE1 0BD
Channel Islands

Legal Adviser to the Company (as to English law)
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2EG
United Kingdom

Legal Adviser to the Company (as to Jersey law)
Carey Olsen
47 Esplanade
St Helier
Jersey
JE1 0BD
Channel Islands

Legal Adviser to DFME and DFM (as to English and U.S. law)
Weil, Gotshal & Manges
110 Fetter Lane
London
EC4A 1AY
United Kingdom

Legal Adviser to BGCF (as to Irish law)
Arthur Cox
Earlsfort Centre, Earlsfort Terrace
Dublin 2
Ireland

Legal Adviser to the Joint Financial Advisers, Bookrunners and Global Co-Ordinators (as to English law)
Gowling WLG (UK) LLP
4 More London Riverside
London
SE1 2AU
United Kingdom

Reporting Accountant and Auditor
Deloitte LLP
Lord Coutanche House
66-68 Esplanade
St. Helier
Jersey
JE4 8WA
Channel Islands

Registrar
Capita Registrars (Jersey) Limited
12 Castle Street
St Helier
Jersey
JE2 3RT
Channel Islands

Administrator/Company Secretary
BNP Paribas Securities Services S.C.A.,
Jersey Branch
Liberté House
19-23 La Motte Street
St Helier
Jersey
JE2 4SY

Corporate Services Provider
Intertrust Management Ireland Limited
3rd Floor, Europa House
The Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Custodian
BNP Paribas Securities Services S.C.A.,
Jersey Branch
Liberté House
19-23 La Motte Street
St Helier
Jersey
JE2 4SY

BGCF Custodian
Citibank, N.A. London Branch
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB
United Kingdom

U.S. MOA Administrator
Intertrust SPV (Cayman) Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9005
Cayman Islands

PART I

THE COMPANY

INTRODUCTION

Blackstone / GSO Loan Financing Limited (the "**Company**") was incorporated on 30 April 2014 and is registered under the laws of Jersey (registration number 115628) pursuant to the Companies Law. The Company is an investment company providing investors with exposure to a loan origination company, Blackstone / GSO Corporate Funding Designated Activity Company ("**BGCF**"), incorporated under the laws of Ireland on 16 April 2014 (registration number 542626). The Company is invested indirectly, through BGCF, in a portfolio of assets comprising predominantly: (i) senior secured loans; and (ii) CLO Income Notes. CLO Income Notes are the most subordinated tranche of debt issued by a CLO (which is a special purpose vehicle which issues notes backed by a pool of collateral consisting primarily of loans). The Company invests in BGCF through Blackstone / GSO Loan Financing (Luxembourg) S.à r.l. ("**LuxCo**"), its wholly owned subsidiary.

BGCF predominantly purchases floating rate senior secured loans and, subsequently, on the availability of appropriate market opportunities, establishes new CLOs. The CLOs to which the Company is indirectly exposed are managed by Blackstone / GSO Debt Funds Management Europe Limited ("**DFME**") and GSO / Blackstone Debt Funds Management LLC ("**DFM**") (or any affiliates). DFME also (in its capacity as the Service Support Provider) provides human resources, service support and certain other assistance to BGCF.

The Company, BGCF and LuxCo are self-managed, and investment decisions for each of these entities are taken by the board of directors, managers or human resources provided by the service support provider (in the case of BGCF, acting under delegated authority and within a set of pre-determined parameters) of the relevant entity (as applicable).

Following Shareholder approval at an extraordinary general meeting held on 29 February 2016 (the "**Extraordinary General Meeting**"), the Investment Objective and Policy was amended to seek exposure to other CLO Securities and Loan Warehouses in addition to its current exposure to senior secured loans and CLO Income Notes. The amendments to the Investment Objective and Policy enable the Company to invest, through BGCF, in a newly formed entity, Blackstone / GSO US Corporate Funding, Ltd. ("**U.S. MOA**"), in which an entity in The Blackstone Group will be the other investor and over which DFM will exercise control. U.S. MOA may, in accordance with the amended Investment Objective and Policy, invest in senior secured loans and CLO Securities; however, U.S. MOA will not make investments in Loan Warehouses. It is expected that DFM, which is an entity in The Blackstone Group, will have a controlling financial interest in U.S. MOA for purposes of U.S. GAAP and, as such, U.S. MOA will be eligible to purchase CLO Securities that will enable DFM or DFME to comply with their U.S. risk retention obligations in connection with CLOs that they sponsor. U.S. MOA may also seek debt financing in connection with these investments. U.S. MOA is managed by DFM (in its capacity as the U.S. MOA Manager) but its ultimate investment decisions will be taken by its board of directors.

In addition to the Company's investment (through LuxCo) in the EU Profit Participating Notes, it is anticipated that, in the future, BGCF may seek to raise additional funding by issuing instruments to certain other investors, who shall be entitled to invest directly into BGCF. Such additional funding will rank *pari passu* with the Profit Participating Notes held by LuxCo.

With a view to satisfying ongoing investor demand for Shares and to raise further money for investment in accordance with the Investment Objective and Policy, the Company intends, in line with the Company's growth strategy, to issue up to 500 million Placing Shares pursuant to the Placing Programme. The maximum number of Placing Shares available should not be taken as an indication of the number of Placing Shares finally to be issued.

The Placing Programme will open on 1 April 2016 and will close on 30 March 2017 (or any earlier date the Company may determine, in its sole discretion, and announce by an RIS announcement) (such date being the "**Final Closing Date**"). The Placing Programme is flexible and may have a number of closing dates (each, an "**Interim Closing Date**") in order to provide the Company with the ability to issue Placing Shares as and when it deems appropriate over a period of time. The allotment and issue of Placing Shares under

the Placing Programme is at the discretion of the Directors, and may take place at any time prior to the Final Closing Date.

Applications will be made to the London Stock Exchange and the Channel Islands Securities Exchange Authority Limited ("**CISE**") for the Placing Shares to be admitted to trading on the Specialist Fund Market of the London Stock Exchange and to be listed on the official list of the CISE (the "**CISE Official List**") (together, "**Admission**"). It is expected that Admission will become effective and dealings in Placing Shares will commence on such dates between 1 April 2016 and 30 March 2017 as the Company may determine, in its sole discretion (each such date being an "**Admission Date**").

Investment in the Company is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.

BACKGROUND AND PORTFOLIO

As at the Latest Practicable Date, the Company's portfolio comprises: (i) 2,000,000 class A shares, 1 class B share and cash settlement warrants ("**CSWs**") issued by LuxCo, its wholly owned subsidiary; and (ii) 15 Class B2 Shares issued by BGCF (which are non-voting). As at 29 February 2016, the unaudited NAV of the Company was €324.7 million and the unaudited NAV per Share was €0.9799.

As at the Latest Practicable Date, LuxCo holds EU Profit Participating Notes issued by BGCF in the aggregate amount of €315,929,526 (together with any accrued but unpaid interest thereon), with a maturity date of 1 June 2044. All the EU Profit Participating Notes held by LuxCo are limited recourse and are admitted to the Official List of the Irish Stock Exchange and to trading on its Global Exchange Market.

As at 29 February 2016, BGCF had established and invested in CLO Income Notes issued by seven CLOs, of which six were European CLOs and one was a U.S. CLO. BGCF's gross and net assets, as at 29 February 2016, are €485.2 million and €324.7 million respectively. As at 29 February 2016, 53.9 per cent. of the Company's investment portfolio comprised CLO Income Notes while 46.1 per cent. comprised loans (each calculated as a percentage of the Company's NAV). Since its inception, BGCF has been more heavily weighted towards loans with a relatively low weighting towards CLO Securities; however, BGCF is expected to seek increased exposure to CLO Securities in the future.

Breakdowns of BGCF's direct and indirect loan portfolios, by company, industry and geography, are set out below:

Top ten holdings:[1]

Eircom	2.64%
Telenet	1.75%
Numericable Finance/YPSO	1.61%
Capio Sanidad	1.59%
Amaya	1.55%
Solera Holdings	1.49%
Ineos	1.46%
Verallia	1.45%
Ziggo Finance BV	1.43%
Cyan Blue	1.42%

[1] 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, and are subject to change and are not recommendations to buy or sell any security. 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.
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 DFME.

Top ten industries:[1]

Healthcare & Pharma	12.51%
Business Services	10.59%
Media Broadcasting	7.29%
Hotel, Gaming & Leisure	7.06%
High Tech Industries	6.87%
Containers, Packaging, Glass	6.82%
Chemical Plastics & Rubber	6.46%
Telecommunications	6.29%
Construction & Building	5.87%
Beverage, Food & Tobacco	4.96%

Top ten countries:[1]

USA	28.17%
France	14.65%
United Kingdom	10.61%
Germany	9.46%
Netherlands	9.04%
Luxembourg	8.56%
Spain	3.90%
Ireland	3.68%
Switzerland	3.31%
Belgium	1.75%

Asset breakdown:[1]

	BGCF Direct Loan Portfolio	*BGCF Indirect Loans/ CLO Portfolio*
BGCF Net Assets:	€149.7m	€175.0m
% of BGLF NAV:	46.1	53.9
Number of Issuers:	71	345
Senior Secured Loans/Notes:	99.7%	99.3%
Floating Rate:	92.4%	98.4%
Weighted Average Asset Spread (including impact of floors):	4.85%	4.61%
Weighted Average Loan MTM:	96.7%	96.5%
Weighted Average Cost of Liabilities:	0.8 undrawn/ 1.8 % drawn	2.1%

BGCF's cumulative NAV return from inception to 29 February 2016 is 9.08 per cent.

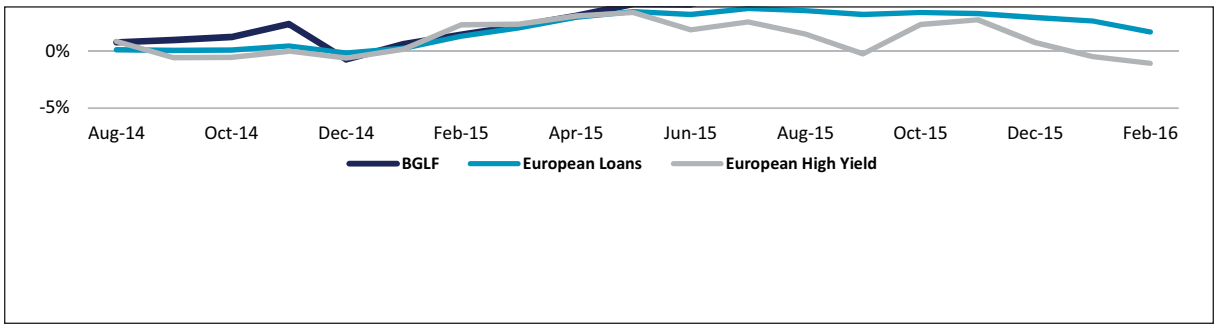
[1] Portfolio data by Issuer, Industry, Country, Rating and Loan Price Bands are presented using the gross par amount of assets held directly and indirectly by BGCF, and are subject to change and are not recommendations to buy or sell any security. Indirect asset holdings are held within CLOs BGCF has 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.
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 DFME.

The monthly performance and portfolio statistics of BGCF since IPO are as set out below:

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
BGLF	0.95%	0.67%											**1.63%**
European Loans	-0.32%	-0.93%											**-1.25%**
European High Yield	-1.24%	-0.60%											**-1.83%**

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%**

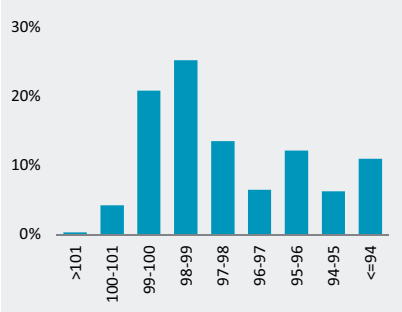
20114	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
BGLF								0.78%	0.21%	0.26%	1.12%	-3.05%	**-0.73%**
European Loans								0.13%	-0.07%	0.03%	0.37%	-0.61%	**-0.16%**
European High Yield								0.86%	-1.42%	0.02%	0.54%	-0.58%	**-0.59%**



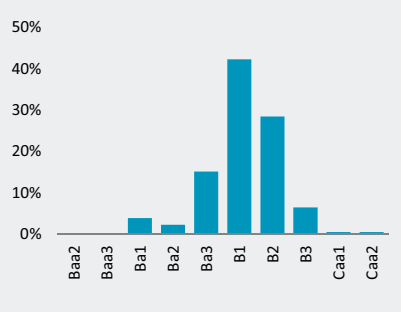
Source: Credit Suisse, Western European Leveraged Loan Index, Hedged to EUR, and Western European Leveraged Loan Index, Hedged to EUR, as of 29 February 2016.

The credit quality of BGCF's investments, as indicated by market values and ratings, remains strong, as set out below (as at 29 February 2016):

Asset MTM Bands[1]



Moody's Rating Distribution[1]



INVESTMENT OBJECTIVE AND POLICY

Investment 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 Securities and investments in Loan Warehouses. The Company seeks to achieve its investment objective through exposure (directly or indirectly) to one or more risk retention companies or entities established from time to time ("**Risk Retention Companies**").

Investment Policy

Overview

The Company's investment policy is to invest (directly or indirectly, through one or more Risk Retention Companies) predominantly in a diverse portfolio of senior secured loans (including broadly syndicated, middle market or other loans) (such investments being made by the Risk Retention Companies directly or through investments in Loan Warehouses) and in CLO Securities, and generate attractive risk-adjusted returns from such portfolios. The Company intends to pursue its investment policy by investing (through one or more

wholly owned subsidiaries) in profit participating instruments (or similar securities) issued by one or more Risk Retention Companies.

Each Risk Retention Company will use the proceeds from the issue of the profit participating instruments (or similar securities) together with the proceeds from other funding or financing arrangements it has in place currently or may have in the future to invest predominantly in: (i) senior secured loans, CLO Securities and Loan Warehouses; or (ii) other Risk Retention Companies which, themselves, invest predominantly in senior secured loans, CLO Securities and Loan Warehouses. The Risk Retention Companies may invest predominantly in European or U.S. senior secured loans, CLO Securities, Loan Warehouses and other assets in accordance with the investment policy of the Risk Retention Companies. Investments in Loan Warehouses, which are generally expected to be subordinated to senior financing provided by third party banks, will typically be in the form of an obligation to purchase preference shares or a subordinated loan.

There is no limit on the maximum U.S. or European exposure. The Risk Retention Companies are not expected to invest substantially directly in senior secured loans domiciled outside North America or Western Europe.

Investment Limits and Risk Diversification

The Company's investment strategy is to implement its investment policy by investing, through the Risk Retention Companies, in a portfolio of predominantly senior secured loans or in Loan Warehouses containing predominantly senior secured loans and, in connection with such strategy, to own debt and equity tranches of CLOs and be the risk retention provider in each.

The Risk Retention Companies may periodically securitise a portion of the loans into CLOs which may be managed either by such Risk Retention Company itself or by DFME or DFM (or one of their affiliates), in its capacity as the CLO Manager. The Risk Retention Companies will retain exposures of each CLO, which may be held as:

(a) CLO Income Notes equal to: (i) between 51 per cent. and 100 per cent. of the CLO Income Notes issued by each such CLO in the case of European CLOs; or (ii) CLO Income Notes representing at least 5 per cent. of the credit risk relating to the assets collateralising the CLO in the case of U.S. CLOs (each of (i) and (ii), (the "**horizontal strip**")); or

(b) not less than 5 per cent. of the principal amount of each of the tranches of CLO Securities in each such CLO (the "**vertical strip**").

In the case of deals structured to be compliant with the U.S. risk retention rules, the retention by a Risk Retention Company may be structured as a combination of horizontal strip and vertical strip.

To the extent attributable to the Company, the value of the CLO Income Notes retained by Risk Retention Companies in any CLO will not exceed 25 per cent. of the NAV of the Company at the time of investment.

Further, to the extent attributable to the Company, the aggregate value of investments made by Risk Retention Companies in vertical strips of CLOs (net of any directly attributable financing) will not exceed 15 per cent. of the NAV of the Company at the time of investment. This limitation shall apply to Risk Retention Companies in aggregate and not to Risk Retention Companies individually.

Loan Warehouses may eventually be securitised into CLOs managed either by a Risk Retention Company itself or by DFME or DFM (or one of their affiliates), in its capacity as the CLO Manager. To the extent attributable to the Company, the aggregate value of investments made by Risk Retention Companies in any single externally financed warehouse (net of any directly attributable financing) shall not exceed 20 per cent. of the NAV of the Company at the time of investment, and in all externally financed warehouses taken together (net of any directly attributable financing) shall not exceed 30 per cent. of the NAV of the Company at the time of investment. These limitations shall apply to Risk Retention Companies in aggregate and not to Risk Retention Companies individually.

The following limits (the "**Eligibility Criteria**") apply to senior secured loans (and, to the extent applicable, other corporate debt instruments) directly held by any Risk Retention Company (and not through CLO Securities or Loan Warehouses):

Maximum exposure	*% of a Risk Retention Company's gross asset value*
Per obligor	5
Per industry sector	15 (with the exception of one industry which may be up to 20 per cent.)
To obligors with a rating lower than B-/B3/B-	7.5
To second lien loans, unsecured loans, mezzanine loans and high yield bonds	10

For the purposes of these Eligibility Criteria, "**gross asset value**" shall mean gross assets including any investments in CLO Securities and any undrawn commitment amount of any gearing under any debt facility. Further, for the avoidance of doubt, the "**maximum exposures**" set out in the Eligibility Criteria shall apply on a trade date basis.

Each of these Eligibility Criteria will be measured at the close of each day on which the London Stock Exchange and banks in Jersey, the United Kingdom and Ireland are normally open for business ("**Business Day**") on which a new investment is made, and there will be no requirement to sell down in the event the limits are breached at any subsequent point (for instance, as a result of movement in the gross asset value, or the sale or downgrading of any assets held by a Risk Retention Company).

In addition, each CLO in which a Risk Retention Company holds CLO Securities and each Loan Warehouse in which a Risk Retention Company invests will have its own eligibility criteria and portfolio limits. These limits are designed to ensure that: (i) the portfolio of assets within the CLO meets a prescribed level of diversity and quality as set by the relevant rating agencies rating securities issued by such CLO; or (ii) in the case of a Loan Warehouse, that the warehoused assets will eventually be eligible for a rated CLO. The CLO Manager will seek to identify and actively manage assets which meet those criteria and limits within each CLO or Loan Warehouse. The eligibility criteria and portfolio limits within a CLO or Loan Warehouse may include the following:

- a limit on the weighted average life of the portfolio;
- a limit on the weighted average rating of the portfolio;
- a limit on the maximum amount of portfolio assets with a rating lower than B-/B3/B-; and
- a limit on the minimum diversity of the portfolio.

CLOs in which a Risk Retention Company may hold CLO Securities or Loan Warehouses in which a Risk Retention Company may invest are also expected to have certain other criteria and limits, which may include:

- a limit on the minimum weighted average of the prescribed rating agency recovery rate;
- a limit on the minimum amount of senior secured assets;
- a limit on the maximum aggregate exposure to second lien loans, high yield bonds, mezzanine loans and unsecured loans;
- a limit on the maximum portfolio exposure to covenant-lite loans;
- an exclusion of project finance loans;
- an exclusion of structured finance securities;
- an exclusion on investing in the debt of companies domiciled in countries with a local currency sub investment grade rating; and
- an exclusion of leases.

This is not an exhaustive list of the eligibility criteria and portfolio limits within a typical CLO or Loan Warehouse and the inclusion or exclusion of such limits and their absolute levels are subject to change depending on market conditions. Any such limits applied shall be measured at the time of investment in each CLO or Loan Warehouse.

Company Borrowing Limit

The Company will not utilise borrowings for investment purposes. However, the Directors will be permitted to borrow up to 10 per cent. of the NAV for day to day administration and cash management purposes. For the avoidance of doubt, this limit only applies to the Company and not the Risk Retention Companies.

The Company may use hedging or derivatives (both long and short) for the purposes of efficient portfolio management. It is intended that up to 100 per cent. (as appropriate) of the Company's exposure to non-Euro assets will be hedged, subject to suitable hedging contracts being available at appropriate times and on acceptable terms. Further details relating to the Company's hedging and currency risk management are set out below.

Changes to Investment Policy

Any material change to the investment policy of the Company would be made only with the approval of Shareholders.

It is intended that the investment policy of each Substantial Risk Retention Company will mirror the Company's investment policy, subject to such additional restrictions as may be adopted by a Substantial Risk Retention Company from time to time. The Company will receive periodic reports from each Substantial Risk Retention Company in relation to the implementation of such Substantial Risk Retention Company's investment policy to enable the Company to have oversight of its activities. If a Substantial Risk Retention Company proposes to make any changes (material or otherwise) to its investment policy, the Directors will seek Shareholder approval of any changes which are either material in their own right or, when viewed as a whole together with previous non-material changes, constitute a material change from the published investment policy of the Company. If Shareholders do not approve the change in investment policy of the Company such that it is once again materially consistent with that of such Substantial Risk Retention Company, the Directors will redeem the Company's investment in such Substantial Risk Retention Company (either directly or, if the Company's investment in a subsidiary is invested by such subsidiary in such Substantial Risk Retention Company (either directly or through one or more other Risk Retention Companies), by redeeming the securities held by the Company in such subsidiary and procuring that the subsidiary redeems its investment in such Substantial Risk Retention Company (either directly or through one or more other Risk Retention Companies)), as soon as reasonably practicable but at all times subject to the relevant legal, regulatory and contractual obligations.

INVESTMENT STRATEGY

Whether the senior secured loans or other assets are held directly by a Risk Retention Company or via CLO Securities or Loan Warehouses, it is intended that, in all cases, the portfolios will be actively managed (by the Risk Retention Companies or the CLO Manager, as the case may be) to minimise default risk and potential loss through comprehensive credit analysis performed by the Risk Retention Companies or the CLO Manager (as applicable).

Vertical strips in CLOs in which Risk Retention Companies may invest are expected to be financed partly through term finance for investment-grade CLO Securities, with the balance being provided by the relevant Risk Retention Company investing in such CLO. This term financing may be full-recourse, non-mark to market, long-term financing which may, among other things, match the maturity of the relevant CLO or match the reinvestment period or non-call period of the relevant CLO. In particular, and although not forming part of the Company's investment policy, the following levels of, or limitations on, leverage are expected in relation to investments made by Risk Retention Companies:

- senior secured loans may be levered up to 2.5x with term finance;
- investments in "first loss" positions or the "warehouse equity" in Loan Warehouses will not be levered;
- CLO Income Notes will not be levered;
- investments in CLO Securities rated BBB- and above at the time of issue may be funded entirely with term finance; and
- investments in a vertical strip may be levered 6.0-7.0x, with term finance as described above.

To the extent that they are financed, vertical strips are anticipated to require less capital than horizontal strips, which is expected to result in more efficient use of the Risk Retention Companies' capital. In addition, since the return profile on financed vertical strips is different to retained CLO Income Notes, GSO believes that vertical strips are more robust through a market downturn, although projected IRRs may be slightly lower. However, an investment in vertical strips is not expected to impact the Company's stated target return, based on current market conditions, of an annualised mid-teen total return over the medium term.

Whilst the intention is to pursue an active, non-benchmark total return strategy, the Company will be cognisant of the positioning of the loan portfolios against relevant indices. Accordingly, the Risk Retention Companies will track the returns and volatility of such indices, while seeking to outperform them on a consistent basis. In-depth, fundamental credit research dictates name selection and sector over-weights/under-weights relative to the benchmark, backstopped by constant portfolio monitoring and risk oversight. The Risk Retention Companies will typically look to diversify their portfolios to avoid the risk that any one obligor or industry will adversely impact overall returns. The Risk Retention Companies will also place an emphasis on loan portfolio liquidity to ensure that if their credit outlook changes, they are free to respond quickly and effectively to reduce or mitigate risk in their portfolio. The Company believes this investment strategy will be successful in the future as a result of its emphasis on risk management, capital preservation and fundamental credit research. The Directors believe the best way to control and mitigate risk is by remaining disciplined in market cycles, by making careful credit decisions and maintaining adequate diversification.

Over the medium term, it is expected that the portfolio of the Risk Retention Companies in which the Company invests (through its wholly owned subsidiary) will be broadly equally divided between European CLOs and U.S. CLOs.

The Company will operate with Euro as its functional currency. A significant proportion of the portfolio of assets held by Risk Retention Companies to which the Company has exposure may, from time to time, be denominated in currencies other than Euro. In accordance with the Company's investment policy, it is intended that up to 100 per cent. (as appropriate) of the Company's exposure to such non-Euro assets will be hedged, subject to suitable hedging contracts being available at appropriate times and on acceptable terms.

STRUCTURE

Overview

As at the Latest Practicable Date, the Company holds: (i) 2,000,000 class A shares, 1 class B share and CSWs in LuxCo, its wholly owned subsidiary; and (ii) 15 Class B2 Shares in BGCF (which are non-voting). LuxCo holds EU Profit Participating Notes issued by BGCF pursuant to the terms of the EU NPA through which the economic benefit from the investment in BGCF accrues to LuxCo and, consequently, the Company. Going forward, the Company may also have exposure, through investments made by LuxCo, to U.S. Profit Participating Notes issued pursuant to the terms of the U.S. NPA. The proceeds of the issue of new Profit Participating Notes may be invested by BGCF, at its discretion, in U.S. MOA or otherwise in accordance with BGCF's investment policy.

The Company's investment in the Class B2 Shares will be repaid on the termination of the investment in BGCF, subject to the availability of funds.

BGCF currently uses the proceeds from the issue of the EU Profit Participating Notes, the equity investment and the financing it receives from any Revolving Credit Facility in accordance with its investment objective and policy (which mirrors the Investment Objective and Policy) to invest predominantly in senior secured loans and, when appropriate, in CLO Income Notes issued by BGCF CLOs.

Going forward, BGCF, U.S. MOA and any other Risk Retention Company may also use the proceeds from the issue of profit participating notes (to LuxCo or other investors) to invest in other CLO Securities and Loan Warehouses (in addition to further investments in senior secured loans and CLO Income Notes). The Company also intends, through BGCF, U.S. MOA or other Risk Retention Companies, to seek exposure to U.S. CLOs which are intended to be compliant with the U.S. Risk Retention Regulations and/or the European Risk Retention Rules.

BGCF and Service Providers

BGCF was incorporated on 16 April 2014 with registered number 542626, and has its registered office at 3rd Floor, Europa House, Harcourt Centre, Harcourt Street, Dublin 2, Ireland. The Company holds 15 Class B2 Shares in BGCF (which are non-voting). The ordinary shares issued by BGCF ("**BGCF Shares**"), which are participating and voting shares, are held on trust by Intertrust Nominees (Ireland) Limited (the "**Share Trustee**"), a professional trust company, under the terms of a discretionary trust for the benefit of one or more charities. The terms of the Share Trust Deed pursuant to which the BGCF Shares are held in trust by the Share Trustee are set out in the section titled "Share Capital" in Part VIII of this Prospectus. Further information relating to the portfolio of BGCF as at the date of this Prospectus and related financing arrangements, is set out in Part VIII of this Prospectus.

Pursuant to the Portfolio Service Support Agreement, DFME (in its capacity as the Service Support Provider) provides certain support services to BGCF. BGCF is self-managed but the Service Support Provider is responsible for ensuring that BGCF has the required human resources available to it in order to make necessary business decisions and to carry on the day-to-day management of BGCF's business.

DFME or DFM (or one of their affiliates) (as applicable), in its capacity as the CLO Manager, manages the CLOs established by BGCF ("**BGCF CLOs**"), and will manage the CLOs in which the U.S. MOA invests ("**U.S. MOA CLOs**"). In consideration of the role of BGCF in originating or holding the retention notes in these CLOs, DFME is required to rebate up to: (i) 20 per cent. of the management fee it (or any of its affiliates) earns in its capacity as CLO Manager of the BGCF CLOs (in respect of CLOs where BGCF holds the CLO Income Notes, i.e., horizontal strip) *pro rata* to the CLO Income Notes held by BGCF in such CLOs; and (ii) 100 per cent. of the aggregate management fee it (or any of its affiliates) earns in its capacity as CLO Manager of the BGCF CLOs (in respect of CLOs where BGCF holds CLO Securities, i.e., vertical strip) *pro rata* to the CLO Securities held by BGCF in such CLOs (excluding, in each case, any incentive/performance management fee the CLO Manager is entitled to receive). After the deduction of all costs (calculated at arm's length) attributable to BGCF, it is expected that the net rebate will be at least: (i) 10 per cent. of the CLO Management Fee earned by the CLO Manager (in respect of CLOs where BGCF holds the CLO Income Notes, i.e., horizontal strip); or (ii) 5 per cent. of the CLO Management Fee earned by the CLO Manager (in respect of CLOs where BGCF holds CLO Securities, i.e., vertical strip) in respect of the BGCF CLOs (excluding any incentive/performance management fee the CLO Manager is entitled to receive) *pro rata* to the CLO Income Notes or CLO Securities (as applicable) held by BGCF in such CLOs. It is expected that similar fee rebate arrangements will be entered into between DFME, DFM (or one of their affiliates) (as applicable) and U.S. MOA in relation to U.S. MOA CLOs.

In addition, in circumstances where: (i) the retention holding method is solely through CLO Retention Income Notes; and (ii) where the retention holding method is through CLO Retention Securities, in relation only to such of these CLO Retention Securities as are CLO Retention Income Notes, it is expected that BGCF or U.S. MOA (as applicable) will also be entitled to receive an upfront fee (the "**Upfront Fee**") on the closing of each of the BGCF CLOs and U.S. MOA CLOs (as applicable), which is expected to be (i) where the retention holding method is through CLO Retention Income Notes, between 1 per cent. and 5 per cent. of the value of the CLO Retention Income Notes it retains in such CLO; and (ii) where the retention holding method is through CLO Retention Securities, 5 per cent. of the value of such of the CLO Retention Securities as are CLO Retention Income Notes. The Upfront Fee is expected to take the form of a rebate of part of the arranger's placing fee which relates to the CLO Retention Income Notes.

Investment in BGCF is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in BGCF and/or who have received advice from their fund manager or broker regarding investment in BGCF.

Investment Objective and Policy of BGCF

It is expected that the investment objective and policy of BGCF shall, at all times, mirror the Investment Objective and Policy, subject to such additional restrictions as may be adopted by BGCF from time to time.

BGCF has access to a committed Revolving Credit Facility which equals 200 per cent. of: (i) its NAV; plus (ii) retained net income from time to time; less (iii) the aggregate amount invested in CLO Retention Securities at cost. It is expected that the maximum funding amount under the Revolving Credit Facility may be adjusted from time to time to reflect the Net Placing Programme Proceeds or the net proceeds from any additional

Share issues, less the value of any Shares repurchased and the value of any further investments in CLO Income Notes (at cost). As such, there are no limits on the level of BGCF's borrowings.

Any loans which are sold to a CLO having been purchased using such borrowings will typically have been held by BGCF for no more than 12 months. Except in relation to the CLO Retention Income Notes or CLO Retention Securities it holds, BGCF may enter into hedging and derivatives transactions pursuant to its investment activities, for the purposes of efficient portfolio management.

Although not a profit forecast, BGCF expects to generate gross annual cash returns of 10-11 per cent. from loans (including leverage through the term Revolving Credit Facility), 15-20 per cent. from CLO Income Notes with the risk adjusted IRRs on CLO Income Notes being in the range of 12-15 per cent. per annum and 5-6 per cent. from CLO Securities (in either case, on an unleveraged basis and before any fee rebates are taken into account). BGCF also benefits from: (i) the ability to evaluate the best time to establish a new CLO; and (ii) where CLO Income Notes are BGCF's investment in a CLO, call rights over the relevant CLO, thereby having the ability to maximise IRRs.

Until such time that BGCF is unable to purchase further CLO Securities, no CLO established by GSO which is investing in European loans will be structured outside of BGCF (or other Risk Retention Company to which the Company has exposure). For such period, unless the board of directors of BGCF consent otherwise or provide a waiver, BGCF (or such other Risk Retention Company) will also have most favoured status over the terms relating to CLO Securities in European CLOs it purchases, which will ensure that no other holder of CLO Securities in such CLOs will benefit from any economic or material contractual terms more favourable than those offered to BGCF (or such other Risk Retention Company).

Any proposed changes to BGCF's investment objective and policy will be subject to the process described in the section titled "Changes to Investment Policy" above in this Part I of this Prospectus.

EU NPA and the EU Profit Participating Notes

The EU NPA provides, *inter alia*, that BGCF will ensure that its portfolio is managed in accordance with its investment objective and policy, and that BGCF shall provide all such assistance as the Company and LuxCo might require in order to comply with the Listing Rules (to the extent applicable to or voluntarily adopted by the Company), the Disclosure and Transparency Rules, the Prospectus Rules and other applicable laws or regulations. The EU Profit Participating Notes issued by BGCF are subject, at all times, to the terms and conditions set out in the EU NPA.

Cash in respect of interest accrued or to be accrued on the EU Profit Participating Notes on a quarterly basis (subject to availability of funds) shall be in an amount to enable the Company to make payments due under the Company's dividend policy and to cover the Group's ongoing costs and expenses. Such accrued interest will be paid on the EU Profit Participating Notes and, to the extent that the holder of the EU Profit Participating Notes is LuxCo, LuxCo will utilise such proceeds to repurchase a portion of the CSWs (or other similar securities) the Company may hold in LuxCo from time to time. In circumstances where the holders of the EU Profit Participating Notes wish to receive an amount of cash in respect of such interest which is less than the amount of interest which has accrued for the account of such holders, the holders are entitled to notify BGCF of such lesser amount of cash in respect of interest which they wish to receive. The remainder of such accrued interest which is not paid to the holders of the EU Profit Participating Notes shall be reinvested at the discretion of BGCF.

The failure of BGCF to comply with the terms and conditions of the EU NPA and/or the EU Profit Participating Notes will constitute an event of default which would permit LuxCo to elect for such EU Profit Participating Notes to become immediately due and repayable in accordance with clause 11 of Schedule 2 of the EU NPA, subject to any legal, regulatory or contractual restrictions, including those committing BGCF to: (i) retain its interest in CLO Retention Income Notes or CLO Retention Securities (as applicable); and (ii) during the relevant CLO's reinvestment period, originate and sell the required percentage of each CLO's total securitised exposures to it (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any BGCF sourced assets).

Under the terms of the EU Profit Participating Notes, LuxCo has, subject to certain conditions, the first right to seek to fund BGCF (through the acquisition of further EU Profit Participating Notes) should it seek to raise additional funds.

Further information in relation to the EU NPA and the EU Profit Participating Notes is set out in paragraph 5.1 of Part VII of this Prospectus.

U.S. NPA and U.S. Profit Participating Notes

The U.S. NPA provides, *inter alia*, that BGCF will ensure that its portfolio is managed in accordance with its investment objective and policy, and that BGCF shall provide all such assistance as the Company and LuxCo might require in order to comply with the Listing Rules (to the extent applicable to or voluntarily adopted by the Company), the Disclosure and Transparency Rules, the Prospectus Rules and other applicable laws or regulations. U.S. Profit Participating Notes may in the future be issued by BGCF pursuant to the U.S. NPA and shall be subject, at all times, to the terms and conditions set out in the U.S. NPA.

Cash in respect of interest accrued or to be accrued on the U.S. Profit Participating Notes on a quarterly basis (subject to availability of funds) shall be received by the Company (through payments made by BGCF to LuxCo, which are then paid by LuxCo to the Company), in such amount as to enable the Company to make payments due under the Company's dividend policy and to cover the Group's ongoing costs and expenses. Cash not so paid by BGCF may be designated by BGCF to fund the purchase of additional assets and any funds remaining following such designation for investment shall be payable to LuxCo for onward payment to the Company in due course.

The failure of BGCF to comply with the terms and conditions of the U.S. NPA and/or the U.S. Profit Participating Notes will constitute an event of default which would permit LuxCo to elect for such U.S. Profit Participating Notes to become immediately due and repayable in accordance with the U.S. NPA, subject to any legal, regulatory or contractual restrictions, including those committing BGCF, to: (i) retain its interest in CLO Retention Income Notes or CLO Retention Securities (as applicable); and (ii) during the relevant CLO's reinvestment period, originate and sell the required percentage of each CLO's total securitised exposures to it (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any BGCF sourced assets).

Under the terms of the U.S. Profit Participating Notes, LuxCo has, subject to certain conditions, the first right to seek to fund BGCF (through the acquisition of further U.S. Profit Participating Notes) should it seek to raise additional funds.

Pursuant to the Investment Objective and Policy, the Company intends to seek exposure to U.S. CLOs through a Risk Retention Company intended to be compliant with the U.S. Risk Retention Regulations. This exposure may be sought either indirectly through BGCF or directly, in each case through a new Risk Retention Company. In the case of investment through a new Risk Retention Company, the U.S. Profit Participating Notes may, subject to any legal, regulatory or contractual restrictions, be redeemed in part or in full, to allow the Company to re-invest such amounts in the new Risk Retention Company.

Further information in relation to the U.S. NPA and the U.S. Profit Participating Notes is set out in paragraph 5.2 of Part VII of this Prospectus.

Listing of the Profit Participating Notes

The EU Profit Participating Notes are admitted to listing on the Official List of the Global Exchange Market of the GEM.

Application will be made for the U.S. Profit Participating Notes to be admitted to listing on the GEM, or such other exchange as may be agreed by BGCF and the Company. The listing of the U.S. Profit Participating Notes on the GEM will result in withholding tax efficiencies in relation to interest payments made by BGCF.

Non-voting equity of BGCF

The Company holds 15 B2 shares of BGCF, which are non-voting and do not carry any entitlement to a dividend. The Class B2 Shares may be redeemed at any time at the option of BGCF but may only be redeemed by the holder thereof: (i) after 1 June 2044, by service of notice on BGCF; or (ii) if BGCF serves notice on the holders of its intention to amend its investment policy, for a period of 30 days from the delivery of that notice to the holders (provided that such amendment would require the Company to seek approval from its Shareholders to make an equivalent change to the Company's investment policy and the Shareholders of the Company do not approve such change).

U.S. MOA and Service Providers

U.S. MOA was incorporated on 6 January 2016 with registered number 307238, and has its registered office at 190 Elgin Avenue; George Town; Grand Cayman KY1-9005; Cayman Islands. DFME expects that U.S. MOA will issue one or more classes of shares in connection with investments to be made in U.S. MOA by BGCF and by an affiliate of DFME. It is expected that any investment made by BGCF in U.S. MOA will be in a class of non-voting shares.

Pursuant to the U.S. MOA Management Agreement, DFM, in its capacity as the U.S. MOA Manager, will be responsible for supervising and directing the investment and reinvestment of U.S. MOA's assets, advising U.S. MOA with respect to its financing (including the declaration of dividends, share buybacks, rights issuances and similar corporate matters), the entry into of any shareholders agreements, and performing on behalf of U.S. MOA the duties that have been specifically delegated to the U.S. MOA Manager in the various transaction documents entered into from time to time by the U.S. MOA Manager and/or U.S. MOA in connection with U.S. MOA's assets and the financing thereof. Further details of the U.S. MOA Management Agreement are set out in Part IX of this Prospectus.

Investment in U.S. MOA is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in U.S. MOA and/or who have received advice from their fund manager or broker regarding investment in U.S. MOA.

Investment Objective and Policy of U.S. MOA

It is expected that the investment objective and policy of U.S. MOA shall, at all times, mirror the Investment Objective and Policy, subject to such additional restrictions as may be adopted by U.S. MOA from time to time.

U.S. MOA may put in place borrowing arrangements as set out above in the section titled Investment Strategy of this Part I of this Prospectus. U.S. MOA may also seek other financing from time to time, at its discretion. As such, there are no limits on the level of U.S. MOA's borrowings. Except in relation to the CLO Retention Income Notes or CLO Retention Securities it holds, U.S. MOA may enter into hedging and derivatives transactions pursuant to its investment activities, for the purposes of efficient portfolio management.

Although not a profit forecast, U.S. MOA expects to generate gross annual cash returns of 15-20 per cent. from CLO Income Notes with the risk adjusted IRRs on CLO Income Notes being in the range of 12-15 per cent. per annum; and generate gross annual cash returns of 13-17 per cent. from CLO Securities with the risk adjusted IRRs on CLO Securities being in the range of 10-13 per cent. per annum (in both cases after giving effect to leverage and fee rebates are taken into account). U.S. MOA also benefits from: (i) the ability to evaluate the best time to establish a new CLO; and (ii) where CLO Income Notes are U.S. MOA's investment in a CLO, call rights over the relevant CLO, thereby having the ability to maximise IRRs.

Any proposed changes to U.S. MOA's investment objective and policy will be subject to the process described in the section titled "Changes to Investment Policy" above in this Part I of this Prospectus.

TARGET RETURN AND DIVIDEND POLICY

Target Total Return

Whilst not forming part of the investment objective or policy of the Company, on the basis of current market conditions as at the date of this Prospectus, the Company is targeting an annualised mid-teen total return over the medium-term (the "**Target Total Return**"). The Company intends to seek to deliver this return through a combination of dividend payments and capital appreciation.

Target Dividend Yield and Policy

Whilst not forming part of the investment objective or policy of the Company, dividends will be payable in respect of each calendar quarter, payable within two months following the end of such quarter. On the basis of current market conditions as at the date of this Prospectus, the Company will target a dividend of 2 per cent. a quarter equating to an 8 per cent. annualised return based on, for the Euro Shares, the IPO issue

price of €1.00 and, for the U.S. Dollar Shares, the proposed Placing Price for the Initial Placing of U.S.$1 (the "**Target Dividend**"), with the expectation of progressive growth.

Excess cash or interest from the portfolio will be reinvested by the Risk Retention Companies with the objective of growing the NAV. The actual dividend generated by the Company in pursuing its investment objective will, however, depend on a wide range of factors including, but not limited to, general economic and market conditions, fluctuations in currency exchange rates, prevailing interest rates and credit spreads, the terms of the investments made by the Company and the risks highlighted in the "Risk Factors" section of this Prospectus. Furthermore, the yield generated by the Company with respect to each class of Shares will be impacted by the extent to which the Company is able to, and is successful in, hedging currency exchange risk between the currency in which the relevant class of Shares is denominated and the currencies in which the assets comprised in the Company's portfolio are denominated and the costs, profits and losses resulting from any such currency hedging activity.

The Articles permit the Directors, in their absolute discretion, to offer a scrip dividend alternative to Shareholders when a cash dividend is declared from time to time. In the event a scrip dividend is offered in future, an electing Shareholder would be issued new, fully paid up Shares (or Shares reissued from treasury) pursuant to the scrip dividend alternative calculated by reference to the higher of: (i) the prevailing average mid-market quotation of the Shares over the five trading days following and including the relevant ex-dividend date; or (ii) the Net Asset Value per Share, at the date selected by the Directors for such purposes. The scrip dividend alternative would be available only to those Shareholders to whom Shares might lawfully be marketed by the Company.

The Target Total Return and the Target Dividend should not be taken as an indication of the Company's expected future performance or results. The Target Total Return and the Target Dividend are targets only and there is no guarantee that they can or will be achieved and should not be seen as an indication of the Company's expected or actual return. Target returns are hypothetical and are neither guarantees nor predictions or projections of future performance. Actual events and conditions may differ materially from the assumptions used to establish the Target Total Return and Target Dividend. Accordingly, investors should not place any reliance on the Target Total Return or the Target Dividend in deciding whether to invest in Shares.

Furthermore, the future performance of the Company may be materially adversely affected by the risks discussed in the "Risk Factors" section of this Prospectus.

HEDGING TRANSACTIONS AND CURRENCY RISK MANAGEMENT

The Shares in the Company will be denominated in Euro and, following the Initial Placing of U.S. Dollar Shares, in U.S. Dollars, and the investments to be made by the Company may be denominated in Euros, U.S. Dollars or other currencies. Consequently, the holders of any class of Shares may be subject to foreign currency fluctuations between the currency in which such Shares are denominated and the currency of the investments made by the Company (directly or indirectly through LuxCo and one or more Risk Retention Companies).

The Company will normally seek to hedge currency exposure between the Euro (being the Company's operational and accounting currency) and any other currency in which the Company's assets may be denominated. In addition, the Company will normally seek to hedge the exposure of the U.S. Dollar Shares against fluctuations between the U.S. Dollar and the Euro.

However, hedging arrangements will be implemented on behalf of the Company only when suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts, are available in a timely manner and on terms acceptable to the Directors, in their sole and absolute discretion. To the extent that the Company is unable to engage, or is unsuccessful, in hedging currency exposure, Shareholders will be subject to fluctuations between the currency in which Placing Shares are denominated and the other currencies in which the assets and investments comprising the Company's portfolio are denominated.

The Company reserves the right to terminate any hedging arrangement in its absolute discretion, including, without limitation, if it considers it to be in the interests of Shareholders to do so or such arrangements may adversely affect the performance of the Company.

To the extent that a currency hedging transaction relates to a specific class of Shares, the profits, losses and expenses of such transaction will be allocated solely to the relevant class of Shares.

SHARE BUYBACKS

The Directors have been granted general authority for the Company to purchase in the market up to 14.99 per cent. of the Euro Shares in issue as at the date of the Company's last annual general meeting. The Directors intend to seek annual renewal of this authority (and, if relevant, to seek a similar authority with respect to the U.S. Dollar Shares) from the Shareholders at the Company's annual general meeting.

The Directors may, at their absolute discretion, use available cash to purchase in the market Shares of a class in issue at any time, subject to having been granted authority to do so, should the Shares of such class trade at an average discount to NAV (calculated daily in accordance with the methodology set out below) of more than 7.5 per cent. as measured each month over the preceding six month trading period. Subject to any legal, regulatory or contractual restrictions applicable to the Risk Retention Companies, in accordance with the terms of the profit participating notes (or similar securities) or equity capital issued by such Risk Retention Companies, LuxCo will be entitled to receive cash from the Risk Retention Companies, which may then be paid to the Company (through redemptions of the CSWs) to fund the Company's discount management policy.

The average discount will be calculated by dividing the sum of the discount or premium (as the case may be) on each business day in a calendar month (adjusted for dividends) by the number of such business days. The premium or discount on any given day is to be calculated by reference to the closing Share price and the NAV announced for that month.

"Available cash", in this context, is expected to comprise cash held by the Risk Retention Companies which is received in respect of interest income on loans, CLO Securities, Loan Warehouses and other cash not required to meet the applicable Retention Requirements, after taking account of working capital requirements of the Risk Retention Companies, LuxCo and the Company and any requirements under any Revolving Credit Facilities.

In exercising their powers to buy back Shares, the Directors have complete discretion as to the timing, price and volume of Shares so purchased. No expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. The implementation of any Share buy-back programme and the timing, price and volume of Shares purchased at all times will be subject to compliance with the Articles, the Listing Rules (to the extent applicable to or voluntarily adopted by the Company), the Companies Law and all other applicable legal and regulatory requirements.

In the event that the Board decides to repurchase Shares, purchases will only be made through the market for cash at prices not exceeding the estimated prevailing NAV per Share where the Directors believe such purchases will result in an increase in the NAV per Share. Such purchases will only be made in accordance with: (i) the Listing Rules (to the extent applicable to or voluntarily adopted by the Company), which currently provide that the maximum price to be paid per Share must not be more than the higher of: (a) five per cent. above the average of the mid-market values of Shares for the five Business Days before the purchase is made; or (b) the higher of the last independent trade or the highest current independent bid for Shares; and (ii) the Companies Law, which provides, *inter alia*, that any purchase is subject to the Company passing the solvency test contained in the Companies Law at the relevant time.

Shares purchased by the Company may be cancelled or held in treasury up to a maximum of ten per cent. of the total number of Shares in issue at any particular time.

FURTHER ISSUES OF SHARES

Save as set out below, the Directors have the authority to allot unlimited further Shares in the share capital of the Company following the final Admission Date. Further issues of Shares would only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include net asset performance, share price rating and perceived investor demand. In the case of further issues of Shares (or sales of Shares from treasury), such Shares will only be issued at prices which are not less than the then prevailing relevant Net Asset Value per Share (as estimated by the Directors).

There are no provisions of Jersey law which confer rights of pre-emption in respect of the allotment of Shares. The Articles, however, contain pre-emption rights in relation to allotments of Shares for cash. At the Extraordinary General Meeting, Shareholders approved the disapplication of such pre-emption rights in relation to, in aggregate, a maximum of 500 million Shares (either U.S. Dollar Shares or Euro Shares) pursuant to the Placing Programme. The Directors' authority to issue the Shares on a non-pre-emptive basis will expire at the conclusion of the Company's annual general meeting to be held in 2017 (save that where the Company has, prior to such expiry, made an offer or agreement that would or might require Shares to be allotted and issued after such expiry, the Directors may issue Shares pursuant to such offer or agreement as if their authority to issue Shares on a non-pre-emptive basis had not expired).

Separately, the Directors also intend to request the general authority to allot Shares for cash on a non-pre-emptive basis at the next annual general meeting of the Company to be held in 2016, to be renewed at each subsequent annual general meeting of the Company.

NET ASSET VALUE

Publication of Net Asset Value

The Company publishes the Net Asset Value per Share, as calculated in accordance with the process described below, on a monthly basis (within 15 Business Days following the relevant month-end). Such Net Asset Value per Share is published by RIS announcement and is available on the website of the Company. BGCF is obliged, pursuant to the terms and conditions of the Profit Participating Notes, to provide the Company, LuxCo and the Administrator with such information as they may reasonably require in order to facilitate such calculations and announcements.

Following the issue of any U.S. Dollar Shares, the Company intends to publish the Net Asset Value per Share of each class on a monthly basis, as described above.

In order to calculate the Net Asset Value of each class of Shares, it is intended that a separate class account will be established in the books of the Company in respect of each class of Shares. Each such class account will be maintained in Euro (being the Company's operational and accounting currency) and, consequently, when publishing the Net Asset Value per Share of any class of Shares denominated otherwise than in Euro, the Directors shall convert the Euro amount standing to the credit of the relevant class account into the relevant currency using such exchange rate as they may consider appropriate. An amount equal to the proceeds of issue of Shares of each class will be credited to the relevant class account. Any decrease in the Net Asset Value of the Company arising from the redemption or repurchase of Shares of a particular class or any dividend or other distribution paid by the Company in respect of Shares of a particular class will be debited to the relevant class account. Any increase or decrease in the Net Asset Value of the Company which is attributable to the Shares (disregarding for these purposes any increases or decreases in Net Asset Value arising from issues, repurchases or redemptions of Shares or any dividends or other distribution paid by the Company or any class specific adjustments (as defined below)) will be allocated among the relevant class accounts based on the previous relative Net Asset Values of each such class account (measured in Euro terms). There will then be allocated to each class account the "class specific adjustments", being those foreign exchange items, placing and distributor fees or commissions, other fees, costs, liabilities, expenses, losses, assets, profits, gains and income which the Directors determine relate to a single separate class (for example, those items relating to foreign exchange transactions in respect of each class including the cost of converting subscription proceeds from U.S. Dollars into Euro and of hedging the resulting foreign currency exposure).

Valuation of the portfolio

The BGCF Administrator values assets held by BGCF and provides the detail of such asset valuations, together with any expense items, to the Administrator. The U.S. MOA Administrator will value the assets held by U.S. MOA and provide the detail of such asset valuations, together with any expense items, to the Administrator. The Administrator is responsible for the NAV calculation of the Company and of the Shares.

It is intended that, in accordance with its investment objective and policy set out above, BGCF (either directly or indirectly through U.S. MOA) and U.S. MOA will invest in: (i) senior secured loans and other debt securities; (ii) CLO Securities; and (iii) (only in the case of BGCF) Loan Warehouses, and will value such instruments in the following manner:

(a) **Loans and other corporate debt instruments:** Loans and other corporate debt instruments will be valued according to their mid-market price as determined by, in relation to loans, Markit Partners or any other entity appointed from time to time, in relation to CLO Securities, Thomson Reuters or any other entity appointed from time to time and in relation to private debt assets, Valuation Research Corporation or any other entity appointed from time to time (an "**Approved Pricing Source**") on the relevant NAV Calculation Date or, where a loan has been contracted for sale to a CLO as part of a Forward Purchase Agreement, the sale price. Any loan sold by way of such a Forward Purchase Agreement will be valued at the mid-market rate as determined by an Approved Pricing Source on the date it becomes subject to the Forward Purchase Agreement which may in some instances be the cost price of the loan to BGCF or U.S. MOA (as the case may be). If a price cannot be obtained from an Approved Pricing Source for any loan, BGCF or U.S. MOA (as the case may be) will source mid-prices as at the close of the relevant trading day from third party broker/dealer quotes for any such loan. In addition, assets which are acquired by BGCF or U.S. MOA (as the case may be) as part of a primary issuance may be valued as the principal balance thereof net of original issuance discount and fees paid to BGCF or U.S. MOA (as the case may be). Where a loan becomes subject to a Forward Purchase Agreement, BGCF will (subject to certain conditions as set out in paragraph 6.10 of Part VIII of this Prospectus) neither receive the gain nor bear the loss that occurs between the date when the loan is added to the Forward Purchase Agreement and the date when the transfer occurs.

In cases where no third party price is available, or where BGCF or U.S. MOA (as the case may be) determines that the provided price is not an accurate representation of the fair value of the investment, BGCF or U.S. MOA (as the case may be) will determine the valuation based on BGCF's or U.S. MOA's (as the case may be) fair valuation policy. The overall criterion for fair value is a price at which a round lot, being the minimum amount that may be sold of a particular loan or other debt instrument, of the securities involved would change hands in a transaction between a willing buyer and a willing seller, neither being under compulsion to buy or sell and both having the same knowledge of the relevant facts.

Consistent with the above criterion, the following criteria will be considered when applicable:

- valuation of other securities by the same issuer for which market quotations are available;
- reasons for the absence of market quotations;
- the soundness of the security, its interest yield, the date of maturity, the credit standing of the issue and current general interest rates;
- recent sales prices and/or bid and ask quotations for the loan;
- value of similar loans/securities of issuers in the same or similar industries for which market quotations are available;
- economic outlook of the relevant industry;
- an issuer's position in the relevant industry;
- the financial statements of the issuer; and
- the nature and duration of any restriction on disposition of the security.

(b) (i) **CLO Securities:** CLO Securities will be valued by an Approved Pricing Source on the relevant NAV Calculation Date using CLO Intrinsic Calculation Methodology. This methodology incorporates the following CLO-specific information and modelling techniques:

- *Granular loan level data*: The Approved Pricing Source provider will assess the concentration and quality of various loan level buckets such as second liens, covenant lites and other structured product assets. Particular emphasis will also be placed on the assessment of the CCC rated and defaulted loan buckets, which can greatly affect the performance triggers and cash flows in a CLO.
- *Structural analysis on a deal by deal basis*: The Approved Pricing Source will perform thorough checks on all structural features of each CLO such as the credit enhancement of each bond and various performance triggers (including overcollateralisation tests, interest coverage and diversion tests, as well as any turbo features). Furthermore, the Approved

Pricing Source will carefully analyse the reinvestment language specific to each deal, as well as the collateral manager's performance and capabilities.

- *Scenario assumptions and discount rate as agreed upon by valuation agent and the retention holder*: BGCF or U.S. MOA (as the case may be) will provide the Approved Pricing Source with scenario assumptions (e.g., prepayments, defaults, recoveries) to project future cash flows. Scenario assumptions and the discount rate used will be agreed upon the closing of a CLO by BGCF or U.S. MOA (as the case may be) and the Approved Pricing Source and will remain static unless it is subsequently agreed by both BGCF or U.S. MOA (as the case may be) and the Approved Pricing Source to update the scenario assumptions.

For the avoidance of doubt, no other market clearing levels, market fundamentals, broker quotations or bids wanted in competition will be reflected in the modelled price for valuations of CLO Securities. In addition, the Approved Pricing Source has a veto right over any of the scenario assumptions or discount rate used in the model. These investments will be classified within Level III of the fair value hierarchy.

(ii) **Loan Warehouses**: Whilst each investment in a Loan Warehouse can be individually customised it is expected that a subordinate loan or preference share exposure will be priced at cost less any impairment should there be any material defaults in the portfolio or other consequential loss of par resulting in the cushion of overcollateralisation to the warehouse senior lender being reduced. If the exposure to a Loan Warehouse is obtained via a total return swap ("**TRS**"), BGCF may be required to mark-to-market the TRS on each valuation date. It is expected such TRS exposures will be within Level II of the fair value hierarchy as long as there are no unobservable inputs used in such valuation.

(c) **Private Debt Assets**: The fair value of debt assets for which no liquid trading market exists should be based on the transaction price on the initial investment date. Thereafter, private debt assets may be marked, in a manner that is consistent with an Approved Pricing Source's valuation methodology that applies generally accepted valuation methods, which may include market transaction and comparable public company multiples based on financial performance and discounted cash flow analysis. Valuations may be adjusted based on business risk and applicable non-financial related metrics. These investments will be classified within Level III of the fair value hierarchy.

Suspension of the calculation of Net Asset Value

The Directors of the Company may at any time, but are not obliged to, temporarily suspend the calculation of the NAV and NAV per Share during:

(a) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial part of the portfolio is, in the opinion of the Directors, not reasonably practicable without this being seriously detrimental to the interests of the Company or if, in the opinion of the Directors, the NAV and/or NAV per Share, as the case may be, cannot be fairly calculated; or

(b) any breakdown in the means of communication normally employed in determining the value of the Company's investment in LuxCo, LuxCo's investment in BGCF, or BGCF's investment in U.S. MOA.

Similarly, BGCF's or U.S. MOA's directors may also, at any time, but are not obliged to, temporarily suspend the calculation of BGCF's NAV or U.S. MOA's NAV during:

(a) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of BGCF's or U.S. MOA's directors, disposal or valuation of a substantial part of the portfolio is, in the opinion of BGCF's or U.S. MOA's directors, not reasonably practicable without this being seriously detrimental to the interests of BGCF or U.S. MOA (as the case may be) or if, in the opinion of BGCF's or U.S. MOA's directors, BGCF's NAV or U.S. MOA's NAV (as the case may be) cannot be fairly calculated; or

(b) any breakdown in the means of communication normally employed in determining the value of BGCF's or U.S. MOA's investments.

Shareholders and the Channel Islands Securities Exchange Authority Limited will be informed by an RIS announcement in the event that the calculation of the NAV per Share is suspended as described above,

and trading in the Shares on the Channel Islands Securities Exchange and the Specialist Fund Market may also be suspended.

MEETINGS, REPORTS AND ACCOUNTS

The accounting period of the Company ends on 31 December in each year. The audited annual accounts will be provided to Shareholders within four months of the year-end to which they relate. Unaudited half-yearly reports made up to 30 June in each year will be announced within three months of that date. The Company shall report its results of operations and financial position in Euro. The audited annual accounts and half-yearly reports will be available at the registered office of the Administrator and the Company and on the website, www.blackstone.com.

The Company's audited annual report and accounts from the period from 30 April 2014 to 31 December 2014 were published on 30 April 2015 and are available on the website, www.blackstone.com. For the avoidance of doubt, such website and its contents are not incorporated by reference into this Prospectus

The financial statements of the Company are prepared in accordance with IFRS as adopted by the EU, and the annual accounts are audited by the Auditors using auditing standards in accordance with International Standards on Auditing (UK and Ireland). The Company's financial statements, which are the responsibility of its Board, consist of a statement of comprehensive income, statement of financial position and statement of cash flows, statement of changes in equity, related notes and any additional information that the Board deems appropriate or that is required by applicable law.

The preparation of financial statements in conformity with IFRS requires that the Directors make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Such estimates and associated assumptions are generally based on historical experience and various other factors that are believed to be reasonable under the circumstances, and form the basis of making the judgments about attributing values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from such accounting estimates in amounts that may have a material impact on the financial statements of the Company.

In circumstances where BGCF owns a majority of the CLO Income Notes in a CLO, it is expected that the CLOs established by BGCF will be consolidated in BGCF's IFRS financial statements, although such assessment will depend on the facts and circumstances. The Company does not currently consolidate BGCF in its IFRS financial statements as the Directors' judgment is that the Company does not control BGCF.

Any disclosures required to be made to Shareholders pursuant to the AIFM Directive are contained in this Prospectus, and any subsequent updates will be contained either in the Company's periodic reports, on the Company's website or communicated to Shareholders in written form.

All general meetings of the Company shall be held in Jersey.

PART II

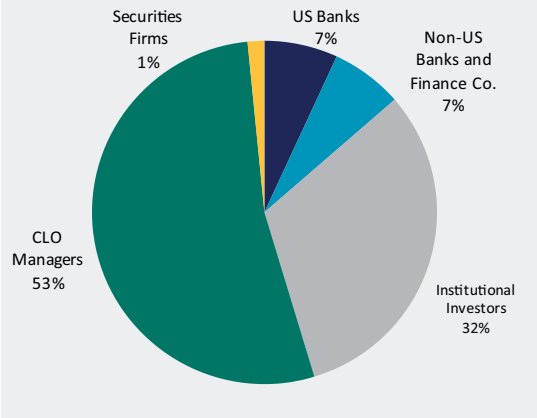
THE MARKET OPPORTUNITY

BACKGROUND

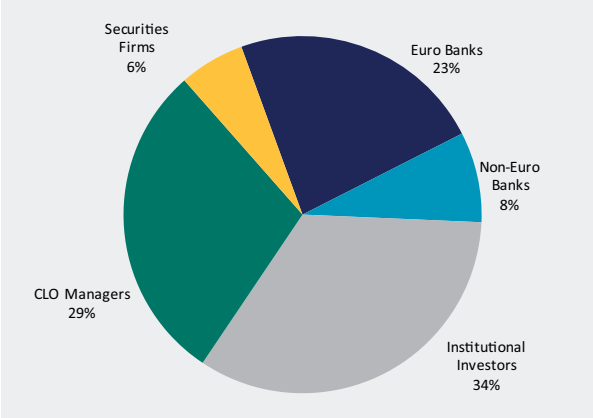
The global leveraged loan market has continued to develop as investors seek yield and protection from rising rates. Currently, the global leveraged loan market has €848.6 billion of loans outstanding. In addition, the leveraged loan investor base is generally more diverse than in the past, with inflows into U.S. mutual funds, separately-managed institutional accounts, and credit hedge funds supplementing the traditional bank and CLO buyers. Combined with an increasingly diverse investor base, secondary trading volumes have grown due to the development of standardised distribution and settlement and reliable third party pricing. The favourable economics seen by institutional investors in the European loan market in particular are further supported by the absence of retail-oriented loan funds in Europe, unlike the U.S. where retail demand has contributed to loan spread tightening.

DFME and DFM expect these factors will continue to influence the leveraged loan market, resulting in a strong technical backdrop supporting the asset class. Fundamentals are also helpful with a benign default environment expected to continue over the medium term. As the charts below illustrate, the loan market has been shifting away from a bank-centric model to a more institutional capital market model over time.

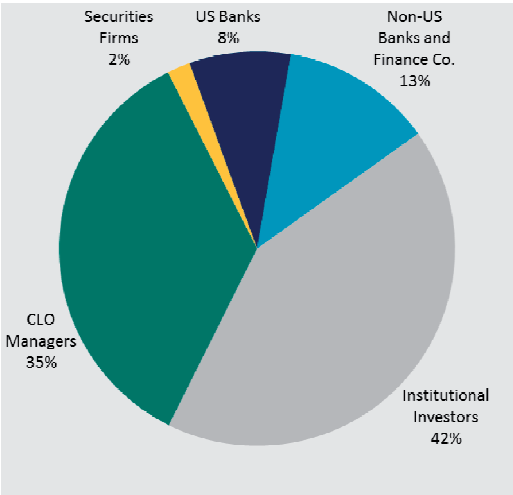
Current U.S. Primary Market Investors[2]



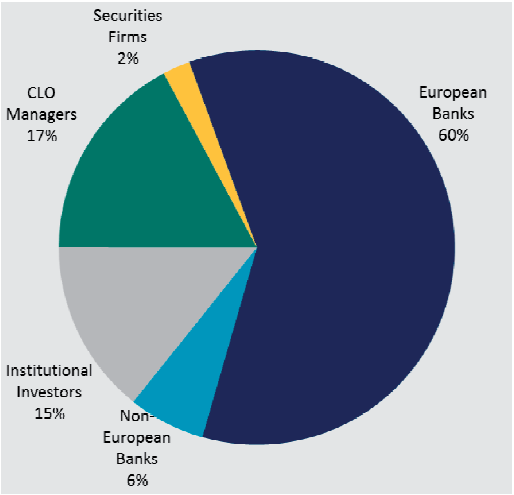
Current European Primary Market Investors[2]



2010 U.S. Primary Market Investors[1]



2010 European Primary Market Investors[1]



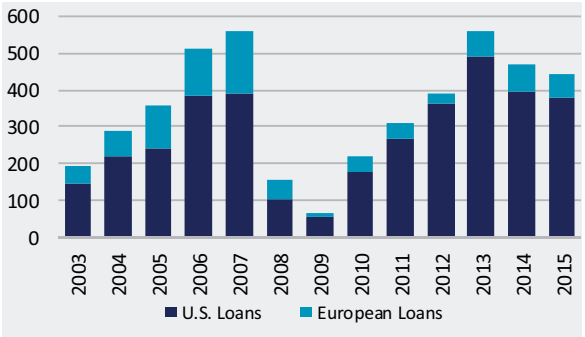
[2] S&P LCD, 29 February 2016.

TECHNICALS

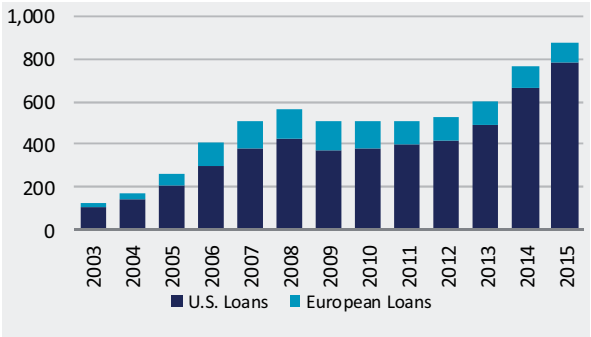
As the end of the current market's low interest rates approaches, DFME and DFM expect the loan asset class to garner significant attention from investors concerned about protecting their fixed-income portfolios from duration risk. This demand could be realised through mutual fund inflows, new separately managed mandates, CLO origination, or other channels. DFME and DFM believe the impending rate hikes in the U.S. should eventually lead to retail inflows. In addition, U.S. CLO issuance totalled U.S.$97.9 billion in 2015 and U.S.$124.1 billion in 2014, breaking the pre-crisis record of U.S.$97.0 billion set in 2006. European CLO issuance almost doubled from €7.4 billion in 2013 to €14.5 billion in 2014. Total issuance in 2015 was €13.6 billion, slightly down on 2014.

As for supply, loan new issuance has slowed versus prior years yet total loans outstanding remained relatively stable year-over-year. DFME and DFM expect both supply and demand to continue to lag previous years as the market adapts to new regulations governing leveraged lending guidelines and CLO risk retention. Consistent issuance combined with decent demand from CLOs and institutional investors should help drive secondary market price increases.

U.S. and European Loan Issuance (€bn)[2]



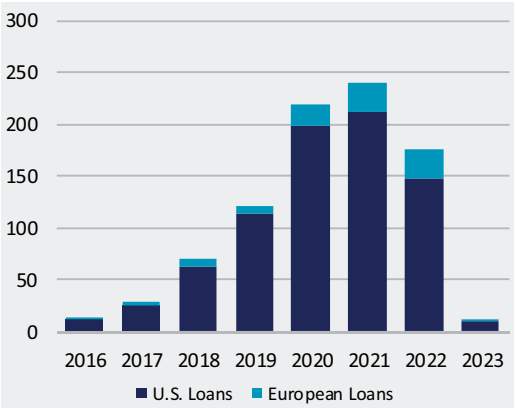
U.S. and European Loans Outstanding (€bn)[2]



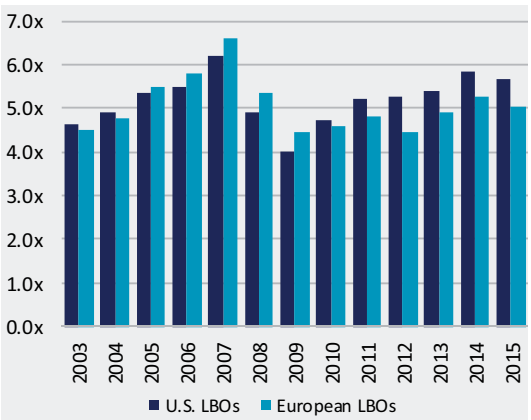
FUNDAMENTALS

Also supporting the leveraged loan market are healthy corporate credit fundamentals. Total debt used to fund large U.S. and European LBOs fell in 2015 (5.7x and 5.0x, respectively) compared to the end of 2014 (5.8x and 5.3x). Ratios in both the U.S. and in Europe remain well below their 2007 peaks of 6.2x and 6.6x, respectively. Sponsors are also contributing more equity to their LBOs as equity now represents 43 per cent. of LBOs compared to 34 per cent. in 2006 and 2007 in the U.S. and 43 per cent. now versus less than 35 per cent. in 2006 and 2007 in Europe. Companies have taken advantage of receptive capital markets by cutting interest costs and pushing out their liabilities. DFME and DFM believe that interest coverage ratios are historically high and the loan maturity wall is manageable with 94 per cent. of loans outstanding maturing in 2019 or later.

Loan Maturity Wall by Year (€bn)[2]



Leverage of Large LBO Loans[2]



Against this backdrop, default rates, excluding commodities, continue to be low and the outlook for the next several years is benign (although default rates are expected to increase), compared to recent years. The LTM U.S. loan default rate was 1.5 per cent. and the LTM European loan default rate was 2.1 per cent. at the end 2015.[2]

INVESTMENT OPPORTUNITY

European Risk Retention Requirements

It is intended that BGCF will continue to invest in CLOs which are intended to be compliant with the European Risk Retention Requirements. In this connection, and pursuant to the European Commission Delegated Regulation (EU) No 625/2014 of 13 March 2014 supplementing the CRR, BGCF will need to, amongst other things:

(a) on the closing date of a CLO it establishes, commit to purchase: (i) an amount of the CLO Income Notes equal to at least 5 per cent. of the maximum portfolio principal amount of the assets in the CLO; or (ii) CLO Securities of no less than 5 per cent. of the nominal value of each of the tranches sold or transferred to investors; and

(b) undertake that, for so long as any securities of the CLO remain outstanding (including the CLO Retention Income Notes or CLO Retention Securities (as applicable)), it will retain its interest in the CLO Retention Income Notes or CLO Retention Securities (as applicable) and will not (except to the extent permitted by the European Risk Retention Requirements, the accompanying regulatory technical standards or any other related guidance published by the European Securities and Markets Authority) sell, hedge or otherwise mitigate its credit risk under or associated with such CLO Retention Income Notes or CLO Retention Securities (as applicable).

The European Risk Retention Requirements prohibit most European investors from investing in any securitisation which does not comply with the European Risk Retention Requirements. To date, most European managers have sought to comply with the European Risk Retention Requirements on a "sponsor" basis, whereby the MiFID-regulated CLO manager is the sponsor and retains the risk.

In addition, with the intention of achieving classification as an "originator" (as defined in the CRR) and complying with the European Risk Retention Requirements, BGCF will be required to commit to:

(a) establishing the relevant CLO;

(b) selling investments to the relevant CLO which it has: (i) purchased for its own account initially; or (ii) itself or through related entities, directly or indirectly, been involved in the original agreement which created such obligations; and

(c) during the relevant CLO's reinvestment period, agreeing to sell investments to the relevant CLO from time to time so that, for so long as the securities of that CLO are outstanding, over the required percentage of the total securitised exposures held by the relevant CLO issuer have come from BGCF (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any BGCF sourced assets).

DFME believes there is a continuing opportunity for investors to participate on a "wholesale" basis in a loan origination company that seeks to adopt the "originator" model in Europe to address the European Risk Retention Requirements for CLOs which DFME or its affiliates manage.

It is intended that BGCF will continue to buy predominantly floating rate senior secured loans from the primary and secondary market and may sell such assets on to one or more CLOs that BGCF establishes. BGCF will act as a retention provider on all CLOs it establishes. The Company will offer investors wholesale access to senior secured loans acquired by BGCF and retained CLO Securities and investments in Loan Warehouses.

BGCF will be responsible for selecting and monitoring the performance of the investments. Under delegated authority from the directors of BGCF and within a set of pre-determined parameters, BGCF's sale and purchase decisions (with certain exceptions) will be taken by the human resources made available to BGCF by the Service Support Provider pursuant to the Portfolio Service Support Agreement.

In situations where a Risk Retention Company will hold the CLO Retention Income Notes or CLO Retention Securities in a U.S. CLO intended to be compliant with both the European Risk Retention Requirements and the U.S. Risk Retention Regulations, in addition to the requirements of the "originator" model outlined above, such Risk Retention Company may be the manager of the U.S. CLO, with the intention of achieving classification as an "originator" (as defined in the CRR).

U.S. Risk Retention Regulations

The U.S. Risk Retention Regulations will become effective with respect to CLOs on 24 December 2016. The U.S. Risk Retention Regulations generally require "sponsors" of securitisation transactions, including collateral managers of CLOs, or their "majority-owned affiliates" (each as defined in the U.S. Risk Retention Regulations) to retain not less than 5 per cent. of the credit risk of the assets collateralising such securitisation transactions unless an exemption applies. The U.S. Risk Retention Regulations are applicable to asset-backed securities, including CLOs, issued on or after the U.S. Risk Retention Regulations Effective Date.

Pursuant to the U.S. Risk Retention Regulations, any risk retention holding entity in a U.S. CLO will, among other things, be required to:

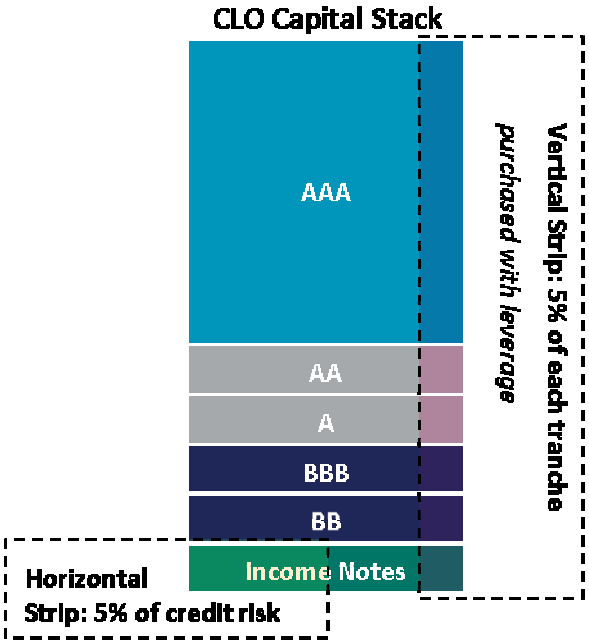
(a) on the closing date of a CLO, purchase either: (i) CLO Retention Income Notes representing at least 5 per cent. of the credit risk relating to the assets collateralising the CLO (under the U.S. Risk Retention Regulations); (ii) CLO Retention Securities representing at least 5 per cent. of the principal amount of each class of CLO Securities issued by such CLO; or (iii) a combination of CLO Retention Income Notes and CLO Retention Securities representing in aggregate at least 5 per cent. of the credit risk relating to the assets collateralising the CLO; and

(b) undertake that, until the relevant U.S. Risk Retention Hedging Prohibition End Date will not (except to the extent permitted by the U.S. Risk Retention Regulations) sell, hedge or otherwise mitigate its credit risk under or associated with such CLO Retention Securities or CLO Retention Income Notes.

Such purchase and retention of CLO Retention Securities or CLO Retention Income Notes may be undertaken by the risk retention holding entity either in its capacity as the collateral manager of the relevant CLO or as a majority-owned affiliate of the collateral manager of such CLO.

DFM believes that from time to time there is a potential new opportunity for investors to participate on a "wholesale" basis in a new loan origination company that seeks: (i) to adopt a structure which is intended to allow CLOs in which it invests to be compliant with the U.S. Risk Retention Regulations; and (ii) has the option to adopt the "originator" model in Europe to address the European Risk Retention Requirements for the CLOs in which a risk retention holder would invest.

The following diagram illustrates how Risk Retention Companies will invest in vertical and/or horizontal stripes in Risk Retention Company CLOs.



THE LOAN MARKET STRUCTURE

Loans made by banks to corporate borrowers can be divided into two classes: investment grade and leveraged loans. Investment grade loans, on the one hand and as the name implies, are loans to borrowers that are rated Baa3/BBB-/BBB- or higher by Moody's Investor Services, Inc. ("**Moody's**"), Standard & Poor's Financial Services LLC ("**S&P**") or Fitch Group, Inc. ("**Fitch**"), respectively. These loans are typically revolving lines of credit used to supplement commercial paper programmes for immediate working capital needs. Because of the revolving nature of these loans (i.e. they are drawn down and paid back sporadically), they have little application to the institutional market. Leveraged loans, on the other hand, are unregistered loans to borrowers that are rated sub-investment grade and who have already have taken on a significant amount of debt. These are longer-term loans, typically with floating rates.

A bank loan is generally classified as a "leveraged loan" if:

- the company to which the loan is being made has outstanding debt rated below investment grade, meaning it has a rating below Baa3/BBB-/BBB- from Moody's, S&P or Fitch, respectively; or
- the company's debt/EBITDA ratio is 3.0 times or greater; or
- the loan bears a coupon of +125 basis points ("**bps**") or more over EURIBOR/LIBOR.

Typically the terms "leveraged loan" and "bank loan" refer, collectively, to senior secured loans, second lien loans (which benefit from a second priority interest in security, behind the senior secured loan), and mezzanine loans. Senior secured loans, as the name suggests, benefit from a first priority interest in the security that collateralises a leveraged loan. Such security typically includes pledges over shares, bank accounts, receivables, and also mortgages over property. Senior secured loans rank prior to second lien loans and mezzanine loans in right of repayment in the event of a default by the borrower and are generally viewed as carrying lower risk than second lien loans and mezzanine loans.

The senior secured bank loan market typically allows investors to move higher up the capital structure, enhancing capital preservation and achieving attractive yield levels relative to other short duration instruments. As senior secured bank loans are floating rate by nature, such loans can provide protection from rising interest rates.

LOAN MARKET CREDIT SPREADS

Senior secured bank loans are floating rate instruments that pay a stated "spread" (margin), reflecting the obligor's risk over a widely accepted base rate such as "EURIBOR" or "LIBOR". The floating rate on bank loans typically resets every 30 to 90 days in line with the prevailing base rate. Senior secured loans offer attractive risk-adjusted yields with low duration when compared to high yield and investment grade bonds. The floating rate nature of senior secured bank loans should provide some interest rate protection against rising rates as the coupons on the loans are directly linked to an applicable base rate and will rise in line with interest rate increases; whereas, with traditional fixed rate assets such as investment grade or high yield bonds, a rise in interest rates typically leads to a fall in price of the bonds.

Although offer spreads are short-lived and subject to change, DFME and DFM believe that the primary market currently offers spreads in excess of 4.0 per cent. (European and U.S. loans) and can offer potential for capital appreciation as most loans are issued at a discount to par value or "OID" ("**Original Issue Discount**"). Current market spreads continue to remain above historical averages, despite the general improvements in macro outlook and market sentiment. DFME and DFM believe new-issue loan spreads should remain attractive due to a reduction in lending capacity, as banks de-lever, pre-financial crisis CLO reinvestment periods end and the loan market moves from a bank centric to an institutional market model.

The secondary market also offers attractive investment opportunities and the potential for capital appreciation, with the average bid price of European loans currently standing at 95.75 and U.S. loans at 89.44. Market nominal spreads have continued to widen and now stand at 4.65 per cent. (European loans) and 4.33 per cent. (U.S. loans). Loans have also experienced widening in the discounted spread to three-year life globally. As of the end of February, discounted spreads were EURIBOR+633bp for European loans and LIBOR+775bp for U.S. loans.[3]

LOAN MARKET RETURNS

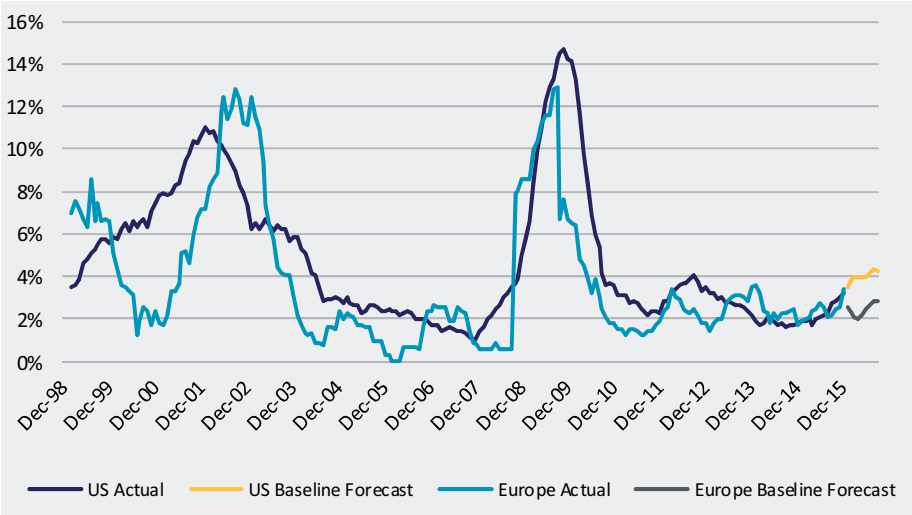
DFME and DFM believe bank loans have historically demonstrated an attractive risk/return profile over credit cycles. In the view of DFME and DFM, with the exception of the period during the financial crisis in late 2008 and 2009, when significant deleveraging from mark to market finance and bank liquidations resulted in a period of market dislocation, loan market returns have been broadly consistent over the past 15 years. Due to the floating rate nature of senior secured banks loans, DFME and DFM believe bank loans can provide an attractive hedge against interest rates, which hedge significantly differentiates bank loans from other fixed income asset classes.

SPECULATIVE GRADE DEFAULT RATES

Senior secured bank loans are sub-investment grade loans that offer first lien security interest over assets of a company and first priority claim in insolvency. The senior secured nature of such loans means that they have the ability to protect against downside risk and preserve capital, moreover demonstrating robust performance in periods of stress. European and U.S. default rates also remain low, with baseline forecasts projecting defaults to remain below historical averages. DFME and DFM believe that current default rates are driven by certain pre-financial crisis vintage loans that have been underperforming since 2009. However, with the more conservative capital structures and the reduction in leverage ratios from pre-crisis levels that are currently prevalent, DFME and DFM see the potential for a more benign default environment with higher recovery rates on newer vintage issues.

[3] S&P European Leverage Loan Index and S&P/LSTA Leveraged Loans Index, 29 February 2016.

Moody's U.S./Europe LTM Speculative Grade Default Rate and Baseline Forecast[4]

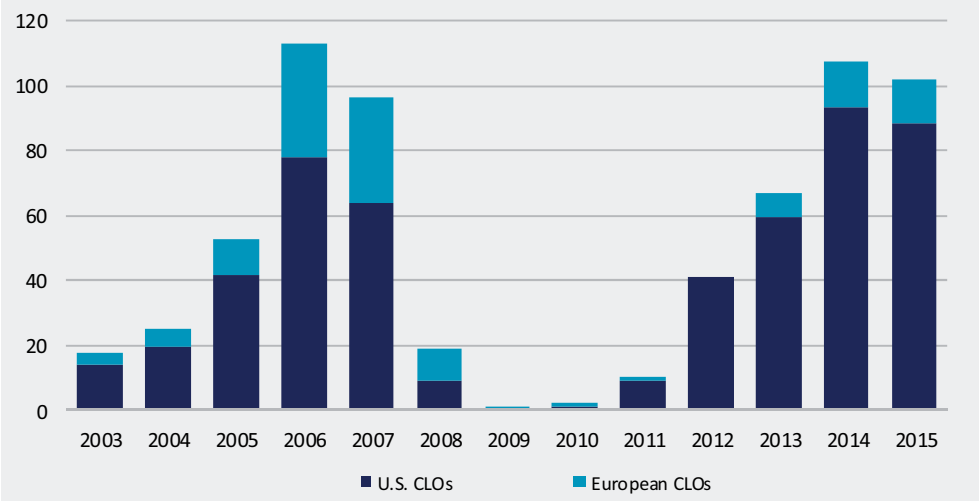


THE CLO MARKET

In 2006, prior to the financial crisis, the European primary CLO market annual issuance was approaching €40 billion and the U.S. CLO market crossed U.S.$97 billion. However the market largely closed during the financial crisis to re-emerge only in 2013 with strong issuance in the U.S. ($83 billion) and over €7 billion in European CLO issuance. The resurgence in the CLO market has continued over the past two years, including the occurrence of CLO warehousing, which helps facilitate loan accumulation in advance of a CLO's issuance. In 2014, the U.S. CLO market surpassed its 2006 peak to price U.S.$124 billion and the European market reached its third highest issuance year (€15 billion). In 2015, the U.S. CLO market saw its second highest issuance on record ($98 billion) and Europe experienced its second highest year of issuance since the crisis (€14 billion). The number of CLO managers issuing deals fell in 2015 as CLO equity investors became increasingly focused on risk-retention compliant vehicles, and the placing of CLO equity was challenging given the sell-off in the secondary CLO market.

European CLO issuance in 2016 is projected to be in line with 2015 with a target of €15 billion, benefitting from a benign credit environment supported by an accommodative ECB policy. Strategists anticipate U.S. CLO issuance to decline in 2016 and generally forecast U.S.$60-70 billion of issuance in the US, though a number of projections have been lowered to U.S.$45-60 billion.

CLO Primary Issuance (€bn)[2]



[4] Moody's Investor Services, December 2015.

CONCLUSION

DFME and DFM believe improved corporate credit fundamentals and a low interest and default environment will continue to support corporate credit as an asset class. From a technical perspective, DFME and DFM expect the new issuance calendar to remain relatively healthy over the short to medium term as the market absorbs corporate refinancing needs and private equity uninvested funds. DFME and DFM expect the building primary pipeline coupled with a declining investor universe to remain supportive of current yield levels. While rate expectations may bring more retail investors into the U.S. loan market which may also bring more volatility, CLOs with their non mark to market long-term financing may be better positioned than retail investors to take advantage of the opportunity.

PART III

INVESTMENT PROCESS, DFME AND DFM

THE COMPANY, BGCF and U.S. MOA

Overview

As at the date of this Prospectus, the Company holds: (i) shares and CSWs in LuxCo, its wholly owned subsidiary; and (ii) 15 Class B2 Shares in BGCF (which are non-voting). LuxCo, the Company's wholly owned subsidiary, holds EU Profit Participating Notes issued pursuant to the terms of the EU NPA, through which the economic benefit from the investment in BGCF accrues to LuxCo and, consequently, the Company.

The Company will use the Net Placing Programme Proceeds to either seek additional exposure to BGCF or to seek exposure to one or more new Risk Retention Companies which may be established in due course. Additional exposure to BGCF will be sought by investing in LuxCo, which will use the proceeds to subscribe for and hold additional EU Profit Participating Notes and U.S. Profit Participating Notes issued by BGCF.

BGCF currently invests predominantly in senior secured loans, and when appropriate, (with the exception of any financing under any Revolving Credit Facility) in CLO Income Notes issued by BGCF CLOs in accordance with its investment objective and policy (which mirrors the Investment Objective and Policy and the Company's strategy). Going forward, it is expected that BGCF will invest the proceeds from: (i) the issue of the EU Profit Participating Notes and the U.S. Profit Participating Notes; (ii) the Company's equity investment; and (iii) in certain circumstances, any financing it receives from any Revolving Credit Facility, in CLO Securities and Loan Warehouses (in addition to the investments described above).

BGCF will invest directly into European CLOs and will seek exposure to U.S. CLOs through U.S. MOA or other Risk Retention Companies.

The Company and BGCF are self-managed, with independent non-executive boards of directors. U.S. MOA is managed by DFM (in its capacity as the U.S. MOA Manager) but its ultimate investment decisions will be taken by its board of directors. Further details of the Directors, BGCF's directors and U.S. MOA's directors are set out in Parts IV, VIII and IX (respectively) of this Prospectus.

DFME, acting as the Service Support Provider, provides personnel and certain other service support and assistance to BGCF pursuant to the terms of the Portfolio Service Support Agreement entered into between BGCF and the Service Support Provider (further details of which are set out in paragraph 6.1 of Part VIII of this Prospectus).

DFME, acting as the Adviser, also provides advice and assistance in connection with the Company's exposure to the Profit Participating Notes (through the Company's investment in LuxCo), evaluates prospective CLOs to which BGCF may sell its assets from time to time and monitors the performance of Risk Retention Company CLOs, in each case pursuant to the Advisory Agreement (further details of which are set out in paragraph 5.3 of Part VII of this Prospectus).

DFM, acting as the U.S. MOA Manager, will be responsible for supervising and directing the investment and reinvestment of U.S. MOA's assets, advising U.S. MOA with respect to its financing (including the declaration of dividends, share buybacks, rights issuances and similar corporate matters), the entry into of any shareholders agreements, and performing on behalf of U.S. MOA the duties that have been specifically delegated to the U.S. MOA Manager in the various transaction documents entered into from time to time by the U.S. MOA Manager and/or U.S. MOA in connection with U.S. MOA's assets and the financing thereof, in each case pursuant to the U.S. MOA Management Agreement (further details of which are set out in paragraph 6.1 of Part IX of this Prospectus).

Master Feeder Structure

The Company is structured as a feeder fund into BGCF, which acts as a master fund (for the purposes of the Listing Rules). Pursuant to the EU NPA and the U.S. NPA, DFME has covenanted to BGCF and the noteholders (including LuxCo) that, for so long as any Profit Participating Notes remain outstanding, DFME will not engage any bank to arrange a CLO which is investing in European loans unless BGCF acts as

originator to such CLO or BGCF has otherwise consented to a third party acting as sponsor or other retention holder in respect of such CLO.

As at 31 December 2015, DFME and DFM had €7 billion and U.S.$12 billion of CLO assets under management, respectively, making GSO the largest CLO manager globally.[5]

DFME AND DFM

Introduction

DFME, in its capacity as the Service Support Provider, provides BGCF's directors with credit research, pursuant to the Portfolio Service Support Agreement.

DFM, in its capacity as the U.S. MOA Manager, is responsible for *inter alia* supervising and directing the investment and reinvestment of U.S. MOA's assets.

In addition, DFME or DFM (or one of their affiliates), in its capacity as the CLO Manager, also manages the Risk Retention Company CLOs pursuant to CLO Management Agreements to be entered into from time to time. The CLO Manager's objective in managing the CLOs is principal preservation through credit analysis and portfolio diversification. In order to achieve these objectives, the CLO Manager typically maintains a defensive approach towards its investments by emphasising risk control through: (i) undertaking comprehensive due diligence and credit analysis; (ii) careful portfolio construction with an emphasis on diversification; (iii) maintaining on-going monitoring of credits and sectors by research analysts; and (iv) portfolio managers' monitoring of portfolios, market conditions and transaction structure with a view towards anticipating positive and negative credit events.

Each of DFME and DFM considers it a priority in meeting its objectives, as the Service Support Provider (in the case of DFME), the U.S. MOA Manager (in the case of DFM) and the CLO Manager (in the case of DFME and DFM), that it has and maintains a strong and experienced management team that understands investing in credit within structural constraints.

Comprehensive Due Diligence and Credit Analysis

DFME and DFM's credit research and, where applicable investment decisions, are based on rigorous credit review and relative value analysis performed by its research analysts, portfolio managers and traders. Potential investments are analysed on the merits of the individual company relative to its position in the industry and the general strength of the industry within the context of the overall economy. Credit analysis includes, but may not be limited to, an analysis of the key drivers of revenue, expense, cash flow, and sources and uses of working capital. Research analysts typically prepare a formal credit memorandum that documents an investment hypothesis and supporting information on, among other things, due diligence performed, review of historical operational and financial information and the industry status of such potential investment, information presented in bank meetings, offering memoranda, management meetings and modelling of "down-side" financial scenarios. When deemed appropriate, the due diligence process include interviews with management and controlling shareholder(s), review of external and proprietary research and on-site visits.

Investment Process

New investment opportunities are generally initially reviewed by the personnel made available to BGCF by DFME (in conjunction with the services of DFME under the Portfolio Support Services Agreement) or to U.S. MOA by DFM acting in its capacity as the U.S. MOA Manager or, in the case of DFME and DFM acting in the capacity as CLO Manager, are pre-reviewed by a combination of investment committee members, and, in each case the relevant research analyst, followed by, in the case of assets that are viewed favourably, the preparation of a formal credit memorandum. In the case of investment opportunities relating to BGCF, the personnel provided by DFME under the Portfolio Service Support Agreement then make the investment decisions, under delegated authority from the directors of BGCF and within a set of pre-determined parameters, based on these recommendations. The personnel made available to BGCF by DFME (pursuant to the Portfolio Service Support Agreement), or the investment committee in the case of DFM acting in its capacity as the U.S. MOA Manager, or DFME and DFM acting in the capacity as CLO Manager, also take

[5] Creditflux, 31 December 2015.

into consideration information from DFME or DFM's traders (as applicable) who will be responsible for contact with the primary and secondary desks within the dealer community and for providing an opinion to the personnel regarding the investments under consideration. As part of this process, these personnel also take into consideration an analysis of a potential investment's impact on the applicable portfolio's structure.

Investment Monitoring and Risk Management

DFME and DFM's research analysts and portfolio managers maintain the credit monitoring process and, with respect to BGCF, provide inputs to the personnel made available to BGCF by DFME (pursuant to the Portfolio Service Support Agreement). Individual investment performance is compared to the initial investment hypothesis, giving consideration to new financial information, market news, price or other events. As part of an overall risk management strategy, a "Credit Watch List" is maintained and monitored, which is derived from general market information including security prices, company press releases, news and statements and ongoing due diligence. Data from the "Credit Watch List" is also used as part of the process to forecast the occurrence of specific credit events and model the impact of credit events on a portfolio. When deemed appropriate, ongoing monitoring includes: (i) meetings with management and advisors; (ii) obtaining a seat on committees; and (iii) seeking new investors/capital. In performing credit monitoring processes, various software, publications and third party monitoring services may be used. Based on these inputs, the personnel made available to BGCF by DFME (pursuant to the Portfolio Service Support Agreement) provide updates to BGCF's directors in relation to the performance of BGCF's investments; and the relevant personnel at DFM provide updates to U.S. MOA in relation to the performance of U.S. MOA's investments.

The third party and proprietary models of DFME and DFM have been designed to monitor ongoing performance of both individual investments and the overall portfolio, and are available to the personnel made available to BGCF by DFME (pursuant to the Portfolio Service Support Agreement) in performing their functions.

Allocation Policy

While DFME, DFM and the Risk Retention Companies (as applicable in their relevant roles) will seek to manage potential conflicts of interest in good faith, the portfolio management or advisory strategies employed by The Blackstone Group in managing its respective Other Accounts could conflict with the transactions and strategies employed: (i) by DFME or DFM in managing the portfolio of a Risk Retention Company CLO; (ii) by DFM or DFME in providing services to any Risk Retention Company; (iii) by the Risk Retention Companies in managing their own portfolios; and/or (iv) by DFME in advising the Company under the Advisory Agreement. The portfolio strategies employed by The Blackstone Group may also affect the prices and availability of the securities and instruments in which the Risk Retention Company CLOs invest and in which the Risk Retention Companies themselves may invest.

In addition, in certain circumstances a specific investment opportunity may be appropriate, at times, for the Risk Retention Companies, the Risk Retention Company CLOs and/or Other Accounts, as applicable. It is the policy of the GSO Affiliates and The Blackstone Group to generally share appropriate investment opportunities (including purchase and sale opportunities) with the Other Accounts (and by association, with the applicable Risk Retention Companies and Risk Retention Company CLOs).

Each of DFME, DFM and the applicable Risk Retention Companies is committed to transacting in securities and loans in a manner that is consistent with the investment objectives of its clients, and to allocating investment opportunities (including purchase and sale opportunities) among its clients on a fair and equitable basis. In allocating investment opportunities, each of DFME, DFM and the applicable Risk Retention Companies determine which clients' investment mandates are consistent with the investment opportunity (such clients, which may include applicable Other Accounts, "**Relevant Clients**"), taking into account each client's risk/return profile, investment guidelines and objectives, and liquidity objectives.

As a general matter, investment opportunities will be allocated *pro rata* among Relevant Clients based on their respective targeted acquisition size (which may be based upon available capacity or, in some cases, a specified maximum target size of a client) or targeted sale size (which is generally based upon the position size held by selling clients), in a manner that takes into account the applicable factors listed below.

In addition, each of DFME, DFM and, if applicable, the Risk Retention Companies complies with specific allocation procedures set forth in the documents governing its relationship with its clients and described

during the marketing process. While no client will be favoured over any other client, in allocating investment opportunities certain clients may have priority over other clients consistent with disclosures made to the applicable investors.

Consistent with the foregoing, each of DFME, DFM and, if applicable, the Risk Retention Companies will generally allocate investment opportunities pursuant to certain allocation methodologies as appropriate depending on the nature of the investment. Notwithstanding the foregoing, investment opportunities may be allocated in a manner that differs from such methodologies but is otherwise fair and equitable to clients, taken as a whole (including, in certain circumstances, a complete opt-out of the allocation).

In instances where a particular investment fits different strategies targeted by multiple Relevant Clients, DFME, DFM or, if applicable, the Risk Retention Companies may determine that a particular investment most appropriately fits within the portfolio and strategy focus of particular Relevant Clients and may allocate the investment to those clients. Any such allocations must be: (i) documented in accordance with their procedures; and (ii) undertaken with reference to one or more of the following considerations (in each case, as applicable):

(a) the risk-return and target-return profile of the investment opportunity relative to the Relevant Client's current risk profile;

(b) the Relevant Client's investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of their respective portfolio's overall holdings;

(c) the need to re-size risk in the Relevant Clients' portfolios (including the potential for the proposed investment to create an industry, sector or issuer imbalance within a Relevant Client's portfolio) and taking into account any existing non-*pro rata* investment positions in such portfolios;

(d) liquidity considerations of the Relevant Client, including during a ramp-up or wind-down of one or more of such clients, proximity to the end of such client's specified investment period, redemption/withdrawal requests from or with respect to a client, anticipated future contributions into a client and available cash;

(e) tax consequences;

(f) regulatory or contractual restrictions or consequences;

(g) avoiding *de minimis* or odd lot allocations;

(h) availability and degree of leverage and any requirements or other terms of any existing leverage facilities;

(i) the particular client's investment focus on a classification attributable to an investment or issuer of an investment, including, without limitation, investment strategy, geography, industry or business sector;

(j) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals or service support teams dedicated to the applicable client;

(k) managing any actual or potential conflict of interest;

(l) with respect to investments that are made available to DFME, DFM or the Risk Retention Companies by counterparties pursuant to negotiated trading platforms (e.g., ISDA contracts) which may not be available for all clients in the absence of such relationships; and

(m) any other considerations deemed relevant by DFME (including certain of the personnel provided by DFME under the Portfolio Service Support Agreement), DFM, the Risk Retention Companies or the applicable investment adviser to a client.

Because of these and other factors, certain Other Accounts may effectively have priority in investment allocation over the Risk Retention Company CLOs, the Risk Retention Companies or the Company, notwithstanding DFME's, DFM's and, if applicable, the Risk Retention Companies' policies of *pro rata* distribution.

Investment orders may be combined for DFME, DFM, the Risk Retention Companies or for the Other Accounts, and if any order is not filled at the same price, they may be allocated on an average price basis between such accounts. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities or loans may be allocated among the different accounts on a basis which the relevant party or their respective affiliates consider equitable.

From time to time, the Risk Retention Company CLOs, the Risk Retention Companies and the Other Accounts may make investments at different seniority levels of an obligor's or issuer's capital structure or otherwise in different classes of an obligor's or issuer's securities. When making such investments, DFME, DFM, or any employees assigned to the applicable Risk Retention Companies each expect its clients to have conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by such entities.

Credit Investment Committee Member Biographies

The European Credit Investment Committee comprises Alan Kerr, Fiona O'Connor, Alex Leonard, Michael Ryan, and David Barry. Of these, Alan Kerr, Alex Leonard, and Fiona O'Connor (and such other personnel as may be determined from time to time) will be made available (as human resources) by DFME to BGCF pursuant to the Portfolio Service Support Agreement. The U.S. Credit Investment Committee comprises Daniel H. Smith, Jr., Brad Marshall, Daniel T. McMullen and Robert Zable. Some of the individuals listed below (and such other personnel as may be determined by DFM from time to time) will be responsible for the services to be provided by DFM to U.S. MOA pursuant to the U.S. MOA Management Agreement.

Daniel H. Smith, Jr.

Daniel H. Smith, Jr. is a Senior Managing Director of Blackstone and is Head of GSO's long only credit business, Customized Credit Strategies ("**CCS**"). Mr Smith also sits on several of GSO's and CCS's investment committees. In addition, he serves as Chairman and Chief Executive Officer of the closed-end investment companies managed by CCS. Mr Smith joined GSO from RBC in 2005. At RBC, Mr Smith was a Managing Partner and Head of RBC Capital Partners Debt Investments business, RBC's alternative investments unit responsible for the management of US$2.5 billion in capital and a portfolio of merchant banking investments. Prior to joining RBC, Mr Smith worked at Indosuez Capital, a division of Crédit Agricole Indosuez, where he was a Co-Head and Managing Director responsible for management of the firm's US$4.0 billion in collateralised loan obligations and a member of the investment committee responsible for a portfolio of private equity co-investments and mezzanine debt investments. Previously, Mr Smith worked at Van Kampen and Frye Louis Capital Management. He began his career in investment management in 1987 at Van Kampen American Capital (f/k/a Van Kampen Merritt), a mutual fund company in Chicago where he held a variety of positions including co-head of the firm's high-yield investment group and head of the firm's equity fund complex. Mr Smith received a B.S. in Petroleum Engineering from the University of Southern California and a Masters in Management from the J.L. Kellogg Graduate School of Management at Northwestern.

Alan Kerr

Alan Kerr is a Senior Managing Director of Blackstone and oversees the European Customized Credit Strategies ("**CCS Europe**") business. Mr Kerr is also a senior portfolio manager for GSO's European CLOs and commingled funds. Mr Kerr sits on several of GSO's and CCS's investment committees. Mr Kerr joined GSO in January 2012 following the acquisition by GSO of Harbourmaster Capital Management Limited, where he was Co-Head with Mark Moffat. He joined Harbourmaster at its inception in 2000. Mr Kerr has 20 years of experience in the industry, including high yield bank loans, CLOs and bank loan funds. Formerly, Mr Kerr was with Ernst & Young as a Financial Services Group Manager. Mr Kerr has an Honours Commerce Degree (Banking & Finance) from University College Dublin, a Masters in Accountancy from University College Dublin, and is a member of Chartered Accountants Ireland.

Brad Marshall

Brad Marshall is a Senior Managing Director of Blackstone and senior portfolio manager for CCS's business development companies. Mr Marshall also sits on several of GSO's and CCS's investment committees. Since joining GSO, Mr Marshall has been involved with ongoing analysis and evaluation of fixed income investment opportunities as well as on the sourcing and evaluation of new business initiatives. Prior to joining GSO in 2005, Mr Marshall worked in various roles at RBC, including fixed income research and business development within RBC's private equity funds effort. Prior to RBC, Mr Marshall helped develop a private equity funds business for TAL Global, a Canadian asset management division of CIBC, and prior to that, he co-founded a microchip verification software company where he served as chief finance officer. Mr Marshall received an M.B.A. from McGill University in Montreal where he was an Academic All-Canadian and a B.A. (Honors) in Economics from Queen's University in Kingston, Canada.

Robert Zable

Robert Zable is a Senior Managing Director of Blackstone and senior portfolio manager for GSO's U.S. CLOs, high yield separately managed accounts, and closed-end funds. Mr Zable also sits on CCS's U.S. Syndicated Credit and Global Structured Credit Investment Committees. Prior to joining GSO in 2007, Mr Zable was a Vice President at FriedbergMilstein LLC, where he was responsible for credit opportunity investments and junior capital origination and execution. Prior to that, Mr Zable was a Principal with Abacus Advisors Group, a boutique restructuring and distressed investment firm. Mr Zable began his career at JP Morgan Securities Inc., where he focused on leveraged finance in New York and London. Mr Zable received an M.B.A in Finance from The Wharton School at the University of Pennsylvania and a B.S. from Cornell University.

Alex Leonard

Alex Leonard is a Managing Director of Blackstone and a senior portfolio manager for GSO's European CLOs. Mr Leonard is also responsible for trading European assets and overseeing CCS's European secondary market trading activities. Mr Leonard sits on CCS's European Syndicated Credit and Global Structured Credit Investment Committees. Mr Leonard joined GSO in January 2012 following the acquisition by GSO of Harbourmaster. Prior to 2012, Mr Leonard was a Director and Co-Head of Portfolio Management and Trading at Harbourmaster, primarily involved in fund structuring, portfolio management and trading. Before joining Harbourmaster in 2006, Mr Leonard was a Director at Depfa with responsibility for management of Depfa's public sector asset CDO program. Prior to joining Depfa, Mr Leonard worked for 5 years as a Senior Structurer and then Co-Head of Euro Capital Structures. At ECS, he had responsibility for structuring deals across a wide variety of asset classes, including corporate bank loans, non-performing loans and CLOs. Prior to joining ECS, Mr Leonard worked as a quantitative analyst in ING Barings and Airbus Industry's aerospace finance team. Mr Leonard received an M.A. in Economics from University College Dublin and an M.B.A. with distinction from Trinity College in Dublin.

Daniel T. McMullen

Daniel T. McMullen is a Managing Director of Blackstone and senior portfolio manager for CCS's loan separately managed accounts, commingled funds, and its exchanged traded fund. Mr McMullen also sits on CCS's U.S. Syndicated Credit and Global Structured Credit Investment Committees. Prior to joining Blackstone in 2002, Mr McMullen worked at CIBC World Markets, most recently as a Director and Senior Investment Analyst for the structured investment vehicles managed by Trimaran Advisors, L. L. C. Prior to that, Mr McMullen was a Director in the Investment Banking Group at CIBC, specialising in the aerospace and defence industries. Before joining CIBC in 1996, Mr McMullen was employed at The Chase Manhattan Bank where he worked in the Corporate Finance Healthcare Group. Mr McMullen is a CFA Charterholder and received a B.A. from the University of Rochester, where he graduated *cum laude*.

Michael Ryan

Michael Ryan is a Managing Director of Blackstone and is involved in credit origination, investment selection and ongoing monitoring of assets held within certain GSO funds. Mr Ryan also sits on CCS's European Syndicated Credit Investment Committee. Mr Ryan joined GSO in January 2012 following the acquisition by GSO of Harbourmaster. Prior to joining Harbourmaster, Mr Ryan was with Hypo Real Estate Bank and KPMG. Mr Ryan has a Master's degree in Business Studies & Accounting and an honours degree in Accounting & Finance, both from Dublin City University. Mr Ryan is also a qualified Chartered Accountant.

Fiona O'Connor

Fiona O'Connor is a Managing Director of Blackstone and Head of CCS's European Credit Research. Ms O'Connor also sits on CCS's European Syndicated Credit Investment Committee. Prior to 2012, Ms O'Connor was Head of Credit for Harbourmaster for five years, running a team of credit analysts responsible for all aspects of credit origination, investment selection and ongoing monitoring of its €7.5 billion portfolio of leveraged loans. Prior to joining Harbourmaster, Ms O'Connor worked for Bank of Ireland, Dublin, as a Director of its Acquisition Finance Origination group and previously within its Project Finance division. Prior to joining Bank of Ireland, Ms O'Connor worked in Corporate Credit in Australia & New Zealand Bank (ANZ) in New York and as a credit analyst in AIB in New York. Ms O'Connor has 22 years' experience in Acquisition Finance, Project Finance and Structured Finance. She has a Master's in Business Studies from Michael Smurfit Graduate School of Business and Bachelor of Commerce from University College Dublin.

David Barry

David Barry is a Principal of Blackstone and European credit research analyst, involved in the ongoing analysis and evaluation of primary and secondary loan market investments across the building and development industries. Mr Barry also sits on CCS's European Syndicated Credit Investment Committee. Mr Barry is involved in the on-going analysis and evaluation of primary and secondary loan market investments across multiple industries. Prior to the acquisition of Harbourmaster by GSO in 2012, Mr Barry was a Director within the Investment Team at Harbourmaster for five years where his primary responsibilities included analysing investment opportunities as well as representing Harbourmaster on restructuring and workouts. Mr Barry received a Bachelor of Commerce in Banking and Finance from University College Dublin.

Although the persons described above are currently employed by The Blackstone Group and, in some cases, are engaged in the activities of the Service Support Provider, such persons may not necessarily continue to be employed by The Blackstone Group during the entire term of the Portfolio Service Support Agreement or any Risk Retention Company CLOs and, if so employed, may not (where applicable) remain engaged in the activities of the Service Support Provider.

GSO AND THE BLACKSTONE GROUP

DFME is a limited liability company incorporated in Ireland (registered number 349646) with its registered office at Arthur Cox Building, Earlsfort Terrace, Dublin 2, Ireland and acts as: (i) Adviser to the Company; (ii) Service Support Provider to BGCF; and (iii) CLO Manager for certain Risk Retention Company CLOs. Portfolio managers employed by the Service Support Provider have relevant experience in accountancy, banking, asset management or investment funds. DFME is authorised pursuant to Regulation 6 of S.I. No. 60 of 2007, European Communities (Markets in Financial Instruments) Regulations, 2007 (as amended) to provide services by the European Central Bank. DFME is also a MIFID regulated affiliate of GSO Capital Partners LP ("**GSO**").

DFM is a Delaware limited liability company, with its registered office at 345 Park Avenue, New York, NY 10154 and will act as: (i) the U.S. MOA Manager; and (ii) CLO Manager for certain Risk Retention Company CLOs. DFM is authorised by the Central Bank of Ireland as a non-EU Alternative Investment Fund Manager and is registered as an investment adviser under the Investment Advisers Act of 1940.

DFME and DFM are affiliates of The Blackstone Group.

The Blackstone Group is traded on the New York Stock Exchange under the ticker symbol "BX". The Blackstone Group, an investment and advisory firm with offices in New York, Beijing, Dubai, Dusseldorf, Hong Kong, Houston, London, Los Angeles, Mumbai, Paris, Seoul, Shanghai, Singapore, Sydney and Tokyo, was founded in 1985. Through its different investment businesses, as of 31 December 2015, The Blackstone Group has total assets under management of U.S.$336.4 billion. This is comprised of U.S.$188.2 billion in corporate private equity and real estate funds and U.S.$148.2 billion in credit-orientated alternative asset programs (including proprietary hedge funds). The Blackstone Group's core business includes the management of corporate private equity funds, real estate funds, fund of hedge funds, mezzanine funds, senior debt vehicles, proprietary hedge funds and closed-end mutual funds.

In January 2012, GSO acquired Harbourmaster Capital Limited and Harbourmaster Capital Management Limited (together, "**Harbourmaster**"), which were subsequently renamed Blackstone / GSO Debt Funds Europe and Blackstone / GSO Debt Funds Management Europe Limited, respectively. The acquisition of Harbourmaster added U.S.$9.8 billion of assets under management (as of the date of acquisition) to GSO, making GSO one of the largest leveraged loan investors in Europe as well as the United States. GSO is an alternative asset manager specialising in the leveraged finance marketplace with over U.S.$79.1 billion in assets under management as of 31 December 2015 and offices in New York, London, Houston and Dublin. GSO was founded in July 2005 by Bennett Goodman, J. Albert "Tripp" Smith and Douglas Ostrover. GSO draws on the skills and experience of its worldwide employee base to invest in a broad array of public and private securities across multiple investment strategies. Key areas of focus include leveraged loans, distressed investments, special situations, capital structure arbitrage, mezzanine securities and private equity. CCS (which, as indicated above, is Customized Credit Strategies, GSO's long only credit business) manages capital on behalf of insurance companies, banks, pension funds, endowments, foundations, family offices and funds of funds.

In March 2008, Affiliates of The Blackstone Group acquired a controlling interest in GSO and its Affiliates (the "**Acquisition**"). This resulted in the formation of one of the largest integrated credit platforms in the alternative asset management business, with over U.S.$21 billion of total assets under management at the time of the Acquisition.

As at 31 December 2015, CCS had assets under management of U.S.$30 billion invested amongst over 80 funds and had exposure to approximately 940 issuers. In 2013, GSO accounted for 19 per cent. of European CLO issuance.

CCS's track record represents the combined track record of CLOs originally issued and managed by Harbourmaster and those of Blackstone. As at 31 December 2015, CCS was the largest manager of CLOs globally with over U.S.$20 billion of CLO assets under management: 24 deals totaling over U.S.$ 12 billion in the U.S. and 24 deals totaling over €7 billion in Europe.[6]

CCS has a 18-year track record investing in loans, and has lower average annual default and principal loss rates relative to relevant benchmarks. In addition, the performance of CLOs managed by CCS has been in the top quartile of European CLOs (as measured by the quarterly distributions paid to holders of CLO Income Notes issued by CLOs managed or established by CCS or its affiliates). GSO believes that this represents a degree of consistency throughout the credit cycle.

[6] Creditflux, as at 31 March 2015.

PART IV

DIRECTORS AND ADMINISTRATION

DIRECTORS

The Directors are responsible for managing the business affairs, investment management and risk management of the Company in accordance with the Articles and have overall responsibility for the Company's activities including the review of investment activity and performance and the overall control and supervision of the service providers. The Directors may delegate certain functions to other parties such as the Administrator and the Registrar.

The Board comprises 4 Directors, 3 of whom are independent of GSO and DFME. Philip Austin MBE is a director of Blackstone / GSO Debt Funds Europe Limited.

The address of the Directors, all of whom are non-executive, is the registered office of the Company. The Directors of the Company are as follows:

Charlotte Valeur ("Chair")

Charlotte Valeur, aged 52, is the Chair of Kennedy Wilson Europe Real Estate Plc, a London-listed REIT, and of DW Catalysts Limited, an LSE listed investment company, a non-executive director of JP Morgan Convertible Bond Income Fund, an LSE listed investment company, a non-executive director of NTR Plc, a renewable energy company, a non-executive director of a number of unlisted companies and a managing director of GFG Ltd, a governance consultancy company.

Ms. Valeur was the founding Partner of Brook Street Partners in 2003 and the Global Governance Group in 2009. Prior to this, Ms. Valeur worked in London as a Director in Capital Markets at Warburg, BNP Paribas, Société Générale and Commerzbank, beginning her career in Copenhagen with Nordea A/S. She is a member of The Institute of Directors and is regulated by the Jersey Financial Services Commission.

With significant experience in international corporate finance, Ms. Valeur has a high level of technical knowledge of capital markets, especially debt/fixed income. Her non-executive board roles at a number of companies and her work as a governance consultant have provided her with an excellent understanding and experience of boardroom dynamics and corporate governance.

Philip Austin MBE

Philip Austin MBE, aged 66, spent most of his career in banking with HSBC and worked at a senior level in retail, commercial, corporate, credit and Head Office. In 1993 he moved to Jersey where, from 1997 to 2001, he was Deputy Chief Executive of the Bank's business in the Offshore Islands – Jersey, Guernsey and the Isle of Man.

In 2001, Mr. Austin became the founding CEO of Jersey Finance Ltd, the body set up as a joint venture between the Government of Jersey and its finance industry, to represent and promote the industry at home and abroad. In 2006, Mr. Austin joined Equity Trust as CEO of its businesses in Jersey and Guernsey. Mr. Austin left Equity Trust in 2009 to set up a portfolio of non-executive directorships. These positions currently include 3i Infrastructure Plc (Senior Independent Director), City Merchants High Yield Trust Ltd and Royal London Asset Management (CI) Ltd.

Mr. Austin is a Fellow of the Chartered Institute of Bankers and a Fellow of the Chartered Management Institute. In January 2016, he was awarded an MBE in the Queens New Year's Honours list.

Gary Clark

Gary Clark, aged 50, ACA, acts as an independent non-executive director for a number of boards, including, Emirates NBD Fund Managers (Jersey) Limited and Emirates Portfolio Management PCC. Until 1 March 2011 he was a Managing Director at State Street and their Head of Hedge Fund Services in the Channel Islands. Mr. Clark, a Chartered Accountant, served as Chairman of the Jersey Funds Association from 2004

to 2007 and was Managing Director at AIB Fund Administrators Limited when it was acquired by Mourant in 2006. This business was sold to State Street in 2010. Prior to this Mr. Clark was Managing Director of the futures broker, GNI (Channel Islands) Limited in Jersey.

A specialist in alternative investment funds, Mr. Clark was one of a number of practitioners involved in a number of significant changes to the regulatory regime for funds in Jersey, including the introduction of both Jersey's Expert Funds Guide and Jersey's Unregulated Funds regime.

Joanna Dentskevich

Joanna Dentskevich, aged 51, has over 25 years of risk, finance & investment banking experience gained in leading global banks worldwide, alternative investments and the offshore fiduciary industry. Ms. Dentskevich moved to Jersey in 2008 and as well as running her risk management advisory company sits on a number of other investment companies.

Previously, Ms. Dentskevich has been a director of risk at Morgan Stanley and Deutsche Bank and chief risk officer at a London based hedge fund.

Ms. Dentskevich has a BSc Hons in Maths & Accounting and is a Chartered Member of the Chartered Institute of Securities & Investments.

Management functions of the Board

As the Company is a self-managed AIF under the AIFM Directive and there are no employees of the Company, the Board performs certain management functions, which include the overseeing of the Company's investment policy and investment strategy, the supervision of any delegated responsibilities to third-party service providers and any necessary investment management functions.

To execute such management functions, the Board:

- holds monthly NAV review committee meetings to review the Company reports at each NAV meeting and to record the Board's conclusions, as part of the performance of its investment management function, prior to which they are to receive regular (at least monthly) reports from the Administrator in respect of the Company's performance, in advance of the monthly NAV review committee meetings for their review;
- leads the risk management function and remains responsible for the portfolio management and risk management functions;
- has a formal process for generating records of its performance of its portfolio and investment management function;
- has a process for assessing (and recording this assessment) the relevant expertise of the Board prior to the appointment of each director (including in the event of future replacement of a director); and
- has a process for assessing (and recording this assessment) each instance of delegation of an investment management function by the Board.

CORPORATE GOVERNANCE

The Company has voluntarily committed to comply with the UK Corporate Governance Code. In addition, the DTRs require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (the "**AIC Code**"), produced by the Association of Investment Companies ("**AIC**"), by reference to the AIC Corporate Governance Guide for Investment Companies (the "**AIC Guide**"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide

better information to Shareholders. The Company has complied with the recommendations of the AIC Code, the relevant provisions of the UK Corporate Governance Code (except as set out below) and associated disclosure requirements of the Listing Rules (to the extent applicable to or voluntarily adopted by the Company).

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide, the Board considers these provisions are not relevant to the Company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has, therefore, not reported further in respect of these provisions.

Audit Committee

The Company has established an Audit Committee (the "**Audit Committee**"), which comprises all the Directors with the exception of Mr. Philip Austin MBE and is chaired by Gary Clark. The Company's Audit Committee meets formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the Company's annual and half-yearly financial reports. Where audit-related and/or non-audit services are to be provided by the auditors, full consideration of the financial and other implications on the independence of the auditors arising from any such engagement will be considered before proceeding. The responsibilities of the Audit Committee include monitoring the integrity of the Company's results and financial statements, reviewing reports received from the Administrator on the adequacy and the effectiveness of the Company's internal controls and risk management systems and assessing the on-going suitability of the external auditors.

The chairmanship of the Audit Committee and each Director's performance is reviewed annually by the Chair and the performance of the Chair will be assessed by the other Directors.

Remuneration and Nomination Committee

The Company has established a Remuneration and Nomination Committee, which comprises all the Directors and is chaired by Charlotte Valeur. The Remuneration and Nomination Committee meets formally at least twice a year and has responsibility for considering the remuneration of the Directors. It also has the responsibility to: (i) identify, nominate and recommend for the approval of the Board, candidates to fill Board vacancies as and when they arise; (ii) make recommendations regarding the membership of the Audit Committee in consultation with the chairman of that committee; and (iii) regularly review the structure, size and composition of the Board.

Risk Committee

The Company has established a Risk Committee, which comprises all the Directors and is chaired by Joanna Dentskevich. The Risk Committee meets formally at least four times a year at appropriate times and has responsibility for amongst other things, reviewing and considering the Company's business activity risks, operational risks, compliance and AML and investment risk and the risk management systems employed by the Company to manage such risks. The Committee gives due consideration to any applicable laws, listing rules, regulations and other applicable laws as appropriate in carrying out its functions.

Management Engagement Committee

The Company has established a Management Engagement Committee, which comprises all the Directors and is chaired by Charlotte Valeur. The Management Engagement Committee meets formally at least once a year for the purpose, amongst other things, of evaluating the performance of DFME and regularly reviewing the continued retention of DFME's services, recommending whether the continuing appointment of DFME is in the best interests of the Company and Shareholders and the reasons for this recommendation, reviewing

the terms of the Advisory Agreement, investigating any breaches of agreed investment limits and any deviation from the agreed investment policy and strategy and assessing the level of fees charged by DFME.

Each of the above Committees has its own Terms of Reference.

VOLUNTARY COMPLIANCE WITH THE LISTING RULES

Applications will be made to the London Stock Exchange for all of the Placing Shares issued and to be issued to be admitted to trading on the Specialist Fund Market and to be listed on the CISE Official List. Pursuant to its admission to the CISE Official List the Company is subject to the applicable provisions of the listing rules of the CISEA. The Specialist Fund Market is an EU regulated market and, therefore, the Company is subject to the Prospectus Rules, the Disclosure and Transparency Rules and the Market Abuse Directive (as implemented in the UK through FSMA) and the admission and disclosure standards of the London Stock Exchange. As such, the Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the UKLA do not apply to the Company.

However, the Directors intend that, as a matter of best practice and good corporate governance, the Company will conduct its affairs in accordance with the following key provisions of the Listing Rules in such manner as they would apply to the Company were it admitted to the Official List under Chapter 15 of the Listing Rules:

- complying with the Listing Principles set out at Chapter 7 of the Listing Rules;
- the Company, while it is not required to appoint a listing sponsor under Chapter 8 of the Listing Rules, has appointed Fidante and N+1 Singer as financial advisers to guide the Company in understanding and meeting its responsibilities in connection with Admission and complying with Chapter 10 of the Listing Rules relating to significant transactions, with which the Company intends to voluntarily comply;
- the Company intends to comply with the following provisions of Chapter 9 of the Listing Rules from Admission: (i) Listing Rule 9.2.7 to Listing Rule 9.2.10 (Compliance with the Model Code); (ii) Listing Rule 9.3 (Continuing obligations: holders); (iii) Listing Rule 9.5 (Transactions); (iv) Listing Rule 9.6.4 to Listing Rule 9.6.21 other than Listing Rule 9.6.19(2) and Listing Rule 9.6.19(3) (Notifications); (v) Listing Rule 9.7A (Preliminary statement of annual results and statement of dividends); and (vi) Listing Rule 9.8 (Annual financial report);
- the Company intends, in relation to any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules regarding related party transactions to comply, to the extent reasonably practicable, with Chapter 11 of the Listing Rules. This policy may only be modified with Shareholder approval by ordinary resolution;
- in relation to the purchase of its own shares, the Company has adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2;
- the Company intends to comply with the following provisions of Chapter 13 of the Listing Rules from Admission: (i) Listing Rule 13.3 (Contents of all circulars); (ii) Listing Rule 13.4 (Class 1 circulars); (iii) Listing Rule 13.5 (Financial information in Class 1 Circulars); (iv) Listing Rule 13.7 (Circulars about purchase of own equity shares); and (v) Listing Rule 13.8 (Other circulars);
- the Company intends to comply with the following provisions of Chapter 15 of the Listing Rules from Admission: (i) Listing Rule 15.4.2 to Listing Rule 15.4.11 (Continuing obligations); (ii) Listing Rule 15.5 (Transactions); and (iii) Listing Rule 15.6 (Notifications and periodic financial information); and
- Complying with the Model Code for directors' dealings contained in Chapter 9 of the Listing Rules (the "**Model Code**").

It should be noted that the UK Listing Authority will not monitor the Company's voluntary compliance with the Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the UKLA nor will it impose sanctions in respect of any failure of such compliance by the Company.

This Prospectus has been approved by the UK Listing Authority.

The Directors' intention in the medium-term is to move the Company to the Official List, should the Directors consider that such a move would be in the best interests of the Company and Shareholders as a whole.

DIRECTORS OF BGCF

As at the date of this Prospectus, the directors of BGCF who are responsible for managing the business affairs, investment management and risk management of BGCF and have overall responsibility for BGCF's activities are:

Imelda Shine

Imelda joined Intertrust in 2009 to establish the Irish office. In her role as Managing Director, Imelda works with clients and business partners to provide tailored corporate administration services to a wide variety of structures established by multinational corporates, private equity funds, investment banks, asset managers, aviation leasing companies and alternative investment funds.

Imelda sits on the boards of SPVs engaged in structured finance, aviation leasing and finance, as well as a range of corporate and holding companies in the intellectual property, pharmaceuticals, technology and energy space.

Prior to joining Intertrust, she worked in asset management in both the US and Ireland for over fifteen years, most recently as a portfolio manager with Davy. She has also held a number of executive roles as product specialist and product manager for global and international equity and fixed income funds at Bank of Ireland Asset Management, OppenheimerFunds, LGT Asset Management (formerly GT Global) and Franklin Templeton. During her time at Bank of Ireland Asset Management, Imelda was a member of the investment strategy committee and her role involved meeting with portfolio companies to analyse and review their stock price performance and to articulate the investment philosophy, strategy and processes of key funds to underlying investors. Her role also involved analysis of performance and risk exposures of key products. At OppenheimerFunds in New York Imelda was a member of the Global Investment team that oversaw the investment of over US U.S.$20 billion in assets under management in both global and international equity and fixed income funds. She has experience in multi-asset class investments across both traditional and alternative asset classes. She also has alternative investment experience that spans multi-strategy hedge funds of funds, venture and growth capital private equity funds of funds and direct real estate.

Imelda holds a Bachelor of Business Studies (Hons) from the University of Limerick and a Higher Diploma from the Smurfit Graduate School of Business. She also holds a certificate in Company Direction from the Institute of Directors.

Anne Flood

Anne is Deputy Managing Director of Intertrust Ireland and has responsibility for its Capital Markets Services business which provides tailored corporate administration services to a wide variety of structures established by private equity funds, collateral managers, investment banks, aviation leasing companies and alternative investment funds. Anne joined Intertrust on its acquisition of Walkers Management Services in 2012, where she had been Senior Vice President having established and led its SPV Management Services business in Dublin. Previously Anne held senior roles with AIB Capital Markets in its International Financial Services division, most recently as head of its Structured Finance and Asset Finance Services team. Prior to that Anne worked for a number of years as a financial accountant with ORIX Aviation.

Anne provides non-executive directorship services to companies engaged in structured finance, aviation leasing and finance, regulated Qualifying Alternative Investment Funds, as well as a range of corporate and holding company structures.

Anne is a member of the Chartered Institute of Management Accountants and holds a Bachelor of Science in Management from Trinity College, Dublin. Anne is also a member of the Institute of Directors in Ireland.

Aogán Foley

Aogán has been Managing Director of Incisive Capital Management ("**ICM**") since 2004. ICM is an investment manager specialising in credit investments, and was purchased by Aogán from HVB AG in November, 2007. Prior to this from 2001 to 2003, Aogán was Chief Executive Officer and Director, West End Capital Management Dublin ("**WECM**"). Through WECM, he designed and set up a credit investment vehicle, Rathgar Capital Corporation ("**RCC**") in December 2001. RCC was rated by Moody's and Standard and

Poor's and was the first such vehicle to be set up outside London and New York at the time. From 1999 to 2001, he was Head of Credit Structuring, General Re Financial Products ("**GRFP**") where he was responsible for designing and structuring credit products for GRFP in Europe. From 1995-1999, he held a number of positions, latterly as Head of Fixed Income Structured Finance for Lehman Brothers International (Europe) in London. He is a Chartered Accountant by training.

Fergal O'Leary

Fergal is an executive director of Cedarhill Financial Thinking Limited, a Central Bank of Ireland regulated firm in the role of PCF1, the most senior pre-approval controlled function level status. Previously he has been a senior international investment banking executive with diverse financial services and capital markets experience. He has been a Managing Director and executive board member of Glas Securities Limited, a Central Bank of Ireland regulated firm, also as a PCF1 role. Between 2001 and 2009, he was the director of Fixed Income Sales in Citigroup Global Markets Limited, Dublin branch. Fergal has also held the position of board member of Citigroup Global Markets Asia Capital Corporation.

He holds a Professional Diploma in Financial Advice and is a Qualified Financial Adviser (Life Insurance Association of Ireland). Fergal holds a Bachelor of Arts from the University College Dublin and an M.Sc. in Investment & Treasury from Dublin City University.

DFME and DFM

DFME acts as Service Support Provider to BGCF (pursuant to the Portfolio Service Support Agreement), as Adviser to the Company (subject to the Advisory Agreement) and (either itself or through an affiliate) as CLO Manager to certain Risk Retention Company CLOs.

Pursuant to the Portfolio Service Support Agreement, the Service Support Provider is responsible, *inter alia*, for ensuring BGCF has the required human resources and credit research available to it in order to make necessary business decisions and carry on the day-to-day management of BGCF's business and to implement its investment objective and policy.

Pursuant to the Advisory Agreement, DFME will also, *inter alia*, provide advice and assistance in connection with the Company's exposure (through its wholly owned subsidiary) to the Profit Participating Notes, evaluation of CLOs to which BGCF intends to transfer its assets from time to time and to monitor the performance of the Risk Retention Company CLOs and compliance by both the Company and BGCF with their respective investment policies.

Pursuant to the U.S. MOA Management Agreement, DFM will be responsible, *inter alia*, for supervising and directing the investment and reinvestment of U.S. MOA's assets, advising U.S. MOA with respect to its financing (including the declaration of dividends, share buybacks, rights issuances and similar corporate matters), the entry into of any shareholders agreements, and performing on behalf of U.S. MOA the duties that have been specifically delegated to the U.S. MOA Manager in the various transaction documents entered into from time to time by the U.S. MOA Manager and/or U.S. MOA in connection with U.S. MOA's assets and the financing thereof.

In addition, DFME or DFM (or one of their affiliates), in its capacity as the CLO Manager, will also manage Risk Retention Company CLOs pursuant to CLO Management Agreements to be entered into from time to time.

Further details regarding DFME, DFM and their relationship with GSO and The Blackstone Group are set out in Part III of this Prospectus. Further details regarding the Portfolio Service Support Agreement are set out in Part VIII of this Prospectus and regarding the Advisory Agreement are set out in Part VII of this Prospectus and regarding the U.S. MOA Management Agreement are set out in Part IX of this Prospectus.

DFME and DFM Fees

DFME, and DFM where applicable, are entitled to receive:

- out of pocket expenses in relation to the services performed by DFME pursuant to the Advisory Agreement;

- in consideration for DFME's services pursuant to the Portfolio Service Support Agreement, a fee which varies from time to time to reflect allocated costs but will not exceed 50 per cent. of the annual CLO management fee rebate (as set out below) paid to BGCF by DFME; and
- in consideration for the services provided by DFME or DFM (or one of their affiliates) as the CLO Manager, an industry standard CLO Management Fee of generally 50bps pursuant to the CLO Management Agreements entered into in respect of each Risk Retention Company CLO. In addition, DFME or DFM (or one of their affiliates) are entitled to receive a CLO performance fee generally equal to 10bps per annum of aggregate principal balance of collateral obligations in the relevant CLO, accruing in arrears on each payment date of the CLO from its issue date. The performance fee is not payable until the first CLO payment date on which the IRR threshold of 12 per cent. (the "**IRR Threshold**") has been met or surpassed in respect of the CLO Income Notes and, on such payment date and each subsequent CLO payment date, up to 30 per cent. of any interest proceeds and principal proceeds (after any payment required to satisfy the IRR Threshold) that would otherwise be available to distribute to the holders of the CLO's subordinated notes, will be applied to pay the accrued and unpaid performance fee as of such CLO payment date.

In consideration of the role of BGCF in originating or holding the retention notes in these CLOs, DFME is required to rebate up to: (i) 20 per cent. of the management fee it (or any of its affiliates) earns in its capacity as CLO Manager of the BGCF CLOs (in respect of CLOs where BGCF holds the CLO Income Notes, i.e., horizontal strip) *pro rata* to the CLO Income Notes held by BGCF in such CLOs; and (ii) 100 per cent. of the aggregate management fee it (or any of its affiliates) earns in its capacity as CLO Manager of the BGCF CLOs (in respect of CLOs where BGCF holds CLO Securities, i.e., vertical strip) *pro rata* to the CLO Securities held by BGCF in such CLOs (excluding, in each case, any incentive/performance management fee the CLO Manager is entitled to receive).

After the deduction of all costs (calculated at arm's length) attributable to BGCF, it is expected that the net rebate will be at least: (i) 10 per cent. of the CLO Management Fee earned by the CLO Manager (in respect of CLOs where BGCF holds the CLO Income Notes, i.e., horizontal strip); or (ii) 5 per cent. of the CLO Management Fee earned by the CLO Manager (in respect of CLOs where BGCF holds CLO Securities, i.e., vertical strip) in respect of the BGCF CLOs (excluding any incentive/performance management fee the CLO Manager is entitled to receive) *pro rata* to the CLO Income Notes or CLO Securities (as applicable) held by BGCF in such CLOs. It is expected that similar fee rebate arrangements will be entered into between DFME, DFM (or one of their affiliates) and U.S. MOA in relation to U.S. MOA CLOs.

ADMINISTRATOR

BNP Paribas Securities Services S.C.A. has been appointed as Administrator and Company Secretary of the Company pursuant to the Administration Agreement (further details of which are set out in paragraph 5.5 in the section entitled "Material Contracts" in Part VII of this Prospectus). In such capacity, the Administrator is responsible for the day to day administration of the Company (including but not limited to the calculation and publication of the estimated monthly NAV) and general secretarial functions required by the Companies Law (including but not limited to the maintenance of the Company's accounting and statutory records). Prospective investors should note that it is not possible for the Administrator to provide any investment advice to investors.

The Administrator is a societé en commonaité par Actions (S.C.A) (a partnership limited by shares) created under the laws of France on 1 September 1955 (registered number 552 108011 R.C.S. Paris) with an issued and paid up share capital of €165,279,835. Its main office is Les Grands Moulins de Pantin, 9 rue du Debarcadére 93500 Pantin, France. The Administrator's principal place of business in Jersey is Liberté House, 19-23 La Motte Street, St. Helier, Jersey JE2 4SY.

The Administrator is registered under the Financial Services (Jersey) Law 1998, as amended, with the JFSC to provide fund services business. The JFSC is protected by the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under that law. The Administrator's principal business activity is providing securities services.

REGISTRAR

Capita Registrars (Jersey) Limited has been appointed as Registrar of the Company pursuant to the Registrar Agreement (further details of which are set out in paragraph 5.6 in the section entitled "Material Contracts" in Part VII of this Prospectus). In such capacity, the Registrar is responsible for the creation and maintenance of the share register (including registering transfers). It also provides services in relation to corporate actions (including tender offers and the exercise of subscription shares), dividend administration and shareholder documentation.

The Registrar is a private limited company, created under Jersey law on 6 March 1996 whose registered office is situated at 12 Castle Street, St Helier, Jersey, JE2 3RT. As at the date of this document, the issued and paid up share capital of the Registrar is £10,000, all of which is fully paid up. The Registrar is registered under the Financial Services (Jersey) Law 1998, as amended, with the JFSC to provide fund services business. The JFSC is protected by the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under that law. The Registrar's principal business activity is providing securities services.

CUSTODIAN

BNP Paribas Securities Services S.C.A. has been appointed as Custodian of the Company pursuant to the Global Custody Agreement (further details of which are set out in paragraph 5.7 in the section entitled "Material Contracts" in Part VII of this Prospectus). In acting as custodian of the Company's investments, the Custodian shall provide for the safe keeping of certificates of deposit, shares, notes and in general any instrument evidencing the ownership of securities and may take custody of cash and other assets. Assets will be held in a custody account and registered in the name of the Company or the Custodian, its delegate or a nominee.

The Custodian is a societé en commonaité par Actions (S.C.A) (a partnership limited by shares) created under the laws of France on 1 September 1955 (registered number 552 108011 R.C.S. Paris) with an issued and paid up share capital of €165,279,835. Its main office is Les Grands Moulins de Pantin, 9 rue du Debarcadére 93500 Pantin, France. The Custodian's principal place of business in Jersey is Liberté House, 19-23 La Motte Street, St. Helier, Jersey JE2 4SY.

The Custodian is registered under the Financial Services (Jersey) Law 1998, as amended, with the JFSC to provide fund services business. The JFSC is protected by the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under that law. The Custodian's principal business activity is providing securities services.

FEES AND EXPENSES

Costs of the Placing Programme

The costs of each Placing will be announced by an RIS announcement immediately following such Placing.

The Directors expect, on the assumption that the Gross Placing Programme Proceeds are at least €450 million, that the total costs of the Placing Programme, which include: (i) the fixed costs of this Prospectus of approximately €0.92 million; (ii) the LSE and CISE listing fees payable in relation to the Admission of the Placing Shares issued; and (iii) a commission payable to Fidante and N+1 Singer (or any Distributor) on the Placing Shares (of not more than 2 per cent. of the gross proceeds of any Placing), will not exceed 2 per cent. of the Gross Placing Programme Proceeds. The Directors anticipate that these costs will be recouped through the cumulative premium at which Placing Shares are issued during the life of this Prospectus.

On-going annual expenses

The Company's total annual expenses are approximately 0.36 per cent. per annum of the Net Asset Value of the Company as at 29 February 2016. On this basis, it is expected that rebates of CLO Management Fees will continue to meet the majority of the ongoing annual expenses of BGCF and of the Company.

These expenses include the following:

(i) *Administrator*

Under the terms of the Administration Agreement, the Administrator is entitled to: (i) an annual tiered *ad valorem* fund accounting fee based on the Company's NAV, subject to a minimum annual fee of €110,000 and a maximum fee of €500,000 (based on the Company's NAV as at the date of this Prospectus, the fund accounting fee is calculated as 6.5 bps); and (ii) an annual company secretarial fee of €50,000; in addition to certain other fees for ad hoc services rendered from time to time. All fees due under the Administration Agreement are payable monthly in arrear, within fourteen business days of the Company receiving an invoice in respect of each month. The Administrator is also entitled to be reimbursed in respect of all reasonable out-of-pocket expenses incurred by it.

(ii) *Registrar*

The Registrar is entitled to an annual fee from the Company for creation and maintenance of the share register equal to £1.65 per holder of Shares appearing on the register during the fee year, with a minimum charge per annum of £5,500. Other registrar activity is charged for in accordance with the Registrar's normal tariff as published from time to time.

(iii) *Auditor*

The Auditor's fees, in relation to the last audit of the Company's financial statements, were £65,000.

(iv) *Custodian*

Under the terms of the Custody Agreement, the Custodian is entitled to receive: (i) global custodian fees equal to €1,000 per annum per PPN held physically by the Custodian and an ad valorem fee of 1 bp on the value of the listed PPNs; and (ii) banking fees on outward payments at a pre-agreed rate, ranging between £15-30 per transaction. The Custodian is also entitled to be reimbursed for all costs, charges and other expenses properly incurred by the Custodian, any sub-custodians or agents under the Global Custody Agreement.

(v) *Directors*

The Directors are remunerated for their services at a fee of £35,000 per annum (£50,000 for the Chair). The chairman of the Audit Committee will receive an additional £5,000 for his services in this role. For more information in relation to the remuneration of the Directors, please refer to paragraph 4 in the section entitled "*Memorandum and Articles*" in Part VII of this Prospectus.

(vi) *Other operational expenses*

All other on-going operational expenses of the Company (excluding fees paid to service providers as detailed above) are borne by the Company including, without limitation: the incidental costs of making its investments and the implementation of its investment objective and policy; travel, accommodation and printing costs; the cost of directors' and officers' liability insurance; the costs of maintaining the Company's website; corporate brokers' fees; audit and legal fees; brokerage fees and annual fees payable to the Specialist Fund Market and the CISE. In addition, all reasonably and properly incurred out of pocket expenses of the Administrator, the Registrar, the Custodian, the CREST agent and the Directors relating to the Company are borne by the Company.

These annual expenses will be deducted from the assets of the Company and, although they may vary, are not expected to exceed 0.38 per cent. of NAV per annum, excluding any non-recurring or extraordinary expenses.

Given that many of the above fees, charges and expenses are either irregular or calculated using formulae that contain variable components, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.

PART V

PLACING PROGRAMME

INTRODUCTION

The Placing Programme will open on 1 April 2016 and will close on the Final Closing Date. The maximum number of Placing Shares to be issued is 500 million Placing Shares. The Placing Programme is not being underwritten and, as at the date of this Prospectus, the actual number of Placing Shares to be issued is not known. The number of Placing Shares available should not be taken as an indication of the number of Placing Shares finally to be issued.

The Placing Programme is flexible and may have a number of Interim Closing Dates in order to provide the Company with the ability to issue Placing Shares on appropriate occasions over a period of time. The Placing Programme is intended to satisfy ongoing investor demand for Shares and to raise further money for investment in accordance with the Investment Objective and Policy, in line with the Company's growth strategy.

At launch in July 2014, the Company raised gross proceeds of approximately €260.5 million, followed by a further €40.7 million raised pursuant to the Over-allotment Option. Subsequently, in April 2015, the Company raised approximately €30.7 million.

The Directors believe that there are a number of benefits to increasing the size of the Company and, as such, have determined to implement the Placing Programme. As with the Share issues to date, Placing Shares will be issued when the Directors consider that it is in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include net asset performance, share price and perceived investor demand.

Placing Shares will only be issued at prices greater than the latest published Net Asset Value per Share (if any) of the relevant class and therefore are expected to be accretive to the Net Asset Value per Share (if any) of such class.

At the Extraordinary General Meeting, Shareholders authorised the Company to allot and issue up to, in aggregate, 500 million Placing Shares, without having previously offered such Placing Shares to Shareholders on a pre-emptive basis. The Directors' authority to issue the Shares on a non-pre-emptive basis will expire at the conclusion of the Company's annual general meeting to be held in 2017 (save that where the Company has, prior to such expiry, made an offer or agreement that would or might require Shares to be allotted and issued after such expiry, the Directors may issue Shares pursuant to such offer or agreement as if their authority to issue Shares on a non-pre-emptive basis had not expired). Assuming that the existing authority is used in full, this will result in a dilution of approximately 39.9 per cent. in existing Shareholders' voting control of the Company.

If the Placing Programme is fully subscribed, an existing Shareholder holding shares representing 1 per cent. of the Company's issued share capital as at the date of this Prospectus would, following the completion of the Placing Programme, hold Shares representing approximately 0.6 per cent. of the Company's issued share capital.

PLACING PROGRAMME

Joint Bookrunners and Distributors

The Company, BGCF, U.S. MOA, DFME and the Joint Bookrunners have entered into the Share Issuance Agreement pursuant to which the Joint Bookrunners have agreed, as agents for the Company, to use their reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price in return for the payment by the Company of placing commissions.

In addition, the Company expects to enter into Distribution Agreements with a number of sales agents in various jurisdictions, pursuant to which the Company will pay such sales agents a commission for introducing to the Company potential subscribers for the Placing Shares.

A summary of the terms of the Share Issuance Agreement and the template Distribution Agreements are set out in paragraphs 5.4 and 5.8 (respectively) of Part VII of this Prospectus.

Terms and conditions of the Placings

Each allotment and issue of Placing Shares is conditional on:

- satisfying the requirement in the CISE Rules for the specified minimum number of Shares of the relevant class being "in public hands" on the relevant Admission;
- the Placing Price being not less than the latest published Net Asset Value per Share (if any) of the relevant class;
- the Admission of the relevant Placing Shares; and
- the Share Issuance Agreement not being terminated in accordance with its terms or a particular Placing not being suspended in accordance with the terms of the Share Issuance Agreement.

In addition, the Initial Placing of U.S. Dollar Shares will be conditional on subscriptions being received for at least such minimum number of U.S. Dollar Shares pursuant to such Placing as the Directors may determine at their absolute discretion and announce at the time of announcing the Initial Placing (the "**Class Minimum Amount**").

In circumstances in which these conditions are not fully met, the relevant issue of Placing Shares will not take place.

The terms and conditions which shall apply to any Placee which confirms its agreement (whether orally or in writing) to Fidante and/or Pershing Securities Limited ("**PSL**") (acting as the settlement agent of Fidante in connection with the Placing Programme) to subscribe for Placing Shares under the Placing Programme are contained in Part XII of this Prospectus. Fidante and/or PSL may require any such Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter.

The terms and conditions which shall apply to any Placee which confirms its agreement (whether orally or in writing) to N+1 Singer shall be contained in placing letters to be entered into between such Placee and N+1 Singer ("**N+1 Singer Placing Letter**").

Finally, the terms and conditions which shall apply to any Placee which confirms its agreement (whether orally or in writing) to the Company and/or any Distributor, shall be contained in placing letters to be entered into between such Placee and the Company and/or such Distributor ("**Company Placing Letter**").

Dealings

The allotment and issue of Placing Shares under the Placing Programme is at the discretion of the Directors. Allotments and issuances may take place at any time prior to the Final Closing Date. An announcement of each allotment and issue will be released through an RIS, including details of the number of Placing Shares allotted and issued and the applicable Placing Price for the allotment and issue and the expected Admission Date. Whilst it is expected that all Placing Shares allotted and issued pursuant to a particular Placing will be issued in uncertificated form, if any Placing Shares are issued in certificated form it is expected that share certificates would be dispatched approximately one week after Admission of the relevant Shares. No temporary documents of title will be issued.

There is no minimum or maximum subscription in respect of any Placing.

The Placing Shares will rank *pari passu* with Shares of the same class then in issue (save for any dividends or other distributions declared, made or paid on Shares by reference to a record date prior to the allotment and issue of the relevant Placing Shares).

Applications will be made to the London Stock Exchange and the CISE for the Placing Shares to be admitted to trading on the SFM and to be listed on the CISE Official List. All Placing Shares will be allotted and issued subject to the Admission of such Placing Shares occurring.

This Prospectus has been published in order to obtain Admission to trading on the SFM and to be listed on the CISE Official List of any Placing Shares issued pursuant to the Placing Programme.

For the U.S. Dollar Shares, the ISIN number is JE00BYZJ4W92 and the SEDOL code is BYZJ4W9.

For the Euro Shares, the ISIN number is JE00BNCB5T53 and the SEDOL code is BNCB5T5.

The Placing Programme will be suspended at any time when the Company is unable to issue Placing Shares under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion. The Placing Programme may resume when such conditions cease to exist.

So far as the Directors are aware as at the date of this Prospectus, no major shareholders or members of the Company's management, supervisory or administrative bodies intend to make a commitment for Placing Shares under the Placing Programme.

THE PLACING PRICE

The Placing Price in respect of Placing Shares will be calculated by reference to the last published Net Asset Value per Share of the relevant class. The premium at which Placing Shares are intended to be issued pursuant to the Placing Programme has the potential to ultimately provide an enhancement to the Net Asset Value per Share of the relevant class.

The Placing Price for Placing Shares issued pursuant to the Placing Programme shall be as follows:

Class/Denomination	Initial Placing	Subsequent Placings
Euro Share	At a premium to the latest published NAV per Euro Share to be determined by Directors, in their absolute discretion, from time to time	
U.S. Dollar Share	U.S.$1.00	At a premium to the latest published NAV per U.S. Dollar Share to be determined by Directors, in their absolute discretion, from time to time

Fractions of Placing Shares will not be issued and the placing consideration will be allocated accordingly.

The Directors expect, on the assumption that the Gross Placing Programme Proceeds are at least €450 million, that the total costs of the Placing Programme, which include: (i) the fixed costs of this Prospectus of approximately €0.92 million; (ii) the LSE and CISE listing fees payable in relation to the Admission of the Placing Shares issued; and (iii) a commission payable to Fidante and N+1 Singer (or any Distributor) on the Placing Shares (of not more than 2 per cent. of the gross proceeds of any Placing), will not exceed 2 per cent. of the Gross Placing Programme Proceeds.

The Directors will determine the Placing Price in respect of any Placing Shares, with the intention that the total costs of the Placing Programme will be recouped (and the Placing Programme will potentially enhance the Net Asset Value per Share of each class) through the cumulative premium at which Placing Shares are issued during the life of this Prospectus. However, the premium to NAV at which Shares of any class are issued pursuant to any specific Placing will be determined by the Directors at the relevant time and announced via an RIS.

USE OF PROCEEDS

The Net Placing Programme Proceeds will depend on the number of Placing Shares issued pursuant to the Placing. The Directors intend to invest the Net Placing Programme Proceeds in accordance with the Investment Objective and Policy (further details of which are set out in Part I of this Prospectus).

GENERAL

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Jersey, the Company (and its agents) may require evidence in connection with any application for Placing Shares, including further identification of the applicant(s), before any Placing Shares are issued.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

The Directors may, in their absolute discretion, waive the minimum application amounts in respect of any particular application for Placing Shares under the Placing Programme.

Subscription monies received in respect of unsuccessful applications will be returned without interest at the risk of the applicant to the bank account from which the money was received. In the event the Class Minimum Amount is not raised pursuant to the Initial Placing of the U.S. Dollar Shares, applicants for such U.S. Dollar Shares may elect to apply for Shares of another currency class. Should any Placing be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant to the bank account from which the money was received.

CLEARING AND SETTLEMENT

Payment for the Placing Shares should be made in accordance with settlement instructions to be provided to Placees by or on behalf of the Company, Fidante, N+1 Singer or a Distributor. To the extent that any application for Placing Shares is rejected in whole or in part, monies received will be returned without interest at the risk of the applicant.

Placing Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. In the case of Placing Shares to be issued in uncertificated form, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the Placing Shares following Admission may take place within the CREST system if any Shareholder so wishes. In the case of Placing Shares to be issued in certificated form, Share certificates will be dispatched approximately one week after Admission of the relevant Placing Shares.

CREST is a paperless book-entry settlement system operated by Euroclear which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

The Articles permit the holding of Shares under the CREST system and, accordingly, the Company will instruct Euroclear to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Placing Shares on the date of Admission of such Placing Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Placing Shares outside of the CREST system following a Placing should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a Shareholder or transferee requests Placing Shares to be issued in certificated form and is holding such Placing Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Placing Shares. Shareholders (other than U.S. Persons and persons acting for the account or benefit of any U.S. Person) holding definitive certificates

may elect at a later date to hold such Placing Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

Shareholders holding their Placing Shares through CREST or otherwise in uncertificated form may obtain from the Registrar (as evidence of title) a certified extract from the Register showing their Shareholding.

LEGAL IMPLICATIONS OF THE CONTRACTUAL RELATIONSHIP ENTERED INTO FOR THE PURPOSE OF INVESTMENT

The Company is a registered closed-ended investment company incorporated in Jersey with limited liability on 30 April 2014 under the provisions of the Companies Law, with registered number 115628; and is the holder of a certificate as a "Company Issuing Units" issued by the Jersey Financial Services Commission under the Collective Investment Funds (Jersey) Law 1988. While investors acquire an interest in the Company on subscribing for or purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them.

Shareholders' rights in respect of their investment in the Company are governed by the Companies (Jersey) Law 1991 as amended from time to time and the Articles. Under Jersey law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.

Jurisdiction and applicable law

As noted above, Shareholders' rights are governed principally by the Articles and the Companies (Jersey) Law 1991 (as amended). By subscribing for Shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of Jersey.

Recognition and enforcement of foreign judgments

Subject to the provisions of the Judgments (Reciprocal Enforcement) (Jersey) Law 1960 and the Rules under that Law, if a final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty) were obtained in England in the High Court of Justice, Court of Appeal or Supreme Court of the United Kingdom against the Company in respect of any contracts relating to the Company where the Company has submitted to the jurisdiction of such courts or in relation to which the said courts otherwise had jurisdiction, such judgment would, on application to the Jersey courts, be registered and would thereafter be enforceable.

Subject to the principles of private international law, by which for example foreign judgments may be impeachable, as applied by Jersey law (which are broadly similar to the principles accepted under the common law of England), if a final and conclusive judgment under which a debt or definite sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty or multiple damages) were obtained in the courts of any territory having jurisdiction against the Company in respect of such contracts to which it is party, (a) the Jersey courts would, on application properly made to it, recognise such judgment and give a judgment for liquidated damages in the amount of that judgment without reconsidering its merits and (b) such judgment of the Jersey courts would thereafter be enforceable.

PURCHASE AND TRANSFER RESTRICTIONS

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Placing Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company.

The Company has elected to impose the restrictions described below on the Placing Programme and on the future trading of the Shares so that the Company will not be required to register the Shares under the

U.S. Securities Act, so that the Company will not have an obligation to register under the U.S. Investment Company Act and related rules and to address certain ERISA, U.S. Tax Code and other considerations. The Company and its agents will not be obligated to recognise any resale or other transfer of the Shares made other than in compliance with the restrictions described below.

Restrictions due to lack of registration under the U.S. Securities Act and U.S. Investment Company Act and to address certain ERISA, U.S. Tax Code and other considerations

The Company has not been and will not be registered under the U.S. Investment Company Act and as such holders of the Shares will not be entitled to the benefits of the U.S. Investment Company Act. The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, any U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the U.S. Investment Company Act. There will be no public offer of the Placing Shares in the United States.

In connection with the Placing Programme, offers and sales of the Placing Shares will be made only: (i) outside the United States in "offshore transactions" to non-U.S. Persons pursuant to Regulation S under the U.S. Securities Act; and (ii) in the United States, or to U.S. Persons, only to persons who are both Qualified Institutional Buyers and Qualified Purchasers pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

In addition, the Placing Shares may not be acquired by investors using assets of: (i)(a) an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Title I ERISA; (b) a "plan" as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account, that is subject to Section 4975 of the U.S. Tax Code; or (c) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (a) or (b) in such entity pursuant to the U.S. Plan Asset Regulations; or (ii) a governmental, church, non-U.S. or other plan, account or arrangement that is subject to any federal, state, local or non-U.S. law or regulation that would have the same or similar effect as the U.S. Plan Assets Regulations so as to subject the Company (or other persons responsible for the investment and operations of the Company's assets) to laws or regulations that are similar to the fiduciary responsibility and/or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the U.S. Tax Code.

Subscriber and Shareholder warranties

For the purpose of the following subscriber warranties only, the term "Share" shall be used to refer collectively to all Placing Shares and Existing Shares and "Shareholder" shall be used to refer collectively to holders thereof.

By participating in the Placing Programme, each subscriber acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, Fidante, N+1 Singer and the Registrar that:

(a) if it is located outside the United States, it is not a U.S. Person, it is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the Shares for the account or benefit of a U.S. Person;

(b) if it is located inside the United States or if it is a U.S. Person, it is both a Qualified Institutional Buyer and a Qualified Purchaser to whom the Company is privately placing Shares without the involvement of the Placing Agents and it has received, read, understood and, prior to its receipt of any Shares pursuant to the Placing Programme, returned an executed U.S. investor letter to the Company;

(c) it acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other

jurisdiction of the United States and in a manner which would not require the Company to register under the U.S. Investment Company Act;

(d) it acknowledges that the Company has not been and will not be registered under the U.S. Investment Company Act and as such that holders of the Shares will not be entitled to the benefits of the U.S. Investment Company Act and that the Company has elected to impose restrictions on the Placing Programme and on the future trading in the Shares to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;

(e) no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i)(a) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (b) a "plan" as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account, that is subject to Section 4975 of the U.S. Tax Code; or (c) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in the preceding clauses (a) or (b) pursuant to the U.S. Plan Assets Regulations or (ii) a governmental, church, non-U.S. or other plan, account or arrangement that is subject to any federal, state, local or non-U.S. law or regulation that would have the same or similar effect as the U.S. Plan Assets Regulations so as to subject the Company (or other persons responsible for the investment and operating of the Company's assets) to laws or regulations that are similar to the fiduciary responsibility and/or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the U.S. Tax Code;

(f) that if any Shares offered and sold are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

"THE COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT") AND THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) OUTSIDE THE UNITED STATES IN AN "OFFSHORE TRANSACTION" TO A PERSON NOT KNOWN BY THE TRANSFEROR, BY PRE-ARRANGEMENT OR OTHERWISE, TO BE A U.S. PERSON AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT ("U.S. PERSON") IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH WOULD NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT AND OTHERWISE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS OR (B) TO THE COMPANY OR A SUBSIDIARY THEREOF. THE HOLDER OF THIS SECURITY AGREES THAT IT WILL COMPLY WITH THE FOREGOING RESTRICTIONS. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE U.S. SECURITIES ACT FOR RESALES OF THIS SECURITY.

THE HOLDER ACKNOWLEDGES THAT THE COMPANY RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE COMPANY MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS. THE HOLDER ACKNOWLEDGES THAT ANY OFFER, SALE, PLEDGE OR OTHER TRANSFER MADE OTHER THAN IN COMPLIANCE WITH THE FOREGOING RESTRICTIONS WILL BE SUBJECT TO THE COMPULSORY TRANSFER PROVISIONS SET OUT IN THE ARTICLES OF THE COMPANY.

THIS SECURITY MAY NOT BE DEMATERIALISED INTO CREST OR ANY OTHER PAPERLESS SYSTEM UNLESS THE PARTY REQUESTING SUCH DEMATERIALISATION FIRST CERTIFIES TO THE REGISTRAR OF THE COMPANY THAT IT IS OFFERING, SELLING OR OTHERWISE TRANSFERRING THIS SECURITY IN ACCORDANCE WITH THE FOREGOING RESTRICTIONS.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE COMPANY'S SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.

THE HOLDER OF THIS SECURITY IS DEEMED TO HAVE ACKNOWLEDGED THAT THIS LEGEND WILL NOT BE REMOVED FROM THIS SECURITY FOR AS LONG AS THE COMPANY RELIES ON SECTION 3(C)(7) OF THE U.S. INVESTMENT COMPANY ACT."

(g) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Shares, it will do so only (A) outside the United States in an "offshore transaction" to a person not known by the transferor, by pre-arrangement or otherwise, to be a U.S. Person in accordance with Regulation S under the U.S. Securities Act (including, for example, an ordinary trade over the London Stock Exchange) and under circumstances which would not require the Company to register under the U.S. Investment Company Act and otherwise in compliance with all applicable securities laws or (B) to the Company or a subsidiary thereof. It acknowledges that any offer, sale, pledge or other transfer made other than in compliance with the foregoing restrictions will be subject to the compulsory transfer provisions provided in the Articles of the Company;

(h) it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;

(i) it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under the U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the U.S. federal securities laws to transfer such Shares or interests in accordance with the Articles;

(j) it acknowledges and understands that the Company is required to comply with FATCA and that the Company will follow FATCA's extensive reporting and withholding requirements. The subscriber agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;

(k) it acknowledges and understands that the Company is required to comply with the Common Reporting Standard and that the Company will follow the Common Reporting Standard's extensive reporting requirements. The subscriber agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under the Common Reporting Standard;

(l) it is entitled to acquire the Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, Fidante, N+1 Singer or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing or its acceptance of participation in the Placing;

(m) it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing; and

(n) if it is acquiring any Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and has the full power and authority to make, and does make, such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

The Company, Fidante, N+1 Singer and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

PART VI

TAXATION

GENERAL

The information below, which relates only to Jersey, UK, United States, Irish and Luxembourg taxation, summarises the advice received by the Board and is applicable to the Company and BGCF (except in so far as express reference is made to the treatment of other persons) to persons who are resident or ordinarily resident in Jersey or the United Kingdom for taxation purposes and who hold Placing Shares as an investment. It is based on current Jersey, UK, United States, Irish, and Luxembourg tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Placing Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

If you are in any doubt about your tax position, you should consult your professional adviser.

JERSEY

The Directors intend to conduct the Company's affairs such that, based on current law and practice of the relevant tax authorities, the Company will not become resident for tax purposes in any other territory other than Jersey.

General

Under current Jersey law, there are no capital gains, capital transfer, gift, wealth or inheritance taxes or any death or estate duties. No stamp duty is levied in Jersey on the issue, conversion, redemption or transfer of Shares unless there is any element of residential property being transferred, in which case Land Transaction Tax may apply. On the death of an individual holder of Shares (whether or not such individual was domiciled in Jersey), duty at rates of up to 0.75 per cent. of the value of the relevant Shares may be payable on the registration of any Jersey probate or letters of administration which may be required in order to transfer, convert, redeem or make payments in respect of, Shares held by a deceased individual sole shareholder, however total duty payable may not exceed £100,000.

Income – The Company

The Company will be tax resident in Jersey by virtue of being incorporated in Jersey. It will be tax resident in Jersey as long as it is not centrally managed and controlled in a jurisdiction where the highest rate at which any company may be charged to tax on any part of its income is 20 per cent. or higher and it is not resident for tax purposes in that jurisdiction.

The Income Tax (Jersey) Law 1961 (as amended) (the "**Tax Law**") provides that the general rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey will be 0 per cent. ("**zero tax status**"). Certain exceptions from zero tax status apply, including:

(a) companies which are regulated by the Jersey Financial Services Commission under certain sections of the Financial Services (Jersey) Law 1998, the Banking Business (Jersey) Law 1991 or the Collective Investment Funds (Jersey) Law 1988, shall be subject to income tax at a rate of 10 per cent. (these companies are defined as "financial services companies" in the Tax Law);

(b) certain utility companies shall be subject to income tax at a rate of 20 per cent. (these companies are defined as "utility companies" in the Tax Law); and

(c) any profits derived from the ownership or disposal of land in Jersey shall be subject to income tax at a rate of 20 per cent;

(d) annual profits or gains arising from the trade of exploitation of land in Jersey including quarrying are subject to tax at 20 per cent; and

(e) annual profits arising from the trade of importing and supplying hydrocarbon oil to or in Jersey will be subject to tax at 20 per cent.

It is anticipated that the Company should have a zero tax status.

Income – Shareholders

Persons holding Shares who are not resident for income tax purposes in Jersey are not subject to taxation in Jersey in respect of any income or gains arising to them in respect of Shares held by them.

Shareholders who are resident for income tax purposes in Jersey will be subject to income tax in Jersey at their marginal income tax rate on any dividends paid on Shares held by them or on their behalf.

Moreover, holders of Shares who are resident in Jersey should be aware of specific anti-avoidance rules which extend the range of what is a potentially taxable distribution to those holders who are resident in Jersey and this may now include repayment of loan principal, proceeds received in the course of winding up, share repurchase/redemption etc.

Withholding tax – the Company

For so long as the Company holds zero tax status, no withholding in respect of Jersey taxation will be required on payments in respect of the Shares to any holder of the Shares.

Goods and services tax

Pursuant to the Goods and Services Tax (Jersey) Law 2007 (the "**2007 Law**"), tax at a rate which is 5 per cent. applies to the supply of goods and services, unless the relevant supplier or recipient of such goods and services is registered as an "international services entity".

The Company is an "international services entity" within the meaning of the 2007 Law, having satisfied the requirements of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008, as amended and, as long as it continues to be such an entity, a supply of goods or of a service made by or to the Company shall not be a taxable supply for the purposes of the 2007 Law.

European Union Savings Tax Directive

Jersey is not part of the EU and is not subject to the EU directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") or other EU fiscal legislation. However, as part of an agreement reached in connection with the Savings Directive and in line with steps taken by other relevant countries, Jersey introduced with effect from 1 January 2015 a system of automatic communication to EU Member States of information regarding such payments made by Jersey paying agents to EU resident individuals. It is expected that this will be superseded in due course by the automatic exchange of information required under FATCA and the Common Reporting Standards.

Where the Company has appointed a paying agent located outside Jersey, the Company is not required to make any disclosures. However, the rules applicable in the jurisdiction where the paying agent is located will apply.

The requirements in respect of information disclosure will not apply to payments made to companies, partnerships or to most types of trusts, nor will they apply to individuals who are resident outside the EU.

The European Council on 24 March 2014 adopted a new directive amending the Savings Directive, with a view to closing existing loopholes and eliminating tax evasion. These changes, which are material, in particular, relate to the scope of, and mechanisms implemented by, the Savings Directive, including the categorisation of the Company for such purposes. When these changes are implemented, which is expected to be from 1 January 2017, the position of Shareholders in relation to the Directive could be different to that set out above.

Identification of Shareholders

In the case of any immediate holders of Shares who are resident in Jersey, the Company may be required to notify the Comptroller of Taxes of amounts paid to those individuals by way of dividends or other

distributions. Furthermore, the Company can be required to make a return to the Comptroller of Taxes in Jersey, on request, of the names, addresses and shareholdings of Jersey resident shareholders (in practice this return is not required at more frequent intervals than once a year).

This summary of Jersey taxation issues can only provide a general overview of this area and it is not a description of all the tax considerations that may be relevant to a decision to invest in the Company. The summary of certain Jersey tax issues is based on the laws and regulations in force as of the date of this document and may be subject to any changes in Jersey law occurring after such date. Legal advice should be taken with regard to individual circumstances. Any person who is in any doubt as to his tax position or where he is resident, or otherwise subject to taxation, in a jurisdiction other than Jersey, should consult his professional adviser.

UNITED KINGDOM

The statements set out below in relation to certain UK taxes are not applicable to all categories of holders of Shares and in particular are not addressed to: (i) UK non-resident holders who hold Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate holder, through a permanent establishment or otherwise); or (ii) UK resident holders who are not domiciled in the UK.

The Company

The Directors have been advised that following certain changes to the United Kingdom tax rules regarding "alternative investment funds" implemented by the Finance Act 2014 and contained in section 363A of the Taxation (International and other Provisions) Act 2010 the Company should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a branch, agency or permanent establishment situated therein), the Company will not be subject to UK income tax or corporation tax other than by way of withholding on certain types of UK source income such as UK source interest.

Shareholders

UK Offshore Fund Rules

If the Company meets the definition of an "offshore fund" for the purpose of UK taxation, then in order for a UK Shareholder to be taxed under the regime for tax on chargeable gains (rather than on an income basis) on a disposal of Shares, the Company must apply to HM Revenue & Customs to be treated as a reporting fund and maintain reporting fund status throughout the period in which the UK Shareholder holds the Shares.

The Directors are of the opinion that, under current law, the Company should not be an "offshore fund" for the purposes of UK taxation, and legislation contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 (other than section 363A referred to above), should not apply.

On this basis, Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident in the UK, or who carry on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, may, depending on their circumstances and subject as mentioned below, be liable to UK tax on chargeable gains realised on the disposal of their Shares.

Tax on Chargeable Gains

A disposal of Shares by a Shareholder who is resident in the UK for UK tax purposes or who is not so resident but carries on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

Currently for such individual Shareholders capital gains tax at the rate of tax at 18 per cent. (for basic rate taxpayers) or 28 per cent. (for higher or additional rate taxpayers) will be payable on any chargeable gain. The UK government announced in the March Budget 2016 that from 6 April 2016 the basic rate of capital

gains tax will be reduced from 18 per cent. to 10 per cent. and the higher rate of capital gains tax will be reduced from 28 per cent. to 20 per cent. Legislation to give effect to this change has not yet been enacted.

For Shareholders that are bodies corporate any gain will be within the charge to corporation tax. The rate of corporation tax is currently 20 per cent., falling to 19 per cent. from 1 April 2017. The UK government announced in the March Budget 2016 that the rate of corporation tax will fall to 17 per cent. for the financial year beginning 1 April 2020. Legislation to give effect to this change has not yet been enacted.

Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which presently exempts the first £11,100 of chargeable gain in a tax year from capital gains tax) depending on their circumstances.

Shareholders which are bodies corporate resident in the UK for taxation purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index.

Dividends

Individual Shareholders resident in the UK for tax purposes will be liable to UK income tax in respect of dividends or other income distributions of the Company. An individual Shareholder resident in the UK for tax purposes and in receipt of a dividend from the Company will, provided they own less than 10 per cent. of the Shares, be entitled to claim a non-repayable dividend tax credit equal to one-ninth of the dividend received.

The effect of the dividend tax credit would be to extinguish any further tax liability for eligible basic rate taxpayers (who currently pay tax at the dividend ordinary rate of 10 per cent.). The effect for current eligible higher rate taxpayers (who pay tax at the current dividend upper rate of 32.5 per cent.) would be to reduce their effective tax rate to 25 per cent. of the cash dividend received.

An additional rate of income tax applies for UK resident individuals with income in excess of £150,000. Such individuals will pay 37.5 per cent. tax on dividends received (reduced to 30.6 per cent. of the cash dividend for eligible taxpayers owning less than 10 per cent. of the company as a result of applying the tax credit).

Following announcements in the Summer Budget 2015 and 2015 Autumn Statement, on 9 December 2015 the UK government published draft legislation to abolish the dividend tax credit and replace it, for individuals, with a new tax-free £5,000 dividend allowance, from 6 April 2016. Legislation to give effect to this change has not yet been enacted. It is proposed that the allowance will exempt the first £5,000 of a taxpayer's dividend income, but will not reduce total taxable income. As a result, dividends within the allowance will count as taxable income when determining how much of the basic rate band or higher rate band has been used. The dividend tax rates for any additional income above £5,000 will be set at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers.

Unless the recipient is a "small company" (see below), dividends paid by the Company to a corporate Shareholder which is UK resident should generally be expected to fall within one or more of the classes of dividend qualifying for exemption from corporation tax.

Shareholders within the charge to UK corporation tax which are "small companies" (as that term is defined in section 931S of the Corporation Tax Act 2009) will be liable to corporation tax on dividends paid to them by the Company because the Company is not resident in a "qualifying territory" for the purposes of the legislation contained in the Corporation Tax Act 2009. Jersey is a non-qualifying territory for this purpose.

UK pension funds will be exempted from a charge to tax but will not be able to reclaim the notional tax credit associated with the dividend paid by the Company.

Non-UK resident Shareholders

A Shareholder who is not resident in the UK for UK tax purposes will not be liable to income or corporation tax in the UK on dividends paid on the Shares unless such a Shareholder carries on a trade (or profession or vocation) in the UK and the dividends are either a receipt of that trade or, in the case of corporation tax, the dividends are receipts of a trade carried on by the Shareholder through a UK permanent establishment.

*Stamp duty and Stamp Duty Reserve Tax ("**SDRT**")*

No UK stamp duty or SDRT will arise on the issue of Shares. No UK stamp duty will be payable on a transfer of Shares, provided that all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are not executed in the UK and no matters or actions relating to the transfer are performed in the UK.

Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the UK, any agreement to transfer the Shares will not be subject to UK SDRT.

ISAs and SSAS/SIPPs

Investors resident in the United Kingdom who are considering acquiring Shares are recommended to consult their own tax and/or investment adviser in relation to the eligibility of the Shares for ISAs and SSAS/SIPPs.

Shares acquired pursuant to the Placing Programme will not be eligible for inclusion in a stocks and shares ISA. On Admission, Shares acquired in the market should be eligible for inclusion in a stocks and shares ISA, subject to applicable subscription limits.

The current total annual ISA investment allowance is £15,240, which can be invested in cash, stocks and shares or any combination of these. As part of the March Budget 2016 the Government announced that the annual allowance will be increased to £20,000 from 6 April 2017. Legislation to give effect to this change has not yet been enacted.

The Shares should be eligible for inclusion in a SSAS or SIPP, subject to the discretion of the trustees of the SSAS or SIPP, as the case may be.

Other UK Tax Considerations:

Transfer of Assets Abroad

Individuals resident in the UK should note that Chapter II of Part 13 of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company.

Close Company Provisions

The attention of Shareholders resident in the UK is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances where the company would be a close company if UK resident, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than a 25 per cent. of the Shares.

Transactions in Securities

The attention of UK resident Shareholders is drawn to the provisions of (in the case of a UK resident individual Shareholder) Chapter 1 of Part 13 Income Tax Act 2007 and (in the case of a UK resident corporate Shareholder) Part 15 of the Corporation Tax Act 2010, which give powers to HMRC to cancel tax advantages derived from certain transactions in securities. Certain amendments to these rules have been announced by the UK government, and draft legislation that would (if enacted) give effect to these amendments is contained in the Finance (No. 2) Bill 2016. (In a related measure, the UK government has also published draft legislation that may, in certain circumstances, if enacted, affect the tax treatment of UK resident individual shareholders on receipt of a distribution from a company on a winding-up).

Controlled foreign companies

UK resident corporate Shareholders should be aware of the "controlled foreign companies" rules contained in Part 9A of the Taxation (International and Other Provisions) Act 2010. These rules can result in the "chargeable profits" of a non-UK resident company which is controlled or deemed to be controlled by UK tax resident persons (a "**CFC**") being apportioned to and subject to a UK corporation tax-equivalent charge in the hands of UK tax resident companies which have "relevant interests" in the CFC (which include "relevant interests" held by a bare trustee or nominee). A holding of Shares could qualify as a "relevant interest" for

these purposes if the Company is or were to become a CFC. However no apportionment would be made to a Shareholder unless that Shareholder (together with any persons connected or associated with it) would have at least 25 per cent. of the Company's profits apportioned to it on a "just and reasonable" basis. Persons who may be treated as "connected" or "associated" with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control.

If any Shareholder is in doubt as to his or her taxation position, they are strongly recommended to consult an independent professional adviser without delay.

IRELAND

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Shares based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Shareholders who beneficially own their Shares as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Shares, such as dealers in securities, trusts, etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Shares should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Shares and the receipt of dividends thereon under the laws of their country of residence, citizenship or domicile.

The summary set out below is based on the Company maintaining its tax residence outside Ireland and not establishing a branch or agency in Ireland. It is also based on the assumption that the Company will not maintain a share register in Ireland.

Taxation of Shareholders

The Irish tax consequences for Irish resident investors investing in a Jersey resident company differ depending on whether or not the shares in the company are regarded as an investment falling within the Irish offshore funds rules and, if so, whether the investor is treated as having a "material interest" in an offshore fund. For these purposes, investments made in non-Irish resident companies established outside the EU or a country with which Ireland has a double tax treaty in force may be taxed under the offshore funds legislation. Income distributions are treated in the same manner irrespective of whether the offshore fund rules apply or not. However, the tax treatment of gains on a disposal of shares differs.

Income distributions in respect of shares in the Company (whether the offshore funds rules apply or not)

For holders who are Irish resident individuals (or are otherwise subject to tax in Ireland on dividends received from the Company), Irish income tax at the applicable marginal rate (i.e. up to 40 per cent.) plus PRSI and USC will apply to the dividend received. Dividends are taxable on a gross basis with a credit for any withholding tax deducted at source.

For corporate shareholders which are resident in Ireland (or are otherwise subject to tax in Ireland on dividends received from the Company), Irish corporation tax at 25 per cent. will apply to the dividend received (except where the dividend is regarded as a trading receipt, i.e. financial trading companies, in which case it should be taxable at 12.5 per cent.). Dividends are taxable on a gross basis, with a credit for any withholding tax deducted at source. Where a corporate shareholder owns more than 10 per cent. of the share capital of the Company it may be entitled to a credit for the underlying tax suffered by the Company.

Gains on a disposal of shares in the Company

An investor will be regarded as having a material interest in an offshore fund if, at the time when the person acquired the Shares, it could reasonably be expected that at some time during the period of 7 years beginning at the time of the acquisition the person would be able to realise the value of the interest (whether by transfer, surrender or in any other manner). The value of the interest shall for this purpose be an amount that is reasonably approximate to the portion which the interest represents (directly or indirectly) of the market value of the assets of the Company.

If the holder has a "material interest" and the Irish offshore funds rules apply

It is unlikely that the Company will be a "qualifying fund" as it is unlikely to meet the diversification requirements. If a shareholder's interest in the Company is "material interest" in a "non-qualifying fund", any

gain (including a disposal on a winding up) arising on the disposal of a material interest in the Company will be subject to income tax at marginal rates (i.e. up to 40 per cent.) plus PRSI and USC for Irish resident individuals and generally 25 per cent. in the case of Irish resident companies. If a financial trading company holds the Shares as a trading asset, any gain should be subject to tax as a trading receipt and therefore liable to tax at a rate of 12.5 per cent.

Reporting requirements also apply to investors and intermediaries in relation to the acquisition by Irish residents of a material interest in an offshore fund.

"Normal" tax position (i.e. if the holder does not have a "material interest" or the Irish offshore funds rules are not applicable)

If a shareholder's interest in the Company is not a "material interest" in an offshore fund then any gain on the disposal (including a disposal on a winding up) of Shares will be subject to Irish capital gains tax or corporation tax on gains liability. Both Irish resident corporate and individual shareholders will be taxed on such gain at 33 per cent., subject to any exemptions or reliefs. If a financial trading company holds the Shares as a trading asset, any gain should be subject to tax as a trading receipt and therefore liable to corporation tax at a rate of 12.5 per cent.

Non-Irish Domiciled Individuals

Persons who are resident but not domiciled in Ireland may be able to claim the remittance basis of taxation, in which case the liability to tax in respect of income distributions or gains will only arise as and when the receipts are remitted to Ireland.

Shareholders should note that certain Irish anti-avoidance legislation may, in certain circumstances, apply in relation to their interest in the Company to render them subject to Irish tax on the undistributed income and/or gains of the Company. For example, it is intended that the Company will not be a close company for Irish tax purposes, however, in the event that it should be deemed to be a close company for Irish tax purposes (were it resident in Ireland for tax purposes), Irish anti-avoidance legislation provides that a portion of the capital gains made by the Company may be attributed back to shareholders who are resident or ordinarily resident and, if an individual, domiciled, in Ireland as offshore income/gains. Such Shareholders may thereby become chargeable to Irish income tax or corporation tax on a portion of such gains as they accrue to the Company.

Encashment Tax

Shareholders in the Company should note that any distributions made by a paying agent in Ireland on behalf of the Company or which are presented to, collected by, received by or otherwise realised by a bank or other person acting on behalf of the Shareholder in Ireland may be subject to encashment tax at the standard rate of income tax which is currently 20 per cent. Encashment tax is creditable against the Shareholder's final income tax liability.

Stamp Duty

No stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of shares in the Company provided the consideration is not related to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Consolidation Act, 1997 or a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997) which is registered in Ireland.

Capital Acquisitions Tax

A gift or inheritance comprising of Shares will be within the charge to Irish capital acquisitions tax if either: (i) the disponer or the beneficiary in relation to the gift or inheritance is resident or ordinarily resident (or deemed to be resident or ordinarily resident) in Ireland; or (ii) the Shares are regarded as property situate in Ireland (which will not be the case unless the Company's share register is located in Ireland).

LUXEMBOURG

Capital duty and registration fee

Following the abolition of capital duty as of 1 January 2009, no capital duty applies in Luxembourg. There is however a fixed registration fee of €75 to be paid by the company upon its incorporation and upon any subsequent modification of its articles of incorporation.

Tax residence

LuxCo has been incorporated as a Luxembourg fully taxable entity having its statutory seat and central administration in Luxembourg.

Pursuant to Luxembourg tax law, LuxCo is thus be considered as tax resident in Luxembourg.

Please note however that from an international tax perspective, other jurisdictions may impose further substance requirements to grant the benefit of a double tax treaty, EU Directives or a specific exemption under domestic tax law.

Foreign tax authorities could also challenge the benefit of: (i) double tax treaties, EU Directives or certain foreign domestic laws based on the concept of "beneficial owner" as per the OECD Model Convention and the related comments as well as per foreign domestic legislation; or (ii) based on other domestic anti abuse rules.

Thin capitalisation

According to the Luxembourg administrative tax practice, a Luxembourg corporation has in principle to comply with a debt-to-equity ratio of 85:15 as regards its shareholding activity.

If this ratio is exceeded, the Luxembourg direct tax authorities may consider any interest on the excessive amount of debt as a deemed dividend distribution for which no tax deduction would be available and which could be subject to withholding tax ("**WHT**").

In addition, if the tax administration considers that, although there is no breach of the debt-to-equity ratio, interest expenses are not at arm's length, excess interest expenses may also be re-characterised as hidden profit distributions, i.e. non-deductible and subject to a 15 per cent. WHT on the gross amount unless the taxpayer is able to demonstrate that these expenses are in accordance with market practice.

Corporate Income Tax and Municipal Business Tax

A company, which is tax resident in Luxembourg, is subject to Corporate Income Tax ("**CIT**") and Municipal Business Tax ("**MBT**") in Luxembourg on its worldwide income unless certain items benefit from an exemption under domestic law or double tax treaties.

The 2016 Luxembourg overall income tax rate is 29.22 per cent., including: (i) 21 per cent. CIT; (ii) 7 per cent. contribution to the unemployment fund computed based on CIT due; and (iii) 6.75 per cent. MBT rate for companies whose statutory seat is located in Luxembourg city (after an allowance of €17.5k granted for MBT purposes only).

Taxable income is calculated based on the profits as stated in the commercial balance sheet, plus certain adjustments provided for under the tax law (e.g. non-deductibility of taxes, exemption for dividends and capital gains if certain requirements are met, etc.). Taxable income of companies resident in Luxembourg includes income of all types (e.g. commercial profit, interest income, dividend income, royalties, capital gains, liquidation proceeds, etc.) and from all sources. Therefore, foreign-source income will be included in the taxable basis of LuxCo subject to specific exemptions.

Luxembourg tax law permits the deduction of arm's length operating expenses when calculating taxable income.

According to Luxembourg income tax law, expenses that are incurred in the economic interest of LuxCo are in principle deductible from its taxable basis unless they relate to an exempt income. To the extent they are not incurred in the economic interest of the undertaking, such costs should be re-invoiced with an arm's length mark-up to the entity on behalf of which they were paid. In the event the costs are not incurred in the

economic interest of the undertaking and are not re-invoiced, such expenses would be non-deductible and may also be subject to WHT if considered as a hidden distribution of profit.

Deductible items include, *inter alia*, arm's length interest expenses, payroll expenses, running costs, registration fees, tax losses and contributions to pension plans. Profit distributions, CIT, MBT, net wealth tax and directors' fees are non-deductible.

CIT and MBT tax losses may be carried forward without any time limit. The carry back of tax losses is however prohibited.

Net worth tax

Luxembourg resident companies are subject to an annual Net Worth Tax ("**NWT**") at a rate of 0.5 per cent. on their worldwide net worth (provided the total net worth does not exceed €500 million, otherwise 0.05 per cent) unless a double tax treaty or a specific disposition provides otherwise.

The net worth is determined on January 1 of each year. The taxable basis is determined roughly as the market value of all the assets (including cash and receivables) less all the liabilities. The assets financed by share capital and retained earnings should thus be taxable.

The general rule is that debts are deductible. However, debts related to exempt assets are not deductible from the NWT basis to the extent that the value of the debt does not exceed the value of the exempt asset. The excess amount is therefore deductible for NWT purposes.

Please note that there is an annual minimum NWT tax due by Luxembourg companies consisting of either:

(i) a flat tax of €3,210 (including the contribution to the unemployment fund) for Luxembourg collective entities where the total of the company's financial fixed assets, receivables held against affiliated companies and companies in which they hold a shareholding, transferable securities, cash at bank, cash in postal checking accounts, checks, and cash in hand (i.e. assets booked under captions 23, 41, 50 and 51 of the Luxembourg Standard Chart of Accounts) exceed 90 per cent. of the total balance sheet. However if the total balance sheet does not exceed €350k, the flat tax will be limited to €535 (including the contribution to the unemployment fund) as from 2016; or

(ii) a variable tax ranging between €535 and €32,100 (including the contribution to the unemployment fund) depending on the amount of assets for all other companies.

The minimum NWT as determined in accordance with the above paragraph is reduced by the amount of CIT due in respect of the preceding fiscal year after deduction of tax credit (if any).

The NWT is not due in the year of incorporation but is due in full the year of liquidation.

In certain circumstances, a NWT reduction (in full or in part) can be achieved. This reduction requires the creation of a special reserve equal to 5 times the amount of the NWT for which the reduction is claimed and which will have to be maintained for a period of at least 5 years following the year the reserve is set up. Specific requirements need to be met in order to benefit from such reduction. It should be noted that the NWT reduction cannot be claimed for the amount corresponding to the minimum NWT.

WHT on distributions

Dividends and liquidation proceeds

Dividends paid by a Luxembourg company are in principle subject to Luxembourg WHT at the rate of 15 per cent. on the gross payment (17.65 per cent. on the net payment) unless a double tax treaty applies or the conditions of the Luxembourg participation exemption regime are met.

Dividend payments by LuxCo to the Company would prima facie be subject to 15 per cent. withholding tax in Luxembourg unless the conditions of the Luxembourg participation exemption regime would apply or such withholding tax could be reduced based on the existing Luxembourg/Jersey double tax treaty.

However, it is expected that the cash will be repatriated from LuxCo to the Company through redemption of Cash Settlement Warrants at fair market value without any WHT in Luxembourg.

Additionally, there is no WHT in Luxembourg on liquidation proceeds deriving from the full liquidation of a Luxembourg company.

Interest

In principle, under Luxembourg domestic law there is no WHT on ordinary arm's length interest payments (other than interest on certain profit sharing bonds or provided the Law of 23 December 2005 which has introduced a 10 per cent. WHT on interest paid to Luxembourg resident individuals applies).

Directors' fees

Directors' fees (tantièmes) paid by a Luxembourg company to its directors in consideration for their executive positions (i.e. not within the context of an employment agreement for the day-to-day management) are non-deductible for CIT and MBT purposes at the level of the Luxembourg company and are subject to a withholding tax at a rate of 20 per cent. on the gross amount of such fees (25 per cent. on the net amount).

Directors' fees may also potentially be subject to income tax reporting obligations in the hands of the Directors.

Transfer Pricing

According to Luxembourg law, taxpayers should be able to provide, upon request, evidence supporting that their related party transactions comply with transfer pricing requirements.

In addition, a Luxembourg company carrying on intragroup financing activities might also need to comply with Luxembourg transfer pricing regulations as per the transfer pricing circulars issued by the Luxembourg tax authorities.

In such case, the company would have to comply with certain economic and organisational substance requirements and an arm's length remuneration would also have to be earned on such financing activities. Such arm's length remuneration should be at arm's length (in line with the OECD's general guidelines and the Luxembourg transfer pricing regulations) and properly documented from a transfer pricing perspective.

In accordance with the above, the company must have sufficient equity in order to bear the risks connected with its financing operations. In this respect, it is considered that LuxCo will assume the risks related to the granting of loans if (i) the amount of equity corresponds at least to 1 per cent. of the face value of the loan(s) granted (capped at the equivalent of €2 million); and (ii) it can demonstrate that it is actually obliged to use its equity when the risks related to the transactions materialise.

In the case at hand, it is expected that LuxCo will have to comply with those rules.

Chamber of commerce contribution

All Luxembourg taxpayers that carry on commercial, financial or industrial activities in Luxembourg are in principle subject to an annual contribution payable to the Luxembourg Chamber of Commerce.

This contribution is levied on the taxpayer's profits of the second year preceding the year for which the contribution is due as determined for tax purposes (with the exclusion of any tax losses carried forward which would be available to the taxpayer) at a rate fluctuating between 20bps and 2.5bps with a minimum of €70 for an S.à r.l.

The Luxembourg tax authorities provide relevant information on the taxpayer's profits to the Chamber of Commerce accordingly.

However, companies whose main activities consist in holding participations are excluded from the application of the general system of calculation.

These companies will instead be subject to an annual €350 lump sum contribution (i.e. flat contribution), irrespective of their taxable profits.

The Luxembourg companies which should benefit from such lump sum contribution are: (i) companies which mainly hold participations (i.e. Soparfi object); and (ii) companies which are regarded as such according to the general nomenclature of economic activities in the European Community (i.e. NACE code), as implemented in Luxembourg.

The NACE classification of LuxCo should be closely monitored on an on-going basis in order to make sure that it is entitled to the benefit of the lump-sum contribution to the Chamber of Commerce.

Foreign taxes on income received by LuxCo

The tax levied by foreign jurisdictions, by way of withholding or otherwise, on dividend income, interest income and/or capital gains received by LuxCo may be relieved in whole or in part if a double tax treaty exists between Luxembourg and the country from which the income is received or if the income benefits from EU Directives or from Luxembourg domestic provisions.

This should be analysed on a case-by-case basis.

Taxation of the investors into LuxCo

Investors who: (i) are not resident in Luxembourg; and (ii) do not avail of a permanent establishment or permanent representative in Luxembourg to which assets or the income and/or capital gain thereon are attributable are in principle not subject to any capital gain, income, estate or inheritance tax in Luxembourg or to any withholding tax.

Non-residents capital gain

In accordance with Luxembourg income tax law, gains realised by non-residents (companies or individuals) on the disposal (or liquidation) of a substantial shareholding in a fully taxable company having its registered office, or its central administration, in Luxembourg within 6 months of the acquisition of the shareholding are taxable in Luxembourg (each share being considered separately when determining the six month period).

Similarly, the sale, or the share in the liquidation proceeds (or equivalent), of a substantial shareholding in a fully taxable Luxembourg company, by a person/entity who has been resident in Luxembourg for more than 15 years, in the five years after he/she/it becomes non-resident is also taxable in Luxembourg.

A substantial shareholding is defined as a direct or indirect equity investment where the shareholder holds or has held a shareholding representing more than 10 per cent. of the share capital (or, if there is no share capital, of the net assets of the company) at any moment in the five years preceding the date of disposal. It includes shares held by the vendor alone or together with a spouse and minor children.

In either case, should the non-residents benefit from the provisions of a tax treaty between their country of residence and Luxembourg giving the exclusive right to tax such gains to the country of residence, the above-mentioned Luxembourg internal provisions should be overruled.

Otherwise potential capital gains realised by corporate non-residents are subject to Luxembourg CIT at a rate of 22.47 per cent. (in 2016) and at a progressive rate for non-resident individuals.

Registration and stamp duties

A transfer of securities (e.g. shares, bonds) or loans should in principle not be subject to registration duties, stamp duties or any other similar tax or duty in Luxembourg unless such transfer is voluntarily registered or the transferred asset is secured by real-estate.

In principle, Luxembourg registration duties cover all acts and circumstances subject to registration on a mandatory basis, i.e.:

(i) all transactions requiring the intervention of a Luxembourg notary;

(ii) all acts and circumstances pertaining to Luxembourg-located real estate;

(iii) the registration fee in respect of companies being incorporated in or transferred to Luxembourg; and

(iv) all deeds and documents used in court proceedings.

Luxembourg registration duties also affect those acts filed for registration on a voluntary basis.

VAT

Financing through interest bearing profit participating note is an economic activity falling within the scope of VAT, giving LuxCo the status of a taxable person for VAT purposes in Luxembourg.

To the extent that LuxCo would perform financing solely to other EU resident entities, i.e. would not perform any other activities such as re-charge of costs, management services or any other taxable activity and would not receive non VAT exempt services from suppliers established outside Luxembourg for which it is liable to self-assess Luxembourg VAT under the reverse charge mechanism, there is no requirement for LuxCo to register for Luxembourg VAT.

Any such non-VAT exempt services received from abroad would trigger a VAT registration of LuxCo to enable it to declare and pay the Luxembourg VAT due under the reverse charge mechanism through simplified annual VAT returns.

Irrespective of whether LuxCo has the obligation to register for VAT in Luxembourg, assuming that its only activity is financing to EU resident companies, it will not be entitled to any input VAT deduction or recovery right. Any input VAT incurred by LuxCo (either charged by Luxembourg suppliers or self-assessed on non-VAT exempt services received from foreign suppliers) would constitute a final cost.

UNITED STATES

The Company

The Company is expected to have little, if any, activity related to the United States and the Directors intend to conduct its affairs in such a way that it should not be subject to U.S. federal income tax on a net income basis.

While the Company indirectly (including through the Risk Retention Companies and the Risk Retention Company CLOs) may acquire loans issued by U.S. obligors and DFM personnel located in the United States may provide services to the Risk Retention Companies and Risk Retention CLOs, the Company intends to conduct its affairs in a manner designed to reduce the risk that the Risk Retention Companies and the Risk Retention Company CLOs are subject to U.S. federal income tax on a net income basis. If the IRS were successfully to assert that any of such entities were subject to U.S. federal income tax on its net income, such entity could be subject to substantial U.S. tax and there could be material adverse financial consequences to the Company and its Shareholders.

U.S. Holders of Shares

General

The following is a summary of certain U.S. federal income tax consequences to "U.S. Holders" of owning and disposing of our Shares purchased under the Placing Programme and held as capital assets for U.S. federal income tax purposes. This discussion is based on the Internal Revenue Code of 1986, as amended, and administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations as at the date of this Prospectus, changes to any of which subsequent to the date of this Prospectus may affect the tax consequences described herein. This discussion does not address any aspect of state, local or non-U.S. taxation, or, with limited exceptions, any U.S. federal taxes other than income taxes (such as gift and estate taxes).

For purposes of this summary, a "U.S. Holder" is a beneficial owner of a Share that is:

- an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;
- a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organised in or under the laws of the United States, any State thereof, or the District of Columbia;
- an estate or trust whose income is subject to U.S. federal income taxation regardless of its source.

This discussion does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances, including the alternative minimum tax, the 3.8 per cent. Medicare tax on certain

investment income, and the different consequences that may apply if you are subject to special rules applicable to certain types of investors, such as:

- financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- dealers or traders subject to a mark-to-market method of tax accounting with respect to the Shares;
- persons holding the Shares as part of a straddle, hedge, integrated transaction or similar transaction;
- U.S. Holders whose functional currency is not the U.S. Dollar;
- partnerships or other pass-through entities for U.S. federal income tax purposes;
- U.S. Holders owning or considered as owning 10 per cent. or more of the voting power of the Shares; and
- tax-exempt entities.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities.

You are urged to consult your tax advisor with respect to the application of U.S. federal income tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction.

Investment in a Passive Foreign Investment Company

The Company will constitute a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes, and U.S. Holders of Shares will be subject to the PFIC rules. Accordingly, as described in more detail below, the U.S. Dollar value of gain on the sale of the Shares could be treated as ordinary income and subject to an additional tax in the nature of interest. U.S. Holders should consider making an election to treat the Company as a qualified electing fund ("**QEF**"). Generally, a U.S. Holder makes a QEF election on IRS Form 8621, attaching a copy of that form to its U.S. federal income tax return for the first taxable year in which it held its Shares. If a U.S. Holder makes a timely QEF election with respect to the Company, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, the U.S. Dollar value of the U.S. Holder's *pro rata* share of the Company's ordinary earnings and (ii) as long-term capital gain, the U.S. Dollar value of the U.S. Holder's *pro rata* share of the Company's net capital gain, whether or not distributed. A U.S. Holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Company in a taxable year will not be available to the U.S. Holder and may not be carried back or forward in computing the Company's ordinary earnings and net capital gain in other taxable years.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the electing U.S. Holder may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income, subject to a non-deductible interest charge on the deferred amount. In this respect, prospective purchasers of Shares should be aware that the earnings of the Company, BGCF, U.S. MOA and Risk Retention Company CLOs and other entities treated as PFICs in which the Company has an equity interest may substantially exceed distributions on the Shares and, consequently a U.S. Holder may have substantial phantom income if it make a QEF election with respect to the Company and any indirect interests in PFICs (discussed below), as a result of original issue discount on loans or debt instruments held by such entities, the use of interest earned and other income to pay principal on the debt of such entities, or otherwise.

The Company will provide, upon request and at the Company's expense, all information and documentation that a U.S. Holder making a QEF election with respect to the Company is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Shares that does not make a timely QEF election will be required to pay tax on the U.S. Dollar value of any gain on the disposition of its Shares at ordinary income rates, rather than capital gains rates, and to compute the tax liability on such gain and any Excess Distribution (as defined below) received

in respect of the Shares as if such items had been earned rateably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Shares. The U.S. Holder will be subject to tax on such gain or Excess Distributions at the highest ordinary income tax rate for each taxable year in which such gain or Excess Distributions are treated as having been earned, other than the current year (for which the U.S. Holder's regular ordinary income tax rate will apply), regardless of the rate otherwise applicable to the U.S. Holder (and without reduction by otherwise available tax attributes in the prior years, such as net operating loss carry forwards). Further, such U.S. Holder will also be liable for a non-deductible interest charge as if such income tax liabilities had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganisations, certain other transfers, and use of the Shares as security for a loan may be treated as taxable dispositions of such Shares. In addition, a stepped-up basis in the Shares will not be available upon the death of an individual U.S. Holder who has not made a timely QEF election with respect to the Company.

The amount by which the U.S. Dollar value of distributions during a taxable year in respect of a Share exceeds 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Shares) is an ("**Excess Distribution**").

In many cases, the U.S. federal income tax on any gain on disposition or receipt of Excess Distributions is likely to be substantially greater than the tax if a timely QEF election is made. **A U.S. Holder of Shares should strongly consider making a QEF election with respect to the Company (and each indirectly held PFIC discussed below)**.

Indirect Interests in PFICs

The Company expects to own direct and indirect interests treated as equity for U.S. federal income tax purposes in foreign corporations (such as BGCF and Risk Retention Company CLOs) that will be treated as PFICs and, as a result, U.S. Holders of Shares will be treated as owning an indirect interest in such PFICs. Under the PFIC rules, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly and is subject to the same PFIC rules discussed above with respect an indirectly owned PFIC. Consequently, a U.S. Holder's *pro rata* share of (i) any distributions by a PFIC directly or indirectly owned by the Company and (ii) gain indirectly realised on the sale of such PFIC or on the sale by the U.S. Holder of its Shares would be subject to the Excess Distribution and non-deductible interest charge rules discussed above unless a QEF election is made with respect to such PFIC.

A separate QEF election is required with respect to each PFIC. Thus, for a U.S. Holder to be able to treat the Company and each of the Company's directly and indirectly owned PFICs as a QEF, the U.S. Holder (and not the Company) would be required to make a separate QEF election with respect to the Company and each such indirect PFIC. The Company will provide, upon request and at the Company's expense, all information and documentation that a U.S. Holder making a QEF election with respect to BGCF and each Risk Retention Company CLO is required to obtain for U.S. federal income tax purposes. The Company, however, may have equity interests in other PFICs for which the Company is unable, in a commercially reasonable manner, to obtain the information and documentation necessary for a U.S. Holder to make a QEF election with respect to such indirectly held PFIC. Thus, there can be no assurance that a U.S. Holder will be able to make the election with respect to all indirectly held PFICs.

Accordingly, if the U.S. Holder has not made a QEF election with respect to an indirectly held PFIC, the U.S. Holder would be subject to the adverse consequences described above under *Investment in a Passive Foreign Investment Company* with respect to any Excess Distributions of such indirectly held PFIC, any gain indirectly realised by such U.S. Holder on the sale of such PFIC, and any gain indirectly realised by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its Shares (which may arise even if the U.S. Holder realises a loss on such sale). If an indirectly held PFIC is acquired or sold for Euros, the tax basis or amount realised, respectively, with respect to such PFIC would be determined under the rules described below under *Sale or Other Taxable Disposition*. Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly held PFIC, the U.S. Holder will be required to include in income the U.S. Dollar value of its *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were held directly (as described above), and the U.S. Holder will not be permitted to use any losses or other expenses of the Company to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the indirect equity interests owned by a U.S. Holder is treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of phantom income with respect to such interests.

Distributions

The treatment of actual distributions of cash on the Shares will vary depending on whether a U.S. Holder has made a timely QEF election with respect to the Company (as described under *Investment in a Passive Foreign Investment Company*). If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election and to this extent will not be taxable to such U.S. Holder. Distributions in excess of such previously taxed amounts will be taxable to U.S. Holders as ordinary income upon receipt, to the extent of any remaining amounts of untaxed current and accumulated earnings and profits of the Company. Distributions in excess of previously taxed amounts and any remaining current and accumulated earnings and profits of the Company will be treated first as a non-taxable return of capital, to the extent of the U.S. Holder's adjusted tax basis in the Shares, and then as a disposition of a portion of the Shares. In addition, for Shares denominated in Euros, a U.S. Holder will recognise exchange gain or loss with respect to amounts previously taxed pursuant to the QEF election equal to the difference, if any, between the U.S. Dollar value of the distribution on the date received and the U.S. Dollar value of the previously taxed amount. Any exchange gain or loss will generally be treated as ordinary income or loss.

If a U.S. Holder has not made a timely QEF election with respect to the Company, then some or all of any distributions with respect to the Shares may constitute Excess Distributions, taxable as described above under the heading *Investment in a Passive Foreign Investment Company*. In addition, distributions in excess of a U.S. Holder's adjusted tax basis in the Shares would be treated as a disposition of a portion of the Shares and subject to an additional tax reflecting a deemed interest charge, as described below under *Sale or Other Taxable Disposition*.

Distributions on the Shares will not be eligible for the dividends received deduction, and will not qualify as qualified dividend income.

Sale or Other Taxable Disposition

In general, a U.S. Holder of Shares will recognise gain or loss upon the sale or other taxable disposition of the Shares (including a distribution that is treated as a disposition of the Shares, as described above under *Distributions*) equal to the difference between the U.S. Dollar value of the amount realised and the U.S. Holder's adjusted tax basis in the Shares. If the Shares are sold for Euros, the U.S. Dollar value of the amount realised generally is based on the Euro-to-U.S. Dollar spot exchange rate on the date of the disposition. However, if such Shares are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. Dollar value of the amount realised is based instead on the Euro-to-U.S. Dollar spot exchange rate on the settlement date for the sale. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year.

A U.S. Holder's tax basis in its Shares initially will equal the U.S. Dollar value of the amount paid by the U.S. Holder for the Shares. If a U.S. Holder pays for the Shares in Euros, such U.S. Holder's tax basis is determined under rules analogous to the rules for determining the U.S. Dollar value of the amount realised. The U.S. Holder's tax basis in the Shares will be increased by amounts taxable to the U.S. Holder by reason of any QEF election, and decreased by the U.S. Dollar value of actual distributions by the Company that are deemed to consist of such previously taxed amounts or are treated as a non-taxable return of capital, as described above under *Distributions*.

If the U.S. Holder has made a timely QEF election with respect to the Company, gain or loss upon the sale or other taxable disposition of Shares generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. Dollar value of any amounts previously taxed pursuant to the QEF election (and the QEF elections with respect to any indirectly owned PFICs) from the date of each deemed distribution pursuant to the election (based on the Euro-to-U.S. Dollar spot exchange rate on that date) to the date of the disposition. Any gain or loss in excess of such foreign currency exchange gain or loss will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Shares for more than one year at the time of the disposition.

Long-term capital gain of non-corporate U.S. Holders is eligible for reduced rates of taxation. The deductibility of net capital losses is subject to limitations.

If a U.S. Holder does not make a timely QEF election with respect to the Company as described above, any gain realised on a sale or generally on any other disposition of the Shares (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed at ordinary income rates and subject to an additional tax reflecting a deemed interest charge under the special tax rules described under *Investment in a Passive Foreign Investment Company*.

In addition, as described above under *Indirect Interests in PFICs*, the U.S. Dollar value of any gain attributable to interests in PFICs owned, directly or indirectly, by the Company may be taxable to a U.S. Holder at ordinary income rates upon the sale or other disposition of the U.S. Holder's Shares.

Receipt of Euro

U.S. Holders will have a tax basis in any Euro received as (i) a distribution on the date of the distribution or (ii) proceeds for the sale of, Shares equal to the U.S. Dollar value of the Euro used in determining the U.S. Holder's gain or loss (see *Sale or Other Taxable Distribution*, above). Any gain or loss recognised on a sale or disposition of the Euro generally will be ordinary income or loss.

Mark-to-Market Method of Tax Accounting

A U.S. Holder may be eligible to make an election to account for its investment in the Shares using the mark-to-market method of tax accounting. In such case, a U.S. holder could avoid being subject to the tax consequences described above under *Investment in a Passive Foreign Investment Company* with respect to the Company. However, a U.S. Holder making such an election would continue to be subject to the tax consequences described above under *Indirect Interests* in PFICs with respect to indirectly held PFICs.

Transfer and Information Reporting Requirements

A U.S. Holder that purchases the Shares for cash will be required to file an IRS Form 926 or similar form with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the transfer, at least 10 per cent. by vote or value of the Company or (ii) the amount of cash transferred by such person (or any related person) to the Company during the 12-month period ending on the date of such transfer exceeds U.S.$100,000.

A U.S. Holder that is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Company for U.S. federal income tax purposes may be required to file an information return on IRS Form 5471.

In addition, U.S. Holders generally will be required to file IRS Form 8621 annually for each directly or indirectly held PFIC.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a tolling of the statute of limitations with respect to their U.S. tax returns. U.S. Holders should consult their tax advisors with respect to these and any other reporting requirements that may apply with respect to their acquisition or ownership of the Shares.

Specified Foreign Financial Asset Reporting

Certain U.S. Holders who are individuals and certain domestic entities that have the requisite U.S. individual ownership may be subject to reporting obligations with respect to their Shares if they do not hold their Shares in an account maintained by a financial institution and the aggregate value of their Shares and certain other specified foreign financial assets exceeds U.S.$50,000. Significant penalties can apply if a U.S. Holder is required to disclose its Shares and fails to do so.

Reportable Transactions

A participant in a reportable transaction is required to disclose its participation in such a transaction on IRS Form 8886. Any foreign currency exchange loss in excess of U.S.$50,000 recognised by a U.S. Holder may be subject to this disclosure requirement. Failure to comply with this disclosure requirement can result in substantial penalties. U.S. Holders should consult their advisors with respect to the requirement to disclose reportable transactions.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to certain payments within the United States of distributions and proceeds of a sale or other taxable disposition of Shares, or to payments of such amounts outside the United States by certain U.S.-related persons.

Backup withholding may apply to any payments described in the preceding sentence if a U.S. Holder fails to provide a taxpayer identification number or a certification that it is not subject to backup withholding. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

PART VII

ADDITIONAL INFORMATION ON THE COMPANY

1. INCORPORATION AND ADMINISTRATION

1.1 The Company is a registered closed-ended investment company incorporated in Jersey with limited liability on 30 April 2014 under the provisions of the Companies Law, with registered number 115628. The Company continues to be registered and domiciled in Jersey. The registered office and principal place of business of the Company is Liberté House, 19-23 La Motte Street, St Helier, Jersey JE2 4SY (telephone number: 01534 813800). The statutory records of the Company are kept at this address. The Company operates and issues shares in accordance with the Companies Law and ordinances and regulations made thereunder and has no employees. The Company shall have an unlimited life.

1.2 The Company has a wholly owned subsidiary, Blackstone / GSO Loan Financing (Luxembourg) S.à r.l., a private limited liability company ("société à responsabilité limitée") which was incorporated under the laws of the Grand-Duchy of Luxembourg on 23 July 2015, having its registered office at L-2310 Luxembourg, 16, Avenue Pasteur, and registered with the Luxembourg register of commerce and companies under number B199065.

1.3 The Company's accounting period ends on 31 December of each year. The Company's audited annual report and accounts from the period from 30 April 2014 to 31 December 2014 were published on 30 April 2015. As at 29 February 2016, the unaudited NAV of the Company was €324.7 million and the unaudited NAV per Share was €0.9799.

1.4 The Company's auditors are Deloitte LLP (the "**Auditors**"), who are chartered accountants and are members of the Institute of Chartered Accountants of Ireland and registered auditors qualified to practice in England & Wales. The Auditors have been the only auditors of the Company since its incorporation. In such capacity, the Auditors are responsible for auditing and expressing an opinion on the financial statements of the Company in accordance with applicable law and auditing standards.

1.5 The annual report and accounts are prepared according to IFRS as adopted by the EU.

1.6 The Company complies with the requirements of the AIFM Directive with respect to professional negligence liabilities by maintaining additional own funds appropriate to cover such potential liabilities.

1.7 Save as set out in paragraph 2 below, there have been no changes to the issued share capital of the Company since incorporation. No shares of the Company are held in treasury.

2. SHARE CAPITAL

2.1 On incorporation, the entire issued share capital of the Company comprising two ordinary shares of £1.00 each was held by Ogier Nominees (Jersey) Limited and Reigo Nominees (Jersey) Limited (two nominee companies associated with the then administrator). Pursuant to a Shareholder resolution dated 13 June 2014, the Company's share capital was converted into two ordinary shares of no par value.

2.2 On its IPO on 18 July 2014, the Company issued 260,500,000 Shares at a price of €1 per share. On 22 August 2014, it issued a further 40,700,000 Shares at €1 per Share, pursuant to the Over-allotment Option. Finally, on 24 April 2015, the Company issued an additional 30,119,700 Shares at a price of €1.02 per Share. Accordingly, as at the date of this Prospectus, the total number of Shares in issue and of voting rights in the Company is 331,319,700.

2.3 The Placing Shares to be issued may be denominated in either of U.S. Dollar or Euro and will have the rights set out in the Articles.

2.4 None of the Shareholders has voting rights attaching to Shares that they hold which are different to the voting rights attached to any other Shares of the same class in the Company.

2.5 As at the date of this Prospectus, the memorandum of association provides that there is no limit on the number of Shares of any class which the Company is authorised to issue.

2.6 The Placing Shares will be in registered form and will be capable of being held in uncertificated form and title to such Shares may be transferred by means of a relevant system (as defined in the Uncertificated Securities Regulations 2001 of the United Kingdom (SI No. 2001/3755) and the CREST Jersey Regulations ("**CREST Regulations**")). Where the Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 days of the completion of the registration process or transfer, as the case may be, of the Shares. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, whose registered address is set out on page 84 of this Prospectus, maintains a register of Shareholders holding their Shares in CREST.

2.7 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

3. DIRECTORS' AND OTHER INTERESTS

3.1 As at the date of this Prospectus, and save as disclosed in paragraph 3.2 below, none of the Directors or any person connected with any of the Directors has a Shareholding or any other interest in the share capital of the Company. The Directors and their connected persons may, however, subscribe for Share pursuant to the Placing Programme.

3.2 As at the date of this Prospectus, Mr. Gary Clark holds 25,000 Shares.

3.3 The Directors are not aware of any person or persons who, following the Placing Programme, will or could, directly or indirectly, jointly or severally, exercise control over the Company.

3.4 There are no outstanding loans from the Company to any of the Directors or any outstanding guarantees provided by the Company in respect of any obligation of any of the Directors.

3.5 The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting year ending on 31 December 2016, which will be payable out of the assets of the Company, is not expected to exceed £175,000. Each of the Directors is entitled to receive £35,000 per annum, other than: (i) the Chair who is entitled to receive £50,000 per annum; and (ii) the chairs of the Audit Committee and the Risk Committee, each of whom is entitled to receive an additional fee of £5,000 per annum. No amount has been set aside or accrued by the Company to provide pension, retirement or other similar benefits.

3.6 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors have been appointed through letters of appointment which can be terminated in accordance with the Articles and without compensation. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from Board meetings for 12 months or more; (iii) written request of the other Directors; and (iv) an ordinary resolution.

3.7 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which has been effected by the Company since its incorporation.

3.8 In addition to their directorships of the Company, the Directors hold or have held the directorships and are or were members of the partnerships, as listed in the table below, over or within the past five years:

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
Charlotte Valeur	Andrea Investments (Jersey) PCC Cell series 1000 PC DW Catalyst Fund Ltd. FSN Capital GP IV Limited FSN Capital Holding III Limited FSN Capital Holding Jersey Limited GFG Limited GGG Limited J.P. Morgan Convertibles Bond Income Fund Limited Kennedy Wilson Europe Real Estate Plc NTR Plc TECREF GP Limited Tyndaris European Real Estate Finance SA	3i Infrastructure Plc Agilo Global Fund Limited (Feeder) Agilo Global Fund Limited (Master) AlphaTran Fund LLP(Master) Blackstone / GSO Loan Financing 2 Limited (dissolved) Brook Street Partners (Jersey) Limited Brook Street Partners Holding Limited Brook Street Partners Limited Cell 2008-1 PC Cell 2008-2 PC Cell 2008-3 PC Cell 2008-4 PC Dansk Egenkapital Management A/S DREAM01 GP Limited DREAM02 (I) GP Limited DREAM02 (I) Limited DREAM02 (II) GP Limited DREAM02 (II) Limited DREAM02 (III) GP Limited DREAM02 (IV) GP Limited DREAM02 (IX) GP Limited DREAM02 (V) GP Limited DREAM02 (VI) GP Limited DREAM02 (VII) GP Limited DREAM02 (VIII) GP Limited DREAM02 (X) GP Limited DREAM02 (XI) GP Limited DREAM02 GP Limited Gyldmark Liquid Macro Fund Ltd Gyldmark Liquid Macro Master Fund Ltd Ingenious Clean Energy Income Plc LumX Atlas Global Limited Lumx Avesta Fund Limited Lumx Beach Point Fund Limited LumX CCA Global Macro Fund Limited Lumx Cyril Systematic Fund Limited Lumx DCI Short Credit Fund Limited Lumx GGIE Fund Limited Lumx GLC Gestalt Fund Limited Lumx GSB Podium Fund Limited Lumx Horseman Europe Select Fund Limited Lumx Jet Fund Limited Lumx Lancaster Fund Limited LumX LynX Fund Limited LumX MW Core Fund Limited Lumx Octagon High Income Fund Limited Lumx RWC Biltmore Fund Limited LumX Systematic Trend Fund Limited Lumx Third Point Fund Limited LumX Turiya Limited Lumx Van Eck Hard Assets Fund Limited LumX Visium Credit Limited Renewable Energy Generation Limited VCM Ariel Fund Limited (Feeder) VCM Ariel Fund LP (Master) VCM Ariel General Partner Ltd

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
Philip Austin MBE	3i Infrastructure Plc Blackstone / GSO Debt Funds Europe Limited City Merchants High Yield Trust Limited Future Finance Group Jordans Trust Company (Jersey) Limited Royal London Asset Management (CI) Ltd.	Blackstone / GSO Loan Financing 2 Limited (dissolved) Invesco Property Income Trust Limited
Gary Clark	Altis Global Futures Portfolio IC Altis Master Fund ICC Blackstone / GSO Loan Financing Ltd DG Systematic General Partner Ltd DG Systematic Holdings Ltd DG Systematic IP Holdings Ltd Emirates Active Managed Fund PC Emirates Alternative Strategies Fund PC Emirates Balanced Managed Fund PC Emirates Emerging Market Equity Fund Limited Emirates Funds Limited Emirates Global Sukuk Fund Limited Emirates Global Income Fund PC Emirates Islamic Global Balanced Limited Emirates Islamic Money Market Fund Limited Emirates MENA Fixed Income Fund PC Emirates MENA High Income PC Emirates MENA Opportunities Limited Emirates MENA Top Companies Fund PC Emirates NBD Fund Managers (Jersey) limited Emirates Portfolio Management PCC Emirates Real Estate Fund Limited GC SIP Limited Geiger Counter Limited GWN Limited ICG Centre Street Partnership GP Limited ICG Global Investment Jersey Limited ICG Minority Partners Fund 2008 GP Limited ICG Recovery Fund 2008 GP Limited Intermediate Capital GP 2003 Limited Intermediate Capital GP 2003 No.1 Limited IPAF (UK) Ltd LDFM (Co-Invest) I Limited London Diversified Fund Ltd London Diversified Fund Management International Ltd London Select Fund Ltd	Altis Global Commodities Portfolio IC AGCT IC AGFT IC Azure Asset Management Jersey ICC AW EU Periphery Equity Fund IC AW Short Duration Bond Fund (EUR Hedged) IC AW Short Duration Bond Fund (GBP Hedged) IC AW Short Duration Bond Fund (USD) IC Blackstone / GSO Loan Financing 2 Limited (dissolved) Emirates Islamic Alternative Strategies Fund Limited GLC Behavioural Trend Fund Ltd GLC Behavioural Trend Trading Ltd GLC Behavioural Trend Leveraged Trading Ltd GLC Diversified Fund Ltd GLC Diversified Fund Trading Ltd GLC Gestalt Leveraged Trading Ltd GLC Gestalt Trading Ltd GLC Gestalt Europe Fund Ltd GLC Global Macro Fund Ltd GLC Global Macro Trading Ltd GLC Global Macro Leveraged Trading Ltd GLC Directional Fund Ltd GLC Directional Leveraged Fund Trading Ltd GLC Directional Fund Trading Ltd LRB Limited LDFM (Co-Invest) Limited Hume Asia Fund Limited Hume Asia Master Fund Limited Hume Capital (Jersey) Limited Longwood Credit Fund (GP) Ltd. Longwood Credit Fund Limited Longwood Credit Master Fund Limited Newton International Investment Management Nominees Limited IPAF (Bermuda) Ltd

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
Gary Clark (*continued*)	M/P Fund Managers Limited Medicxi Ventures (Jersey) Ltd Mercury Holdings Ltd Mercury Properties Limited Metronome Fund Metronome Long Opportunities Fund Metronome Long Opportunities Master Fund Metronome Master Fund Neuron Macro Opportunities Fund Limited Puretrend IC Standard Life Wealth (CI) Limited Standard Life Wealth International Limited Systematic Fund GP Ltd	
Joanna Dentskevich	Euphorix Investments Limited Moore Management Ltd Project Finance Investments Limited Signal Credit GP Ltd Somerston Core Fund Incorporated Cell Somerston Funds ICC Triskelion Advisors Limited	AEP 2003 Ltd AEP 2008 Ltd AEP 2012 Ltd Blackstone / GSO Loan Financing 2 Limited (dissolved) Moore Fund Administration (Jersey) Ltd

3.9 As at the date of this Prospectus, there are no potential conflicts of interest between any duties to the Company of any of the Directors and their private interests and/or other duties. There are no lock-up provisions regarding the disposal by any of the Directors of any Shares.

3.10 Save as set out in paragraph 3.11 below, as at the date of this Prospectus:

(a) none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;

(b) save as detailed above, none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;

(c) none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years; and

(d) none of the Directors are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this Prospectus.

3.11 In respect of the declaration in paragraph 3.10 above, certain of the Directors have been directors of entities which have been dissolved. To the best of each Director's knowledge, no such entity, upon its dissolution, was insolvent or owed any amounts to creditors.

3.12 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

3.13 No employees of the Administrator have any service contracts with the Company.

4. MEMORANDUM AND ARTICLES

4.1 *Objects*

The Company's memorandum of association provides that the Company has unrestricted corporate capacity. The Company has all the powers and capacity of a natural person.

The Company's existing Articles include provisions to the following effect:

4.2 *Share capital*

The Company's share capital is represented by an unlimited number of ordinary shares of no par value, denominated in such currencies as the Company may specify.

4.3 *Alteration of share capital*

The Company may, by altering its memorandum of association by special resolution, alter its share capital in any manner permitted by the Companies Law. Subject to the provisions of the Companies Law, the Company may by special resolution reduce its stated capital account in any way.

4.4 *Purchase of own shares*

Subject to, and in accordance with, the Companies Law, the Listing Rules (to the extent applicable to or voluntarily adopted by the Company) and the CISE Listing Rules, the Company may purchase or agree to purchase in the future any of its own shares of any class (including redeemable shares) in any way and at any price including by the purchase of depositary receipts in respect of such shares.

4.5 *Share rights*

Subject to the Companies Law and subject to, and without prejudice to, any special rights attached to any existing shares, any share in the Company may be issued with such rights or restrictions as the Company may by ordinary resolution determine.

Subject to the Companies Law and the Listing Rules (to the extent applicable to or voluntarily adopted by the Company), the Company may issue shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or the holder of such redeemable shares and on such terms and in such manner as may be determined by ordinary resolution.

4.6 *Allotment of securities and pre-emption rights*

Subject to the provisions of the Companies Law, the Articles and any resolution of the Company passed by the Company conferring authority on the Directors to allot shares and without prejudice to any rights attached to existing shares, all unissued shares are at the disposal of the Directors and they may allot, grant options over, grant warrants in respect of or otherwise dispose of them to such persons at such times and generally on such terms as they think fit.

Although the Companies Law does not provide any statutory pre-emption rights, the Articles provide that when proposing to allot shares or fractions of shares of any class, the Company must first offer such shares to existing holders of shares of the relevant class on the same or more favourable terms in proportion to their respective holdings of the relevant shares then in issue.

Such pre-emption rights shall not apply:

(a) where the shares to be allotted are or are to be wholly or partly paid otherwise than in cash;

(b) where the shares are being allotted pursuant to the terms of an Employee Share Scheme (as defined in the Articles); or

(c) where they have been disapplied by way of a special resolution.

4.7 *Share certificates*

Every holder on becoming the holder of any certificated share whose name is entered on the Company's register of members as a holder of any certificate shares is entitled, without payment,

to one certificate in respect of all the shares of any class held by him. In the case of joint holders, delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

4.8 ***Call forfeiture and lien***

The Directors may from time to time make calls upon the holders in respect of any consideration agreed to be paid for such shares that remains unpaid, subject to the terms of allotment of such shares. Each holder shall (subject to being given at least 14 days' notice specifying when and where payment is to be made) pay to the Company the specified amount called on such shares. If any call or instalment of a call remains unpaid on or after the due date for payment, the person from whom it is due and payable shall pay interest on the amount unpaid from the day upon which it became due and payable until it is paid.

Interest shall be paid at the Barclays Bank plc base rate plus two per cent. per annum or a rate fixed by the terms of the allotment of the share or, if no rate is fixed, the rate determined by the Directors provided that the Directors may waive payment of the interest wholly or in part. The Directors may also (on giving not less than 14 days' notice or any such period of notice as is provided under the terms of the relevant allotment requiring payment of the amount unpaid together with interest and costs incurred) forfeit the shares by resolution of the Directors. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares. The forfeited shares may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine.

The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all monies (whether presently payable or not) payable at a fixed time or called by the Company in accordance with the Articles in respect of such share.

The Directors may declare any share to be wholly or partly exempt from the provisions in the Articles in respect of liens. The Company may sell, in such manner as the Directors may determine, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after a notice of intention to sell the share in default of payment shall have been given to the holder of the share.

4.9 ***Variation of rights***

The special rights attached to any class of shares may be varied or abrogated either with the written consent of the holders of not less than two thirds in number of the issued shares of that class or the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

4.10 ***Transfer of shares***

The instrument of transfer of a certificated share shall be in writing and may be in any usual form or in any other form approved by the Directors and shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

A member may transfer all or any of his uncertificated shares in accordance with the Uncertificated Securities Order (as defined in the Articles), provided that legal title to such shares shall not pass until the transfer is entered in the register.

Shares are free from any restriction on transfer and may be transferred in accordance with the Listing Rules (to the extent applicable to or voluntarily adopted by the Company) and any other applicable laws and regulations. Subject to the requirements of the Listing Rules (to the extent applicable to or voluntarily adopted by the Company), the Directors may, in their absolute discretion and without giving a reason, refuse to register the transfer of a certificated share which is not fully paid or the transfer of a certificated share on which the Company has a lien.

The Directors may also refuse to register the transfer of a certificated share unless the instrument of transfer:

(a) is lodged at the office (as defined in the Articles) (or at such other place appointed by the Directors) accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) is in respect of one class of share only;

(c) is in favour of not more than four transferees; or

(d) the transfer is in favour of any Non-Qualified Holder or any U.S. Plan Investor.

If any Shares are owned directly, indirectly or beneficially by a person believed by the Board to be a Non-Qualified Holder or a U.S. Plan Investor, the Board may give notice to such person requiring him either: (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder or a U.S. Plan Investor; or (ii) to sell or transfer his Shares to a person who is not a Non-Qualified Holder or a U.S. Plan Investor within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer. Pending such sale or transfer, the Board may suspend the exercise of any voting or consent rights and rights to receive notice of or attend any meeting of the Company and any rights to receive dividends or other distributions with respect to such Shares. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his Shares. If the Board in its absolute discretion so determines, the Company may dispose of the Shares at the best price reasonably obtainable and pay the net proceeds of such disposal to the former Shareholder.

If the Directors refuse to register a transfer of a share in certificated form, they shall send the transferee notice of the refusal within two months after the date on which the instrument of transfer was lodged with the Company.

Subject to any applicable stamp duties or other taxes, no fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

4.11 ***Notification of interests in shares***

Each member shall comply with the notification obligations to the company as a non-UK company contained in Chapter 5 of the FCA's Disclosure and Transparency Rules ("**DTR5**").

If the Company determines that a holder (a "**Defaulting Holder**") has not complied with the provisions of DTR5 with respect to some or all of the shares held by such holder (the "**Default Shares**"), the Company shall have the right by delivery of notice to the Defaulting Holder to:

(a) suspend the right of such Defaulting Holder to vote at meetings of the Company in respect of such Default Shares;

(b) withhold, without any obligation to pay interest thereon, any dividend or other amount payable in respect of such Default Shares;

(c) render ineffective any election to receive shares of the Company instead of cash in respect of any dividend or part thereof; and/or

(d) prohibit the transfer of any shares in the Company held by the Defaulting Holder except with the consent of the Company or if the Defaulting Holder can provide satisfactory evidence to the Company to the effect that, after due inquiry, the shares to be transferred are not Default Shares.

4.12 ***Untraced shareholders***

Subject to certain conditions, the Company is entitled to sell any share of a shareholder who is untraceable, provided that:

(a) for a period of not less than 12 years (during which at least three cash dividends have become payable on the share) no cheque, warrant or money order payable on the share has been presented to paying bank of the relevant cheque, warrant or money order and no payment made by the Company by any other means permitted by the Articles has been claimed or accepted;

(b) on expiry of such 12 year period, the Company has given notice of its intention to sell the share by advertisement in a national newspaper and in a newspaper circulating in the area of the address of the holder of, or person entitled by transmission to, the share shown in the register; and

(c) the Company has not, so far as the Directors are aware, during such 12 year period or during a further period of three months following the last of such advertisements, received any communication from the holder of, or person entitled by transmission to, the share.

The Company shall be indebted to the former shareholder for an amount equal to the net proceeds of any such sale.

4.13 ***General meetings***

The Directors shall convene and the Company shall hold an annual general meeting once every year provided there is not a gap of more than fifteen months between one annual meeting and the next. The Directors may convene a general meeting whenever it thinks fit and immediately on receipt of a requisition from members in accordance with the Companies Law.

The quorum for a general meeting is two persons entitled to vote upon the business to be transacted, each being a holder in person or by proxy.

At least 21 clear days' notice shall be given in respect of every annual general meeting and all other general meetings shall be called by not less than 14 clear days' notice. Subject to the provisions of the Companies Law, the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be sent to all the members, to each of the Directors and to the auditors.

The notice shall specify the place, the date and the time of the meeting and the general nature of the business to be dealt with at the meeting. It shall also state that a member entitled to attend and vote may appoint one or more proxies in its place.

In the case of an annual general meeting, the notice shall specify the meeting as such. In the case of a meeting to pass a special resolution, the notice shall specify the intention to propose the resolution as a special resolution.

For the purpose of determining whether a person is entitled as a member to attend or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time not more than 48 hours before the time fixed for the meeting, by which a person who holds shares in registered form must be entered on the register in order to have the right to attend or vote at the meeting or to appoint a proxy to do so. In calculating the period referred to in the foregoing, no account shall be taken of any part of a day that is not a "working day".

Subject to any rights and restrictions attached to any shares, members and their duly appointed proxies shall have the right to attend and vote at general meetings and to demand or join in demanding a poll. Every resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is demanded by:

(a) the Chair of the meeting;

(b) not less than five members present in person or by proxy and entitled to vote on the resolution;

(c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution; or

(d) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A Director or a representative of the auditor (if any) shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the capital of the Company.

The Chair may, with the consent of a meeting at which a quorum is present, adjourn the meeting.

4.14 ***Voting rights***

Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. On a poll, a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A member may appoint more than one proxy.

Unless the Directors decide otherwise, no member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares unless all moneys presently payable by him in respect of his shares have been paid.

In the case of joint shareholders only the vote of the senior joint holder shall be accepted.

4.15 ***Appointment of Directors***

Unless otherwise determined by the Company by ordinary resolution, the number of Directors shall not be subject to any maximum but shall not be less than two. Directors may be appointed by ordinary resolution or by the Directors.

Subject to the provisions of the Companies Law, the Directors may appoint one or more of their number to hold an executive office with the Company and may enter into an agreement or arrangement with any Director for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as (subject to the Law) the Directors think fit and they may remunerate any such Director for his services as they think fit.

4.16 ***No share qualification***

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

4.17 ***Retirement of Directors by rotation***

At each annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not less than one third, shall retire from office provided that if there are fewer than three Directors who are subject to retirement by rotation, one shall retire from office.

If any one or more Directors: (i) were last appointed or reappointed three years or more prior to the meeting; (ii) were last appointed or reappointed at the third immediately preceding annual general meeting; or (iii) at the time of the meeting will have served more than nine years as a non-executive Director of the Company (excluding as the Chair of the Directors), he or they shall retire from office and shall be counted in obtaining the number required to retire at the meeting.

Subject to the Companies Law and the Articles, the Directors to retire by rotation at an annual general meeting include, so far as necessary to obtain the number required, first, a Director who wishes to retire and not offer himself for reappointment, and, second, those Directors who have been longest in office since their last appointment or reappointment. As between two or more who have been in office an equal length of time, the Director to retire shall, in default of agreement between them, be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined on the basis of the composition of the Board at the start of business on the date of the notice convening the annual general meeting, disregarding a change in the number or identity of the Directors after that time but before the close of the meeting.

4.18 ***Remuneration of Directors***

The remuneration of the Directors shall not exceed an aggregate amount of £300,000 per annum or such greater amount as shall be determined by the Company by ordinary resolution.

Subject to the Companies Law and to the Articles and the requirements of the Listing Rules (to the extent applicable to or voluntarily adopted by the Company), the Directors may arrange for part of

a fee payable to a Director to be provided in the form of fully paid shares in the capital of the Company. The amount of the fee payable in this way shall be at the discretion of the Directors and shall be applied in the purchase or subscription of shares on behalf of the relevant Director. In the case of a subscription of shares, the subscription price per share shall be deemed to be the closing middle market quotation for a fully paid share of the Company of that class (or such other quotation derived from such other source as the Directors may deem appropriate) on the day of subscription.

The Directors are entitled, under the Articles, to be paid all reasonable expenses as they may properly incur in attending meetings of the Directors or of any committee of the Directors or shareholders meetings or otherwise in connection with the discharge of their duties.

4.19 ***Permitted interests of Directors***

Subject to the Companies Law and provided he has disclosed to the Directors the nature and extent of any direct or indirect interest of his, in accordance with the Companies Law, a Director, notwithstanding his office:

(a) may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with the Company or any of its subsidiary undertakings or in which the Company or any of its subsidiary undertakings is otherwise interested either in connection with his tenure of an office or place of profit or as seller, buyer or otherwise;

(b) may hold another office or place of profit with the Company or any of its subsidiary undertakings (except that of auditor or auditor of a subsidiary of the Company or any of its subsidiary undertakings) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company or any of its subsidiary undertakings, and in that case on such terms as to remuneration and otherwise as the Directors may decide either in addition to or instead of remuneration provided for by any other provision of the Articles;

(c) may be a Director or other officer of, or employed by, or a party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by the Company or any of its subsidiary undertakings or in which the Company or any of its subsidiary undertakings is otherwise interested or as regards which the Company or any of its subsidiary undertakings has a power of appointment; and

(d) is not liable to account to the Company or any of its subsidiary undertakings for a profit, remuneration or other benefit realised by such contract, arrangement, transaction, proposal, office or employment and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.

An interested Director must declare the nature of his interest at the meeting of the Directors at which the question of entering into the contract, arrangement, transaction or proposal is first considered or if for any reason he fails to comply with that obligation, as soon as practical after that meeting by notice in writing delivered to the secretary of the Board.

A general notice in writing given to the Board by any Director that he is to be regarded as interested in any contract, arrangement, transaction or proposal shall be deemed a sufficient declaration of interest in relation to the same.

4.20 ***Restrictions on voting***

A Director shall not vote on any resolution of the Directors concerning a matter in which he has a direct or indirect interest which conflicts or may conflict to a material extent with the interests of the Company but these prohibitions shall not apply to:

(a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;

(b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;

(c) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(d) a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest representing five per cent. or more of either any class of the equity share capital of such body corporate or of the voting rights in the relevant body corporate (any such interest being deemed for the purpose of this paragraph to be a material interest in all circumstances);

(e) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the arrangement relates;

(f) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors; and

(g) the calling of a general meeting of the Company at which matters relating to the Directors are to be considered and voted upon by the holders.

A Director shall not vote (or be counted in the quorum) on any resolution of the Directors or committee of the Directors concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

Where proposals are under consideration concerning the appointment (including, without limitation, fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In that case each of the Directors concerned (if not otherwise prevented from voting under the Articles) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

Subject to the Companies Law, the Company may by ordinary resolution suspend or relax the above provisions to any extent or ratify any contract, arrangement, transaction or proposal not properly authorised by reason of a contravention of such provisions provided that doing so will not permit the Company to cease to comply with the Listing Rules (to the extent applicable to or voluntarily adopted by the Company).

4.21 ***Powers of Directors***

Subject to applicable law (including the provisions of the Companies Law) and the Articles and any direction given by special resolution, the business of the Company shall be managed by the Directors which may exercise all the powers of the Company. The Directors may delegate any of their powers to a person or to a committee consisting one or more persons (provided that a majority of the members of a committee shall be Directors).

4.22 ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the Companies Law and the Articles, to issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of the Company or of a third party.

The Articles permit the Board to borrow up to 10 per cent. of the Company's NAV for day to day administration and cash management purposes.

4.23 ***Proceedings of Directors***

A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors by giving notice of the meeting to each Director. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chair shall have a second or casting vote. Any Director may waive notice of a meeting and any such waiver may be retrospective.

The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate Director may, if his appointor is not present, be counted in the quorum.

A resolution in writing executed by all the Directors entitled to receive notice of a Board meeting and not being less than a quorum, or by all members of a committee of the Board entitled to receive notice of a committee meeting and not being less than a quorum, shall be as valid and effective as if it had been passed at a meeting of the Directors or (as the case may be) a committee of the Directors.

A person entitled to be present at a meeting of the Directors or of a committee of the Directors shall be deemed to be present for all purposes if he is able by way of a conference telephone or other communication equipment which allows everybody participating in the meeting to speak to and be heard by ail those present or deemed to be present simultaneously. A Director so deemed to be present shall be entitled to vote and be counted in a quorum accordingly.

4.24 ***Indemnity of officers and insurance***

The Companies Law restricts indemnities or exemptions from liability given by Jersey companies to their directors and officers. In general, directors and officers of a Jersey company cannot be exempted from or receive an indemnity in respect of any liability which would otherwise attach to that director or officer under law by reason of the fact that they are or were a director or officer of the company. There are exemptions to this restriction in particular in respect of proceedings where the director or officer is not held liable or the matter is discontinued, where the director or officer acted in good faith with a view to the best interests of the company and in respect of any liability for which the company normally maintains insurance.

The Articles provide that a director may be indemnified out of the assets of the Company to the extent this is legally permissible under the Companies Law and that, subject to the Companies Law, the Directors may purchase and maintain insurance against any liability for any Director or director of any associated company.

4.25 ***Dividends and other distributions***

Subject to the provisions of the Companies Law, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the shareholders, but no such dividend shall exceed the amount recommended by the Directors.

Subject to the provisions of the Companies Law, the Directors may pay fixed rate and interim dividends. If the Directors act in good faith, they shall not incur any liability to the holders of any shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that payment of a dividend shall be satisfied wholly or partly by the issue of shares or the distribution of assets and the Directors shall give effect to such resolution.

Except as otherwise provided by the rights attaching to or terms of issue of any shares, all dividends shall be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

No dividend or other moneys payable in respect of a share shall bear interest against the Company, unless otherwise provided by the rights attached to the share.

The Directors may deduct from any dividend or other moneys payable to a shareholder all sums of money (if any) presently payable by the holder to the Company on account of calls or otherwise in relation to such shares.

Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the holder or the person recognised by the Directors as entitled to the share or, if two or more persons are the holders or are recognised by the Directors as jointly entitled to the share, to the registered address of the first holder named in the register or to such person or persons entitled and to such address as the Directors shall in their absolute discretion determine.

Any dividend unclaimed after a period of 10 years from the date on which it became payable shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

4.26 ***Capitalisation of profits and reserves***

The Directors may, with the authority of an ordinary resolution, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's stated capital account.

4.27 ***Winding up***

On a winding up, the Company may, with the sanction of a special resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the shareholders in specie provided that no holder shall be compelled to accept any assets upon which there is a liability.

On return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after payment of its liabilities shall subject to the rights of the holders of other classes of shares, be applied to the holders of ordinary shares equally *pro rata* to their holdings of ordinary shares.

5. MATERIAL CONTRACTS

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since its incorporation and are, or may be, material, or that contain any provision under which the Company has any obligation or entitlement which is or may be material, to it as at the date of this Prospectus:

5.1 ***EU NPA and the EU Profit Participating Notes***

5.1.1 The EU NPA dated 1 July 2014 (as amended on 23 July 2014, 23 February 2015, 6 May 2015, 20 January 2016 and 3 February 2016 and as may be further amended, supplemented or modified from time to time) entered into between: (i) the Company; and (ii) BGCF with an initial term of 5 years will (subject to a longstop redemption date of 1 June 2044) be extended for a further 5 year term every 2 years unless the holders of the EU Profit Participating Notes give notice to BGCF at least 12 months prior to such renewal date that they do not wish to extend the term.

5.1.2 On 3 February 2016, the EU NPA was amended to add LuxCo, a wholly owned subsidiary of the Company, as a party to the EU NPA and to clarify the rights exercisable by LuxCo and the Company, respectively.

5.1.3 The EU NPA provides that EU Profit Participating Notes to be issued pursuant to the EU NPA are admitted to the official list and trading on the Global Exchange Market of the GEM or, with the agreement of LuxCo and BGCF, on another appropriate exchange which achieves the benefit of the Eurobond exemption (an "**Appropriate Exchange**"), and that the EU Profit Participating Notes will remain listed on either the GEM or an Appropriate Exchange (as applicable). The EU NPA further requires that BGCF and the EU Profit Participating Notes comply with applicable law (including applicable U.S. securities provisions). The EU Profit Participating Notes will be unsecured obligations of BGCF. BGCF

may issue additional EU Profit Participating Notes, subject to the first refusal of existing holders.

5.1.4 On 30 July 2014, BGCF issued €245,250,000 in principal amount of EU Profit Participating Notes to third parties for consideration of approximately €260,250,000. On 9 September 2014, BGCF made a further issuance of EU Profit Participating Notes in aggregate principal amount of €40,700,000. In addition, on 29 April 2015, BGCF made a further issuance of EU Profit Participating Notes in aggregate principal amount of €29,979,526. BGCF may issue further EU Profit Participating Notes from time to time.

5.1.5 The EU NPA also contains covenants customarily included in loan note terms and conditions (e.g., maintenance of corporate status/payment of debts as they fall due/keeping proper books/not creating any security over its assets (except for security in favour of any Revolving Credit Facility provider/maintenance of its tax residency in Ireland, security in favour of a CLO issuer to which BGCF has sold assets and security in favour of any hedging liabilities of BGCF subject, in some cases, to applicable consent requirements)).

5.1.6 The EU NPA also requires BGCF to manage its portfolio in accordance with BGCF's investment policy which may not be amended without consultation with the Service Support Provider and 60 days' notice of such changes to LuxCo and the Company (or such other notice period as may be agreed between BGCF, LuxCo and the Company). BGCF is required to comply with the terms of its Portfolio Service Support Agreement with the Service Support Provider.

5.1.7 Under the EU NPA, the Company and LuxCo have the right to review and ask questions of BGCF and the Service Support Provider (but, for the avoidance of doubt, not the right to veto) in respect of: (i) all European CLO engagement letters prior to signing by BGCF; (ii) European CLO term sheets including GSO fees, target returns, etc. prior to broad CLO marketing for all new European CLOs; and (iii) European CLO call rights.

5.1.8 In addition, BGCF will, if required: (i) provide the Company or LuxCo with all such assistance (including the provision of information) as it might require and within such timelines as is required (if applicable) in order to comply with applicable legal requirements, including, in particular, information required by the Company or LuxCo to comply with its legal and regulatory obligations (in particular, such obligations of the Company under the Financial Conduct Authority's Listing Rules, the Disclosure and Transparency Rules, and the Prospectus Rules or the listing rules of the Channel Islands Securities Exchange Authority Limited), to comply with all requests for information from governmental and regulatory authorities, to apply for consents and registrations as may be required, to prepare and issue statutory returns, accounts, statements and notices, and to deal in an appropriate and reasonable manner with all communications in connection with the Company's or LuxCo's shareholders; (ii) provide to the Company or LuxCo all such information as they may require to satisfy their obligations under the AIFM Directive and in the proper exercise of their risk management and portfolio management functions; (iii) provide the Company with all such assistance as it might require in order to maintain its tax residence in Jersey; (iv) provide LuxCo with all such assistance as it might require in order to maintain its tax residence in Luxembourg; (v) provide suitable market commentary in respect of LuxCo's investment in the PPNs for: (a) inclusion in the unaudited half yearly accounts of the Company or LuxCo within 30 days of 30 June in each financial year; and (b) inclusion in the audited annual accounts of the Company or LuxCo within 60 days of 31 December in each financial year; (vi) provide information as requested by the Company or LuxCo for inclusion in any monthly factsheets to be distributed by the Company or LuxCo to their shareholders and, upon request to do so by the Company or LuxCo, shall make available appropriate persons for attendance at Board meetings of the Company or LuxCo, monthly or other periodic conference calls with the Company's or LuxCo's shareholders and potential investors; and (vii) provide the Company or LuxCo with all such information as requested to enable the Company or LuxCo (as applicable) to calculate its Net Asset Value.

5.1.9 The EU Profit Participating Notes shall have a term which matches the term of the EU NPA. The EU Profit Participating Notes provide for an event of default where BGCF makes a

material change to its investment policy which would require the Company to seek approval from its shareholders to make an equivalent change to the Company's investment policy and the shareholders of the Company do not approve such change. Upon the occurrence of the foregoing event of default (which has been subsisting for such period as it may take to convene a general meeting of the Company's shareholders), either the Company or LuxCo may elect for the EU Profit Participating Notes to become immediately due and repayable subject to the conditions listed in 5.1.13 below. Other events of default occur on default in the payment of any principal due in respect of the EU Profit Participating Notes, breach of agreement, insolvency or administration or significant court judgments and a material adverse change in the financial position, prospects or business conducted by the Service Support Provider. Upon the occurrence of such events of default (which has been subsisting for a period equal to or greater than 30 days), the holders of the EU Profit Participating Notes may elect for the EU Profit Participating Notes to become immediately due and repayable subject to the conditions listed in 5.1.13 below.

5.1.10 Interest is computed as being the difference between the accumulated net accounting profits of BGCF (as determined in accordance with IFRS), before the calculation of the interest arising under the EU Profit Participating Notes, having properly accrued for any Irish corporation tax expense of the company as computed under Irish tax principles applicable to BGCF in relation to the interest period in question, and €300 (i.e. €1,200 per annum will be retained by BGCF as annual profit).

5.1.11 Cash in respect of interest accrued or to be accrued on the EU Profit Participating Notes on a quarterly basis (subject to availability of funds) shall be in an amount to enable the Company to make payments due under the Company's dividend policy and to cover the Company and LuxCo's ongoing costs and expenses. Such accrued interest will be paid on the EU Profit Participating Notes and, to the extent that the holder of the EU Profit Participating Notes is LuxCo, LuxCo will utilise such proceeds to repurchase a portion of the CSWs (or other similar securities) the Company may hold in LuxCo from time to time. In circumstances where the holders of the EU Profit Participating Notes wish to receive an amount of cash in respect of such interest which is less than the amount of interest which has accrued for the account of such holders, the holders are entitled to notify BGCF of such lesser amount of cash in respect of interest which they wish to receive. The remainder of such accrued interest which is not paid to the holders of the EU Profit Participating Notes shall be reinvested at the discretion of BGCF.

5.1.12 BGCF shall, following consultation with the Service Support Provider, have the right to redeem the EU Profit Participating Notes in full or in part on any Payment Date with the consent of LuxCo, subject to the conditions listed in 5.1.13 below. LuxCo may also, following consultation with BGCF and subject to the conditions listed in 5.1.13 below, have the right to redeem in part some of its EU Profit Participating Notes on any payment date in order to fund any buybacks/redemptions of CSWs (or other similar securities) by LuxCo, cover LuxCo's ongoing costs and expenses or cover any hedging costs and on-going payments payable by LuxCo.

5.1.13 All payments in relation to the EU Profit Participating Notes, including payments following an event of default or partial redemption, are subject to legal, contractual and regulatory restrictions on BGCF, including: (i) a restriction on BGCF being able to dispose of CLO Retention Income Notes and CLO Retention Securities; and (ii) an obligation on BGCF to maintain a reserve of 10 per cent. of the net proceeds of the Profit Participating Notes so as to have sufficient funds to, during the relevant CLO's reinvestment period, originate and sell to each CLO over the required percentage of the CLO's total securitised exposures. Such reserve, along with any proceeds from the CLO Retention Income Notes and the CLO Retention Securities, will be distributable to the holders of the EU Profit Participating Notes when all CLOs in which BGCF is invested have matured or been redeemed.

5.1.14 Payment of interest and principal on the EU Profit Participating Notes will be made on a *pari passu* and *pro rata* basis with payments of interest and principal on the U.S. Profit Participating Notes.

5.1.15 All rights of the Company and LuxCo under the EU NPA will continue for as long as LuxCo holds any EU Profit Participating Notes.

5.1.16 The EU NPA and the EU Profit Participating Notes are governed by English law.

5.2 ***U.S. Note Purchase Agreement and the U.S. Profit Participating Notes***

5.2.1 The U.S. NPA (as may be amended, modified or supplemented from time to time) intended to be entered into by the Company, LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) and BGCF with an initial term of 5 years, which will (subject to a longstop redemption date of 1 June 2044) be extended for a further 5 year term every 2 years unless the holders of the U.S. Profit Participating Notes give notice to BGCF at least 12 months prior to such renewal date that they do not wish to extend the term. The U.S. NPA will provide that U.S. Profit Participating Notes may be issued by BGCF at a future date. Any U.S. Profit Participating Notes issued pursuant to the U.S. NPA shall be admitted to the official list and trading on GEM or, with the agreement of LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) and BGCF, on another Appropriate Exchange, and such U.S. Profit Participating Notes shall remain listed on either the GEM or an Appropriate Exchange (as applicable). The U.S. NPA will further require that BGCF and the U.S. Profit Participating Notes comply with applicable law (including applicable U.S. securities provisions). The U.S. Profit Participating Notes will be unsecured obligations of BGCF. Following the initial issuance of U.S. Profit Participating Notes, BGCF may issue additional U.S. Profit Participating Notes, subject to the first refusal of existing holders.

5.2.2 The U.S. NPA may contain covenants customarily included in loan note terms and conditions (e.g., maintenance of corporate status/payment of debts as they fall due/keeping proper books/not creating any security over its assets (except for security in favour of any Revolving Credit Facility provider/maintenance of its tax residency in Ireland, security in favour of a CLO issuer to which BGCF has sold assets and security in favour of any hedging liabilities of BGCF subject, in some cases, to applicable consent requirements)).

5.2.3 The U.S. NPA will also require BGCF to manage its portfolio in accordance with BGCF's investment policy which may not be amended without consultation with the Service Support Provider and 60 days' notice of such changes to LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) and the Company (or such other notice period as may be agreed between BGCF, LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) and the Company). BGCF is required to comply with the terms of its Portfolio Service Support Agreement with the Service Support Provider.

5.2.4 Under the U.S. NPA, the holders of the U.S. Profit Participating Notes and the Company will have the right to review and ask questions of BGCF and the Service Support Provider (but, for the avoidance of doubt, not the right to veto) in respect of: (i) all U.S. CLO engagement letters prior to signing by BGCF; (ii) U.S. CLO term sheets including GSO fees, target returns, etc. prior to broad CLO marketing for all new U.S. CLOs; and (iii) U.S. CLO call rights.

5.2.5 In addition, BGCF will, if required: (i) provide the Company or LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) with all such assistance (including the provision of information) as it might require and within such timelines as is required (if applicable) in order to comply with applicable legal requirements, including, in particular, information required by the Company or LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) to comply with its legal and regulatory obligations (in particular, such obligations of the Company under the Financial Conduct Authority's Listing Rules, the Disclosure and Transparency Rules, and the Prospectus Rules or the listing rules of the Channel Islands Securities Exchange Authority Limited), to comply with all requests for information from governmental and regulatory authorities, to apply for consents and registrations as may be required, to prepare and issue statutory returns, accounts, statements and notices, and to deal in an appropriate and reasonable manner with all communications in connection with the Company's or LuxCo's shareholders (subject to LuxCo's investment in the U.S. Profit Participating Notes); (ii) provide to the Company or

LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) all such information as they may require to satisfy their obligations under the AIFM Directive and in the proper exercise of their risk management and portfolio management functions; (iii) provide the Company with all such assistance as it might require in order to maintain its tax residence in Jersey; (iv) provide LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) with all such assistance as it might require in order to maintain its tax residence in Luxembourg; (v) provide suitable market commentary in respect of LuxCo's investment in the PPNs (subject to LuxCo's investment in the U.S. Profit Participating Notes) for: (a) inclusion in the unaudited half yearly accounts of the Company or LuxCo within 30 days of 30 June in each financial year; and (b) inclusion in the audited annual accounts of the Company or LuxCo within 60 days of 31 December in each financial year; (vi) provide information as requested by the Company or LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) for inclusion in any monthly factsheets to be distributed by the Company or LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) to their shareholders and, upon request to do so by the Company or LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes), shall make available appropriate persons for attendance at Board meetings of the Company or LuxCo, monthly or other periodic conference calls with the Company's or LuxCo's shareholders and potential investors; and (vii) provide the Company or LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) with all such information as requested to enable the Company or LuxCo to calculate its Net Asset Value.

5.2.6 The U.S. Profit Participating Notes shall have a term which matches the term of the U.S. NPA. The U.S. Profit Participating Notes provide for an event of default where BGCF makes a material change to its investment policy which would require the Company to seek approval from its shareholders to make an equivalent change to the Company's investment policy and the shareholders of the Company do not approve such change. Upon the occurrence of the foregoing event of default (which has been subsisting for such period as it may take to convene a general meeting of the Company's shareholders), either the Company or LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) may elect for the U.S. Profit Participating Notes to become immediately due and repayable subject to the conditions listed in 5.2.11 below. Other Events of Default occur on default in the payment of any principal due in respect of the U.S. Profit Participating Notes, breach of agreement, insolvency or administration or significant court judgments and a material adverse change in the financial position, prospects or business conducted by the Service Support Provider. Upon the occurrence of such Events of Default (which has been subsisting for a period equal to or greater than 30 days), the holders of the U.S. Profit Participating Notes may elect for the U.S. Profit Participating Notes to become immediately due and repayable subject to the conditions listed in 5.2.11 below.

5.2.7 Interest will be computed as being the difference between the accumulated net accounting profits of BGCF (as determined in accordance with IFRS), before the calculation of the interest arising under the U.S. Profit Participating Notes, having properly accrued for any Irish corporation tax expense of the company as computed under Irish tax principles applicable to BGCF in relation to the interest period in question, and U.S.$300 (i.e. U.S.$1,200 per annum will be retained by BGCF as annual profit, unless such amount has been retained by BGCF pursuant to the EU NPA).

5.2.8 Cash in respect of interest accrued or to be accrued on the U.S. Profit Participating Notes on a quarterly basis (subject to availability of funds) shall be in an amount to enable the Company to make payments due under the Company's dividend policy and to cover the Company and LuxCo's ongoing costs and expenses (subject to LuxCo's investment in the U.S. Profit Participating Notes). Such accrued interest will be paid on the U.S. Profit Participating Notes and, to the extent that the holder of the U.S. Profit Participating Notes is LuxCo, LuxCo will utilise such proceeds to repurchase a portion of the CSWs (or other similar securities) the Company may hold in LuxCo from time to time. In circumstances where the holders of the U.S. Profit Participating Notes wish to receive an amount of cash in respect of such interest which is less than the amount of interest which has accrued for the account of such holders, the holders are entitled to notify BGCF of such lesser amount of cash in respect of interest which they wish to receive. The remainder of such accrued

interest which is not paid to the holders of the U.S. Profit Participating Notes shall be reinvested at the discretion of BGCF.

5.2.9 BGCF shall, following consultation with the Service Support Provider, have the right to redeem the U.S. Profit Participating Notes in full or in part on any payment date with the consent of LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes), subject to the conditions listed in 5.2.11 below. LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) shall also, following consultation with BGCF and subject to the conditions listed in 5.2.11 below, have the right to redeem in part some of its U.S. Profit Participating Notes on any payment date in order to fund any buybacks/redemptions of cash settlement warrants (or other similar securities) by LuxCo, cover LuxCo's ongoing costs and expenses or cover any hedging costs and on-going payments payable by LuxCo.

5.2.10 Where it is decided that the Company should invest directly into a new Risk Retention Company that will invest in CLO Securities complying with the U.S. Retention Regulations (as opposed to through BGCF), the U.S. Profit Participating Notes shall provide for the ability of LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes), following consultation with BGCF and subject to the conditions listed in 5.2.11 below, to redeem the U.S. Profit Participating Notes) in part or in full on any business day, to allow the Company to re-invest such amounts in the new Risk Retention Company.

5.2.11 All payments in relation to the U.S. Profit Participating Notes, including payments following an event of default or partial redemption, will be subject to legal, contractual and regulatory restrictions on BGCF, including: (i) a restriction on BGCF being able to dispose of CLO Retention Income Notes and CLO Retention Securities; and (ii) an obligation on BGCF to maintain a reserve of 10 per cent. of the net proceeds of the U.S. Profit Participating Notes so as to have sufficient funds to, during the relevant CLO's reinvestment period, originate and sell to each CLO over the required percentage of the CLO's total securitised exposures. Such reserve, along with any proceeds from the CLO Retention Income Notes and the CLO Retention Securities, will be distributable to the holders of the U.S. Profit Participating Notes when all CLOs in which BGCF is invested have matured or been redeemed.

5.2.12 Payment of interest and principal on the U.S. Profit Participating Notes will be made on a *pari passu* and *pro rata* basis with payments of interest and principal on the EU Profit Participating Notes.

5.2.13 All rights of the Company and LuxCo (subject to LuxCo's investment in the U.S. Profit Participating Notes) under the U.S. NPA will continue for as long as LuxCo holds any U.S. Profit Participating Notes.

5.2.14 The U.S. NPA and the U.S. Profit Participating Notes will be governed by English law.

5.3 ***Advisory Agreement***

5.3.1 An advisory agreement dated 1 July 2014 (as amended on 21 March 2016 and as may be further amended, supplemented or modified from time to time) entered into between: (i) the Company and; (ii) DFME in its capacity as advisor to the Company (the "**Adviser**" and the "**Advisory Agreement**"), pursuant to which the Company has appointed the Adviser to, *inter alia*, to provide advice and assistance in connection with the Company's subscription (through its wholly owned subsidiary) to the Profit Participating Notes and CSWs, evaluation of CLOs to which BGCF intends to transfer its assets from time to time and to monitor the performance of Risk Retention Company CLOs and compliance by the Company, BGCF and other Substantial Risk Retention Companies with their respective investment policies.

5.3.2 The Advisory Agreement may be automatically terminated in the event of: (i) the Company determining in good faith that it has become required to register as an investment company under the provisions of the U.S. Investment Company Act (where there is no available exemption), and the Company has given prior notice to the Adviser of such requirement; (ii) the termination of the Portfolio Service Support Agreement; and (iii) such other date as agreed between the Company and the Adviser. In addition, the Advisory Agreement may also be terminated, and the Adviser may be removed for Cause (as defined in the Advisory

Agreement) by the Company upon 10 business days' prior written notice to the Adviser. Any resignation or removal of the Adviser will only be effective on the satisfaction of certain specified conditions in the Advisory Agreement.

5.3.3 The Company has given certain market standard indemnities in favour of the Adviser in respect of the Adviser's potential liabilities it may occur in carrying on its responsibilities under the Advisory Agreement.

5.3.4 Under the Advisory Agreement, the Adviser agrees to perform its obligations thereunder, with reasonable care: (i) using a degree of skill and attention no less than that which the Adviser exercises with respect to comparable assets that it manages for itself and others having similar investment objectives and restrictions; and (ii) to the extent not inconsistent with the foregoing, in a manner consistent with the Adviser's customary standards, policies and procedures in performing its duties under the Advisory Agreement (the "Standard of Care"), provided that the Adviser will not be liable for any loss or damages resulting from any failure to satisfy the Standard of Care except to the extent any act or omission of the Adviser constitutes an Adviser Breach (as defined below). The Standard of Care may change from time to time to reflect changes by the Adviser to its customary standards, policies and procedures provided that such customary standards, policies and procedures are at least as rigorous as the foregoing.

5.3.5 The Adviser will not be liable (whether directly or indirectly, in contract or in tort or otherwise) to the Company under the Advisory Agreement for liabilities incurred by the Company as a result of or arising out of or in connection with the performance by the Adviser under the Advisory Agreement, or for any losses or damages resulting from any failure to satisfy the Standard of Care except to the extent such liabilities were incurred by reason of acts or omissions constituting bad faith, fraud, wilful misconduct or due to the gross negligence (with such term given its meaning under New York law) or reckless disregard of the duties and obligations of the Adviser (an "**Adviser Breach**").

5.3.6 Under the Advisory Agreement, the Company is required to indemnify the Adviser and its affiliates, managers, directors, officers, partners, agents and employees, from and against all liabilities incurred in connection with the Advisory Agreement (except to the extent such liabilities are incurred as a result of any acts or omissions of the Adviser which constitute an Adviser Breach).

5.3.7 The Adviser is able to resign its role under the Advisory Agreement upon 30 days' (or such shorter notice as is acceptable to the Company) written notice to the Company. Whilst the resignation will not be effective until the date as of which a successor advisor has been appointed, it may be difficult to locate an alternative advisor as a successor. In addition, the Adviser may immediately resign by providing written notice to the Company upon the occurrence of certain events relating to the Company such as, amongst others, the failure of the Company to comply in any material respect with any investment policy or investment objective to which it is bound to comply, a wilful breach or knowing violation by the Company of a material provision of the Advisory Agreement or the occurrence of insolvency proceedings in respect of the Company.

5.3.8 Under the Advisory Agreement, the Company shall pay to the Adviser as full compensation for the services performed thereunder, the totality of amounts comprising:

(a) all reasonable out of pocket expenses incurred by the Adviser in performing its obligations under the Advisory Agreement; and

(b) an amount equivalent to all reasonable third party costs and expenses incurred by the Adviser in the performance of its obligations thereunder, together with any irrecoverable VAT arising on such costs and expenses.

5.3.9 The Advisory Agreement contains standard limited recourse and non-petition provisions with respect to the Company.

5.3.10 The Advisory Agreement is governed by English law.

5.4 ***Share Issuance Agreement***

5.4.1 The Share Issuance Agreement dated 31 March 2016, pursuant to which Fidante and N+1 Singer have agreed to use their respective reasonable endeavours, as agents for the Company, to enter into placing commitments with subscribers pursuant to the Placing Programme.

5.4.2 Fidante and N+1 Singer will be entitled to a commission for their services in connection with each Placing, payable following Admission.

5.4.3 The Company will bear all reasonable expenses of or incidental to the Placing Programme and Admission including, without limitation, the fees of its accountancy, legal and other professional advisers, the cost of printing and distribution of all the Placing documents, the Registrar's fees, UKLA and/or London Stock Exchange fees, CISE fees, the fees of the legal and other professional advisers of Fidante and N+1 Singer and the amount of any expenses which Fidante and/or N+1 Singer may have paid on behalf of the Company.

5.4.4 Fidante and N+1 Singer are entitled to pay part of the commissions received by them to investors in their absolute discretion (and whether by reference to the number of Placing Shares subscribed by investors or otherwise).

5.4.5 Under the Share Issuance Agreement, which may be terminated by Fidante and/or N+1 Singer in certain limited circumstances prior to Admission, each of the Company, DFME, BGCF and U.S. MOA has given certain market standard warranties to each of Fidante and N+1 Singer which are customary for an agreement of this nature concerning, *inter alia*, the accuracy of the information contained in this document. However, such indemnities do not apply in circumstances where the liability arises from: (i) the bad faith, negligence, fraud or wilful default of Fidante and N+1 Singer; or (ii) a material breach of the terms of the Share Issuance Agreement by Fidante and/or N+1 Singer; or (iii) a contravention by Fidante and/or N+1 Singer of the regulatory system (as defined in the handbook and rules of the FCA) of the provisions of the Financial Services and Markets Act 2000, as amended.

5.4.6 The Placing Programme is governed by English law.

5.5 ***Administration Agreement***

5.5.1 An administration agreement dated 2 December 2015 entered into between: (i) the Company; and (ii) the Administrator, pursuant to which the Administrator was appointed to act as administrator and secretary of the Company and provide related services (the "**Administration Agreement**").

5.5.2 Under the terms of the Administration Agreement, the Administrator is entitled to: (i) an annual tiered ad valorem fund accounting fee based on the Company's NAV, subject to a minimum annual fee of €110,000 and a maximum fee of €500,000 (based on the Company's NAV as at the date of this Prospectus, the fund accounting fee is calculated as 6.5 bps); and (ii) an annual company secretarial fee of €50,000; in addition to certain other fees for ad hoc services rendered from time to time. All fees due under the Administration Agreement are payable monthly in arrear, within fourteen business days of the Company receiving an invoice in respect of each month. The Administrator is also entitled to be reimbursed in respect of all reasonable out-of-pocket expenses incurred by it.

5.5.3 The Administration Agreement may be terminated by either party on not less than 90 days' written notice. The Administration Agreement may be terminated immediately by either party: (i) in the event of the appointment of an administrator, liquidator, examiner or receiver to the other party; (ii) if the other party commits any material breach or is in persistent breach of the provisions of the Administration Agreement and, if such breach is capable of remedy, it shall not have remedied that within 30 days after the service of notice requiring it to be remedied; (iii) if the other party breaches the representations and warranties set out in the Administration Agreement; (iv) if the continued performance of the Administration Agreement for any reason ceases to be lawful; (v) the other party commits an act of fraud, wilful default or negligence; or (vi) the other party ceases to hold the necessary licenses, approval,

permits, consents or authorisations required to enable it to perform its duties under the Administration Agreement.

5.5.4 The Company has given certain market standard indemnities in favour of the Administrator in respect of the Administrator's potential losses in carrying out its responsibilities under the Administration Agreement.

5.5.5 The Administration Agreement is governed by the laws of Jersey.

5.6 ***Registrar Agreement***

5.6.1 A registrar agreement dated 4 July 2014 entered into between: (i) the Company; and (ii) the Registrar (the "**Registrar Agreement**"), pursuant to which the Company appointed the Registrar to act as registrar of the Company for a minimum annual fee of £5,500 payable by the Company.

5.6.2 The Registrar Agreement shall continue for a period of 3 years from its effective date (the "**Initial Period**"). At the expiry of the Initial Period, the Registrar Agreement shall automatically renew for successive periods of 12 months, unless or until terminated by either party, either in accordance with its terms, or: (i) at the end of the Initial Period, provided written notice is given to the other party at least 6 months prior to the end of the Initial Period; or (ii) at the end of any successive 12 month period, provided written notice is given to the other party at least 6 months prior to the end of such successive 12 month period.

5.6.3 The Registrar Agreement may also be terminated by either the Company or the Registrar: (i) by giving to the other not less than three months' written notice, should the parties not reach an agreement regarding any increase of the fees; (ii) upon service of written notice if the other party commits a material breach of its obligations under the Registrar Agreement (including any payment default) which that party has failed to remedy within 45 days of receipt of a written notice to do so from the first party; (iii) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

5.6.4 The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement.

5.6.5 The Registrar Agreement is governed by the laws of Jersey.

5.7 ***Global Custody Agreement***

5.7.1 A global custody agreement dated 2 December 2015 entered into between: (i) the Company; and (ii) the Custodian (the "**Global Custody Agreement**"), pursuant to which the Custodian was appointed to act as custodian of the Company's cash and securities.

5.7.2 Under the terms of the Global Custody Agreement, the Custodian is entitled to receive: (i) global custodian fees equal to €1,000 per annum per PPN held physically by the Custodian and an ad valorem fee of 1 bp on the value of the listed PPNs; and (ii) banking fees on outward payments at a pre-agreed rate, ranging between £15-30 per transaction. The Custodian is also entitled to be reimbursed for all costs, charges and other expenses properly incurred by the Custodian, any sub-custodians or agents under the Global Custody Agreement.

5.7.3 The Global Custody Agreement may be terminated by either of the parties hereto on giving ninety days' prior written notice to the other party hereto. It may be terminated by either party without notice in certain specified circumstances, including the insolvency of the other party or if the other party commits a material breach of the Global Custody Agreement and,

if capable of remedy, does not remedy the breach within 30 days after service of written notice requiring the breach to be remedied.

5.7.4 The Custodian has a market standard indemnity from the Company in relation to liabilities incurred other than as a result of its negligence, fraud, wilful default or material breach in carrying out its responsibilities under the Global Custody Agreement.

5.7.5 The Global Custody Agreement is governed by the laws of Jersey.

5.8 ***Template Distribution Agreements***

5.8.1 The template Distribution Agreement to be entered into between the Company and any Distributor to be appointed by the Company in connection with the Placing Programme.

5.8.2 Under the terms of the Distribution Agreement, the Distributor will be entitled to a commission to be agreed between the Company and the Distributor, equal to a percentage on the gross proceeds received by the Company from investors procured by such Distributor.

5.8.3 Either party may terminate the Distribution Agreement on 30 days' prior notice (or such other notice as may be agreed), and both parties have given certain market standard indemnities under the terms of the Distribution Agreement.

5.8.4 The Distribution Agreement will be governed by the laws of England and Wales.

6. LITIGATION

There are no, and have not been in the last 12 months, any governmental, legal or arbitration proceedings, nor, so far as the Company is aware, are any such proceedings pending or threatened, which may have, or have in the recent past had, a significant effect on the Group's financial position or profitability.

7. RELATED PARTY TRANSACTIONS

Other than as set out in paragraph 5 of this Part VII of this Prospectus, the Company has not entered into any related party transactions.

8. GENERAL

8.1 The Placing Programme is being carried out either by the Company itself, or on its behalf by Fidante and N+1 Singer, both of which are authorised and regulated in the UK by the Financial Conduct Authority.

8.2 The Company is the holder of a certificate as a "Company Issuing Units" issued by the JFSC under the Collective Investment Funds (Jersey) Law 1988 (the "**CIF Law**"). The Commission is protected by the CIF Law against liability arising from the discharge of its functions under the CIF Law. The Company is subject to the Jersey Listed Fund Guide issued by the JFSC. The Company is not regulated by the Financial Conduct Authority or any other non-Jersey regulator.

8.3 GSO may be regarded as the promoter of the Company. Save as disclosed in this Prospectus, no amount or benefit has been paid, or given, to the promoter or any of their subsidiaries since the incorporation of the Company and none is intended to be paid, or given. GSO is a limited partnership, established under the laws of Delaware in 2005 with its registered office at 345 Park Avenue, New York, New York 10154.

8.4 None of the Shares available under the Placing Programme are being underwritten.

8.5 Applications will be made: (i) to the London Stock Exchange for the Placing Shares to be admitted to trading on the Specialist Fund Market; and (ii) to the Exchange for the Placing Shares to be listed on the CISE Official List. No application is being made for the Placing Shares to be dealt with in or

on any stock exchanges or investment exchanges other than the London Stock Exchange and the Exchange.

8.6 The Company does not own any premises and does not lease any premises.

9. THIRD PARTY SOURCES

9.1 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

9.2 GSO has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. GSO accepts responsibility for information attributed to it in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

9.3 DFME has given and, as at the date of this Prospectus, has not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. DFME accepts responsibility for information attributed to it in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

9.4 DFM has given and, as at the date of this Prospectus, has not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. DFM accepts responsibility for information attributed to it in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

9.5 Deloitte LLP has given and, as at the date of this Prospectus, not withdrawn its written consent to the inclusion in this Prospectus of its accountant's report in Part X in the form and context in which it is included.

10. WORKING CAPITAL

The Company is of the opinion that the working capital available to the Group is sufficient for the present requirements of the Group, that is, for at least the next 12 months from the date of this Prospectus.

11. SIGNIFICANT CHANGE

There has been no material adverse change in the prospects of the Company nor any significant change in the trading, financial position or general affairs of the Company since 30 June 2015, the end of the latest period in respect of which interim financial information has been published (in Part X of this Prospectus).

12. CAPITALISATION AND INDEBTEDNESS

12.1 As at the Latest Practicable Date, the Company:

(a) does not have any secured, unsecured or unguaranteed indebtedness, including indirect and contingent;

(b) has not granted any mortgage or charge over any of its assets; and

(c) does not have any contingent liabilities or guarantees.

12.2 As at the Latest Practicable Date, the issued share capital of the Company (which is fully paid) is 331,319,700 ordinary shares of no par value.

13. INVESTMENT RESTRICTIONS

13.1 The Company will, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the investment policy set out in the section entitled "Investment Objective and Policy" in Part I of this Prospectus. For so long as they remain requirements of the UK Listing Authority, the Company will not:

(a) conduct a trading activity which is significant in the context of its group as a whole. This does not prevent the businesses forming part of the portfolio from conducting trading activities themselves; and

(b) invest more than 10 per cent., in aggregate, of the value of its total assets, at the time of investment, in other listed closed-ended investment funds (except to the extent that those investment funds have published investment policies to invest no more than 15 per cent. of their total assets in the other listed closed-ended investment funds).

13.2 In the event of any breach of the Investment Objective and Policy or of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company and/or any Risk Retention Company (at the time of such a breach) by an announcement issued through a RIS.

14. CITY CODE

14.1 The City Code on Takeovers and Mergers (the "**City Code**") applies to the Company. There are certain considerations that Shareholders should be aware of with regard to the City Code.

14.2 Under Rule 9 of the City Code ("**Rule 9**"), if any person acquires an interest in shares which, when taken together with shares in which he and persons acting in concert with him are already interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required to make a general offer in cash to all shareholders in the company at the highest price paid by him or any person acting in concert with him for an interest in such shares within the preceding 12 months. Rule 9 also provides that if any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company which is subject to the City Code but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in such company in which he is interested, that person is normally required to make a general offer in cash to all shareholders in the company at the highest price paid by him or any person acting in concert with him for an interest in such shares within the preceding 12 months.

14.3 Under Note 1 on the Notes on the Dispensations from Rule 9, the Takeover Panel (the "**Panel**") will normally waive the requirement for a general offer to be made in accordance with Rule 9 if, *inter alia*, those shareholders of the Company who are independent of the person who would otherwise be required to make an offer and any person acting in concert with it and do not have any interest in the proposed transaction which may compromise their independence (the "**Independent Shareholders**") pass an ordinary resolution on a poll at a general meeting (a "**Whitewash Resolution**") approving such a waiver. The Panel may waive the requirement for a Whitewash Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the City Code) if Independent Shareholders holding more than 50 per cent. of the Company's shares capable of being voted on such a resolution (i.e., more than 50 per cent. of the shares held by Independent Shareholders) confirm in writing that they would vote in favour of the Whitewash Resolution were one to be put to the shareholders of the Company at a general meeting.

14.4 Under Rule 37 of the City Code ("**Rule 37**"), when a company purchases its own voting shares a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a Director nor acting in concert with a Director will not normally incur an obligation to make an offer under Rule 9 in these circumstances.

14.5 However, under Note 2 to Rule 37, where a shareholder has acquired shares at a time when he had reason to believe that a purchase by the company of its own voting shares would take place, then an obligation to make a mandatory bid under Rule 9 may arise. Market purchases of Shares by the Company, if any, could have implications under Rule 9 for shareholders with significant shareholdings. The market purchases of Shares by the Company, if any, and RIS announcements made by the Company should enable Shareholders and the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any market purchase of Shares, the Board will endeavour to identify any Shareholders who they are aware may be deemed to be acting in concert under Note 1 of Rule 37 and will seek an appropriate waiver in accordance with Note 2 of Rule 37. However, neither the Company, nor any of the Directors will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fails to take appropriate action.

15. DISCLOSURE REQUIREMENTS AND NOTIFICATION OF INTEREST IN SHARES

15.1 Under DTR5, subject to certain limited exceptions, a person must notify the Company (and, at the same time, the FCA) of the percentage of voting rights he holds (within four trading days) if he acquires or disposes of shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he holds as a shareholder (or, in certain cases, which he holds indirectly) or through his direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

(a) reaches, exceeds or falls below five per cent. and each five per cent. threshold thereafter up to 30 per cent., 50 per cent. and 75 per cent.; or

(b) reaches, exceeds or falls below an applicable threshold in this paragraph 15 of this Part VII above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

15.2 Such notification must be made using the prescribed form TR1 available from the FCA's website at http://www.fca.gov.uk. Under the Disclosure and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights.

15.3 The FCA may take enforcement action against a person holding voting rights who has not complied with DTR5.

16. ADDITIONAL AIFM DIRECTIVE DISCLOSURES

AIFM Directive leverage limits

For the purposes of the AIFM Directive, leverage is required to be calculated using two prescribed methods: (i) the gross method; and (ii) the commitment method; and expressed as the ratio between a fund's total exposure and its Net Asset Value.

As measured using the gross method, the level of leverage to be incurred by the Company is not to exceed a ratio of 1:10.

As measured using the commitment method, the level of leverage to be incurred by the Company is not to exceed a ratio of 1:10.

Liquidity risk management

There is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations of the Company as they fall due.

In managing the Company's assets, therefore, the Board will seek to ensure that the Company has access to sufficient resources to enable the Company to discharge its payment obligations.

Fair treatment of Shareholders

The Company has decided to voluntarily comply with the certain Listing Rules and Principles that are applicable to closed-ended investment companies with a premium listing on the Official List of the UKLA. In particular, Premium Listing Principles 3 and 5, with which the Company has decided to comply, provide for fair treatment of Shareholders. The CISE Listing Rules also require fair treatment of Shareholders.

Depositary

For the purposes of marketing the Placing Shares into certain European jurisdictions, the Company intends to enter into a depositary agreement pursuant to which BNP Paribas Securities Services S.C.A., Jersey Branch will be appointed by the Company to provide certain depositary services set out in the AIFM Directive.

Under the terms of the depositary agreement, it is expected that the depositary will be entitled to: an annual depositary fee based on the Company's NAV, subject to a minimum annual fee of €40,000 and a maximum fee of €100,000 in addition to certain other fees for reporting requirements from time to time. All fees due under the depositary agreement will be payable monthly in arrears, within thirty days of the Company receiving an invoice in respect of each month. The depositary will also be entitled to be reimbursed in respect of all reasonable out-of-pocket expenses incurred by it.

The depositary agreement will provide that either party may terminate the agreement on ninety days' prior written notice, or upon the occurrence of certain specified events, including any material breach by the other party of its obligations under the depositary agreement which is not remedied within 30 days after the service of written notice requiring it to be remedied.

The depositary agreement will be governed by Jersey law.

Rights against third party service providers

The Company is reliant on the performance of third party service providers, including the Administrator, the Registrar, and the Custodian.

Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only.

Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Articles, the constitutional documents of BGCF, the material contracts referred to in paragraphs 5.1 to 5.8 above and this Prospectus will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including the date of Admission.

A copy of this Prospectus has been submitted to the National Storage Mechanism and is available for inspection at http://www.morningstar.co.uk/uk/NSM. Copies of this Prospectus may be obtained, free of charge during normal business hours on any weekday (bank and public holidays excepted) at the Company's registered office up to and including the final Admission Date.

PART VIII

ADDITIONAL INFORMATION ON BGCF

1. INCORPORATION AND ADMINISTRATION

1.1 BGCF, Blackstone / GSO Corporate Funding Designated Activity Company, was incorporated under the laws of Ireland on 16 April 2014 (registration number 542626). The registered office and principal place of business of BGCF is 3rd Floor, Europa House, The Harcourt Centre, Harcourt Street, Dublin 2, Ireland (telephone number: +35314161290). The statutory records of BGCF are kept at this address. BGCF operates and issues shares in accordance with the Companies Act 2014 (as amended) of Ireland and ordinances and regulations made thereunder and has no subsidiaries or employees. BGCF shall have an unlimited life.

1.2 BGCF has commenced operations and the accounts of BGCF are set out in Part XI of this Prospectus. BGCF's accounting period ends on 31 December of each year.

1.3 The auditors of BGCF are Deloitte of Earlsfort Terrace, Dublin 2, Ireland, who are chartered accountants and are members of the Institute of Chartered Accountants of Ireland and registered auditors qualified in practice in Ireland.

1.4 The annual report and accounts are prepared according to IFRS.

1.5 Save to the extent disclosed in this Prospectus, there have been no changes to the authorised share capital of BGCF since incorporation.

2. SHARE CAPITAL

2.1 The shares in BGCF are divided into two classes – ordinary shares in the share capital of BGCF and Class B2 Shares. The rights attaching to the shares are set out in BGCF's constitution. The rights attaching to a class of shares may be varied either with the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. As at the date of this Prospectus, the issued and fully paid up share capital of BGCF consists of 200 BGCF Shares of €1 each and 15 Class B2 shares of €1 each (and share premium €14,999,985).

2.2 The issued share capital of BGCF is held as follows:

Intertrust Nominees (Ireland) Limited	200 BGCF Shares
Company	15 Class B2 Shares

2.3 The holders of BGCF Shares are entitled to attend and vote at general meetings of BGCF. Any dividends payable by BGCF will be distributed to the holders of the BGCF Shares, and on the winding-up of BGCF, BGCF's surplus assets will be distributed among the holders of the BGCF Shares (after any share capital and share premium payable).

2.4 The BGCF Shares are held by Intertrust Nominees (Ireland) Limited (the "**Share Trustee**") on a charitable trust pursuant to a share trust deed dated 3 June 2014 (the "**Share Trust Deed**"). Under the Share Trust Deed, the Share Trustee holds the BGCF Shares as nominee for and on behalf of the beneficial owner, and waives all rights to any past or future dividends in favour of the beneficial owner. The Share Trustee has covenanted that it will not:

(a) interfere in the management, administration or conduct of business of BGCF;

(b) take any steps or actions whatsoever for the purposes, or in support of, winding-up BGCF;

(c) appoint or remove any director of BGCF;

(d) make any assignment or conveyance for the benefit of BGCF's creditors generally; or

(e) sell, transfer, mortgage, assign or otherwise dispose of, secure or deal with all or any of its BGCF Shares.

2.5 The Share Trustee is entitled to be indemnified out of the trust fund from and against all liabilities, losses, damages, costs, expenses, actions, proceedings, claims and demands incurred or made against them in the execution (or purported execution) of the Share Trust Deed, or of their powers or in respect of anything done or omitted in any way relating to the Share Trust Deed.

2.6 Holders of the Class B2 Shares are not entitled to attend meetings or vote on any resolutions of BGCF, nor do they have any right to participate in BGCF's profits or assets or to receive a dividend.

2.7 The Class B2 Shares are redeemable at the option of BGCF acting by resolution of directors.

2.8 The Class B2 Shares are not redeemable by the holders thereof until the earlier of 1 June 2044 (by service of notice on BGCF) or if BGCF serves notice on the holders of its intention to amend its investment policy, for a period of 30 days from the delivery of that notice to the holders (provided that an equivalent amendment to the Company's investment policy is not approved by the Company's Shareholders).

2.9 No share or loan capital of BGCF is under option or has been agreed, conditionally or unconditionally, to be put under option.

3. DIRECTORS' AND OTHER INTERESTS

3.1 As at the date of this Prospectus, none of the directors of BGCF or any person connected with any of the directors of BGCF has a shareholding or any other interest in the share capital of BGCF.

3.2 Except as disclosed in paragraph 2.2 of this Part VIII of this Prospectus, the Company's directors are not aware of any person or persons who, following the Placing, will or could, directly or indirectly, jointly or severally, exercise control over BGCF.

3.3 There are no outstanding loans from BGCF to any of its directors or any outstanding guarantees provided by BGCF in respect of any obligation of any of the directors.

3.4 The remuneration of BGCF's directors is included in the fees payable to the Corporate Services Provider in respect of Anne Flood and Imelda Shine and in an engagement letter with Aogán Foley dated 24 June 2015, and in an engagement letter with Fergal O'Leary dated 24 June 2015. No additional remuneration or benefits in kind are payable to any director of BGCF. No amount has been set aside or accrued by BGCF to provide pension, retirement or other similar benefits.

3.5 No director of BGCF has a service contract with BGCF, nor are any such contracts proposed.

3.6 None of the directors of BGCF has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of BGCF and which has been effected by BGCF since its incorporation.

3.7 In addition to their directorships of BGCF, the directors of BGCF hold or have held the directorships and are or were members of the partnerships, as listed in the table below, over or within the past five years:

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
Imelda Shine	ABN AMRO Property Holdings (Ireland) Limited ABN AMRO Retained Custodial Services (Ireland) Limited AECOM Global Ireland Services Limited Aircraft MSN 41520 Limited Ancestry Information Operations Company Ancestry International DNA Company Antracite Investment Limited Anvilire Anvilire One Anvilire Two AV Edge Limited BP Pharmaceuticals Laboratories Company CBT (Technology) Limited (in liquidation) Debt Fund Irishco Limited Debt Fund Irishco No. 2 Limited Development Securities Avid Limited Development Securities Management Ireland Limited Development Securities Properties (Dublin) Limited Development Securities Properties Donnybrook Limited Draco CAD Funding Limited Draco Dollar Funding Limited Draco Euro Funding Limited Draco GBP Funding Limited DS Charlemont Limited DS Robswall Ireland (Land) Limited DS Robswall Ireland (Residential) Limited Fastnet Aviation 1 Limited Feltscope Limited Fidalco Limited (in liquidation) GSO ADGM Umbrella Fund (Ireland) PLC HLI Credit Investor Irishco Limited Holland Park CLO Limited HRB GTC Ireland I-Cap Exploitation Ireland Limited Intertrust Alternative Investment Fund Management (Ireland) Limited Intertrust Corporate Services (Dublin) Limited Intertrust Management Ireland Limited Intertrust Nominees (Ireland) Limited Kastra Investments Limited Klox Technologies Limited Littelfuse Holding Limited Macan Aviation 1 Limited	ABN AMRO Administration Services (Ireland) Limited ABN AMRO Support Services (Ireland) Limited Alexion Pharma International Trading Alternative Petroleum Technologies (Europe) Ltd Archway Aviation Holding (Ireland) 2 Limited Ardmore Aviation Limited ARK DIY Products ARM Asset Backed Securities PLC (dissolved) Assured Risk Mitigation PLC Blackhunt Management Services Limited Cameron Subsea IP Limited (Alternate) Caspia Management Limited Danika Investments Limited Daypower Licensing Limited Elgan Management Limited Fordland Limited Forever 21 Fashion Ireland Limited I-Cap Licence Exploitation Ireland Limited Intertrust Capital Markets (Ireland) Limited Inv Jet Leasing Limited ITCP TA Management II Limited ITCP TA Management Limited Justitia Ireland Investment Limited Kastra Europe Limited Kastra Holdings Limited Kastra U.S. Limited Kastra UK Limited Lakes Japan Investments Limited McGraw Hill Financial Ireland Mota-Engil Brands Development Limited Notonia Limited OtterBox Ireland Limited QC VII Ireland Finance Limited Rhexia Limited Shap Technology Corporation Limited Skybox Imaging Ireland Limited SSI Investments IV Limited Synchronoss Technologies Ireland Limited Thomson Research Associates International Limited Vestilon Limited Vipaero Ireland Limited WCCM IRL Aviation Holdings I Limited

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
Imelda Shine (continued)	Macsen Holdings Limited Mindleaders Ireland Learning Limited Netsuite Ireland Limited Osteologix Holdings PLC Osteologix Limited Panamera Aviation Leasing IV Limited Panamera Aviation Leasing Limited Percy Place DS (Ireland) Limited Pointwell Limited Richer Media Limited Richmond Park CLO Limited S-H Japan Investor Limited (Being Dissolved) Skillsoft Ireland Limited Skillsoft Limited SmartCertify Direct Limited (in liquidation) SSI Investments I Limited SSI Investments II Limited SSI Investments III Limited Stargazer Productions (in liquidation) ThirdForce Group Limited ThirdForce Ireland Limited ThirdForce Limited Thomson Research Associates International Ltd Unicorn Funding Limited Vela CAD Funding Limited Vela Dollar Funding Limited Vela Euro Funding Limited Vela GBP Funding Limited Zeta Dollar Funding Limited	
Anne Flood	A330 MSN 1552 Limited Aircraft MSN 41520 Limited Allenwood Aircraft Leasing Limited Amber Circle Funding Limited Appleringo Holdings B.V. Appleringo Ventures I Limited Archway Aviation (Ireland) 2 Limited Archway Aviation (Ireland) 3 Limited Archway Aviation (Ireland) 5 Limited Archway Aviation (Ireland) 6 Limited Archway Aviation (Ireland) Limited Archway Aviation Holding (Ireland) 2 Limited Archway Aviation Holding (Ireland) Limited AviatorCap SIII, Limited Ballyhaunis Aircraft Leasing Limited CALC Global Leasing Limited Carlow Aircraft Leasing Limited Case-Mate Ireland Limited China Nonferrous Mining Holdings Limited DINV Aviation Limited Dungarvan Aircraft Leasing Limited	Alafco Irish Aircraft Leasing One Limited Alafco Irish Aircraft Leasing Three Limited Alafco Irish Aircraft Leasing Two Limited Alexion Pharma International Trading Limited Antelope Leasing Limited Archway Aviation (Ireland) 4 Limited Avico Skylines Limited Doosan Infracore Bobcat Ireland Limited Edgur Air Dublin Limited Fastnet Aviation 1 Limited Foxfield Aircraft Leasing Limited G3 MSN 4273 Limited Gabriella Finance 2012 Limited Greystones Aircraft Leasing Limited IAS Aviation Holdings Limited Indiaer Leasing 1 Limited Integrity Emerald Assets Limited Intertrust Capital Markets Ireland Limited Kebne Aviation Limited Kells Aircraft Leasing Limited

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
Anne Flood (continued)	Elphin Aircraft Leasing Limited European Commercial Real Estate Loan Investments 2013 Limited G3 Gresham HoldCo Limited G3 Gresham Holdco No. 2 Limited G3 MSN 19000200 and 19000208 Limited G3 MSN 34270 and 35066 Limited G3 MSN 3430 Limited G3 MSN 35226 Limited G3 MSN 35543 Limited G3 MSN 36816 and 37886 Limited G3 MSN 37710 Limited G3 MSN 4273 No. 2 Limited Goldrawn Air Leasing Company Limited GSO ADGM Umbrella Fund (Ireland) PLC Ha Thanh Limited Holland Park CLO Limited Howth Aircraft Leasing Limited IMC Strategic Investment Funds plc Intertrust Alternative Investment Fund Management (Ireland) Limited Intertrust Corporate Services (Dublin) Limited Inv B87 Leasing Company Limited Inv Jet Leasing Limited INV2-R Leasing Company Limited Inver Aircraft Leasing Limited IPF Management ITCL Ireland Limited ITCP TA Management II Limited Ivanplats Finance Limited Jamestown Aircraft Leasing Limited Jonagold Limited Justitia Ireland Investment Limited Lahinch Aircraft Leasing Limited Macan Aviation 1 Limited Mallow Aircraft Leasing Limited Newbridge Aircraft Leasing Limited Orbit Aircraft Leasing (Ireland) 1 Limited Orbit Aircraft Leasing (Ireland) 2 Limited Orbit Aircraft Leasing (Ireland) 3 Limited Orbit Aircraft Leasing (Ireland) 4 Limited Orbit Aircraft Leasing (Ireland) 5 Limited Panamera Aviation Leasing IV Limited Panamera Aviation Leasing Limited Panamera Aviation Leasing VI Limited Panamera Aviation Leasing VII Limited Panamera Aviation Leasing VIII Limited Ravaneur Europe Limited Richmond Park CLO Limited Sapporo Investments I Limited Stripes 2013 Aircraft 1 Limited Summit Meridian Leasing Company Limited Unicorn Funding Limited Unicorn Funding Limited.	Lakes Japan Investments Ltd (Alternate to IS) LCI Helicopters (Ireland) Limited LCI Helicopters (Labuan) Limited Leonora Aviation Ireland Limited Mainsail Aircraft Financing Limited Martin Pecheur Holdings Limited Mcap Europe 01 Limited Mcap Europe Limited McGraw Hill Financial (Ireland) McKenzie Capital Limited MENAdrill Investment Holding Company I Limited MENAdrill Investment Holding Company II Ltd Metro Aviation Ireland Limited MKCP TX (Ireland) Limited Mount Kellett Credit Investor (Ireland) Limited Oldcastle Aircraft Leasing Limited Rossbeigh Aviation Limited Sanad Aero Ireland 1 Limited SASOF II (B) Aviation Ireland Limited SASOF II Aviation Ireland Limited S-H Japan Investor Limited Team Cignus Limited Vaja International Holdings Limited Vector Aerospace Financial Services Ireland Ltd Worldwide Aircraft Capital Investments and Services Limited

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
Anne Flood (continued)	Vaja Trading company Limited Vela CAD Funding Limited Vela GBP Funding Limited Vion Europa Limited WCCM IRL Aviation Holdings I Limited WCCM IRL Aviation Holdings II Limited	
Aogán Foley	Bosera Funds Public Limited Company Epoch Investment Funds Public Limited Company ESF 110 Parent Company Limited ESF QIF I plc GoldenTree Asset Management (Ireland) Limited GoldenTree High Yield Value Fund Offshore 110 Limited Goldentree High Yield Value Fund Offshore 110 Two Limited GoldenTree High Yield Value Fund Offshore Public Limited Company IKAST Global Limited Incisive Capital Ltd Incisive Capital Management Limited JAC Investment Funds plc Leo CA.RE plc Leo Capital Fund SPC Public Limited Company Leo Capital Growth SPC Public Limited Company Leo Invest Public Limited Company MLSF Public Limited Company Monarch AG Holdings 110 Limited Nereas Fund SPC Regulatory Capital Limited RiverRock Dynamic Credit Fund Limited Riverrock European Capital Management Limited Virtu Financial Ireland Limited	GA Capital Europe RE Limited GoldenTree Senior Secured Loan Fund Offshore 110 Limited (Dissolved) GoldenTree Senior Secured Loan Fund Offshore 110 Two Limited (Dissovled) GoldenTree Senior Secured Loan Fund plc (Dissolved) MLSF II (Ireland) Limited (Dissolved) Strategic Media One Limited (Dissolved) Strategic Media V.C. Fund Public Limited Company (Dissolved) DMS Offshore Management Services (Europe) Limited Educate Through Sport Foundation
Fergal O'Leary	Cedarhill Financial Thinking Limited Citigroup Global Markets Asia Capital Corporation	Glas Securities Limited (dissolved)

3.8 As at the date of this Prospectus, there are no potential conflicts of interest between any duties to BGCF of any of the directors of BGCF and their private interests and/or other duties.

3.9 Save as set out in paragraph 3.10 below, as at the date of this Prospectus:

(a) none of the directors of BGCF has had any convictions in relation to fraudulent offences for at least the previous five years;

(b) save as detailed above, none of the directors of BGCF was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;

(c) none of the directors of BGCF has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management

or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years; and

(d) none of the directors of BGCF are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of BGCF which is not otherwise disclosed in this Prospectus.

3.10 In respect of the declaration in paragraph 3.9 above, certain of the directors of BGCF have been directors of entities which have been dissolved. To the best of each director's knowledge, no such entity, upon its dissolution, was insolvent or owed any amounts to creditors.

3.11 No employees of the Corporate Services Provider have any service contracts with BGCF.

4. SERVICE PROVIDERS TO BGCF

4.1 *Service Support Provider*

Please see the summary set out in Part IV of this Prospectus.

4.2 *Corporate Services Provider*

4.2.1 Intertrust Management (Ireland) Limited, an Irish company, is appointed as the Corporate Services Provider to BGCF pursuant to the terms of the Corporate Services Agreement entered into on 15 May 2014 between BGCF and the Corporate Services Provider (further details of which are set out in paragraph 6 below). In such capacity, the Corporate Services Provider acts as the corporate administrator for BGCF.

4.2.2 The Corporate Services Provider is a private limited company, created under the laws of Ireland, and whose registered office is situated at 3rd Floor, Europa House, Harcourt Centre, Harcourt Street, Dublin 2, Ireland. As at the date of this Prospectus, the issued share capital of the Corporate Services Provider is €50,000, all of which is fully paid up.

4.3 *BGCF Custodian and Account Bank*

4.3.1 Citibank, N.A. London Branch ("**Citibank**") has been appointed as BGCF Custodian and BGCF Account Bank pursuant to the BGCF Custody Agreement and the BGCF Account Bank Agreement. Pursuant to the BGCF Custody Agreement, the BGCF Custodian will act as custodian of certain of BGCF's investments and other assets. Pursuant to the BGCF Account Bank Agreement, the BGCF Account Bank will act as account bank of BGCF.

4.3.2 The BGCF Custodian and BGCF Account Bank is a national banking association established under the laws of United States of America, acting through its London branch and having its registered address at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and registered with the Companies House under number BR001018.

4.4 *BGCF Administrator*

4.4.1 VP Fund Services, LLC. ("**BGCF Administrator**") has been appointed by BGCF as its administrator pursuant to the Fund Administration Agreement dated 10 February 2016 (with the appointment to take effect on 1 March 2016), to provide BGCF with valuation, financial reporting and fund accounting services.

4.4.2 The BGCF Administrator is established under the laws of the United States of America, and has its registered office at 100 Wall Street, New York, NY 10005.

5. MEMORANDUM AND ARTICLES

5.1 *Objects*

BGCF's constitution provides that BGCF can invest in a broad range of financial assets, which would include senior secured loans and the CLO Notes.

The BGCF Articles include provisions to the following effect:

5.2 ***Share capital***

The share capital of BGCF is €1,000,000, divided into ownership shares, being 999,800 BGCF Shares of €1.00 each and non-ownership shares being 100 "B1" Shares of €1.00 each and 100 "B2" Shares of €1.00 each.

5.3 ***Alteration of share capital***

BGCF shall be entitled to create any share ranking in any respect in priority to or *pari passu* with the Class B Shares. Shares may be increased or reduced and be divided into such classes and issued with any special rights as may be provided by the BGCF Articles from time to time.

Subject to applicable law any share may be issued with such preferred, deferred or other special rights, or such restrictions as BGCF may determine. Any share may be issued on the terms that it is redeemable.

5.4 ***Purchase of own shares***

Subject to applicable law, BGCF may acquire shares in the capital of BGCF.

5.5 ***Share rights***

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in BGCF may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as BGCF may from determine by ordinary resolution.

The rights attached to any class of shares may be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

5.6 ***Allotment of securities and pre-emption rights***

The directors are authorised to exercise all the powers of BGCF to allot relevant securities in accordance with BGCF's constitution and applicable law.

5.7 ***Variation of rights***

If at any time the share capital of BGCF is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class, or by a special resolution passed at a separate general meeting of the holders of the shares of the class provided that nothing in shall require the consent of the holders of the Class B Shares to any winding-up.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

5.8 ***Transfer of shares***

Any member may, subject to the BGCF Articles, transfer all or any of its shares by instrument in writing. All share transfers are however subject the approval of the directors of BGCF in their absolute discretion.

5.9 ***General meetings***

Annual general meetings of BGCF shall generally be held in Ireland. An annual general meeting and a meeting called for the passing of a special resolution shall be called by 21 days' notice in writing and any other meeting of BGCF shall be called by seven days' notice in writing.

All general meetings other than annual general meetings shall be called extraordinary general meetings. The directors may, whenever they think fit, convene an extraordinary general meeting.

5.10 ***Voting rights***

The holders of the Class B2 Shares shall not be entitled to vote on any resolution of BGCF. No member shall be entitled to vote at any general meeting unless all calls or other sums immediately payable by him in respect of shares in BGCF have been paid.

5.11 ***Appointment of Directors***

The number of directors of BGCF shall not be less than two or more than ten, unless otherwise determined by an ordinary resolution. A majority of the directors must be resident in the State of Ireland for taxation purposes.

At any time when BGCF is a single-member company, the sole member shall be entitled at any time by notice in writing to BGCF to appoint any person to be a director, in accordance with the BGCF Articles.

5.12 ***No share qualification***

A director shall not be required to hold any shares in the capital of BGCF by way of qualification.

5.13 ***Retirement of Directors***

The directors will not retire by rotation nor will they be required to go forward for re-election.

5.14 ***Remuneration of Directors***

The remuneration of the directors shall be determined by the BGCF's board of directors.

5.15 ***Permitted interests of Directors***

A director shall, if he is in any way interested in a contract or proposed contract with BGCF, declare the nature of such interest at a meeting of the directors in accordance with applicable law.

A director may hold any other office or place of profit under BGCF (other than the office of statutory auditor) in conjunction with his office of director. No director shall be disqualified by his office from contracting with BGCF nor shall any such contract or any contract or arrangement entered into or on behalf of BGCF in which any director is, in any way, interested be liable to be avoided, nor shall any director being so interested be liable to account to BGCF for any profit realised by any such contract or arrangement.

5.16 ***Restrictions on voting***

A director may subject to the provisions of the Companies Act 2014 (as amended) vote in respect of any contract, appointment or arrangement in which he is interested, and he shall be counted in the quorum present at the meeting.

5.17 ***Powers of Directors***

The business of BGCF shall be managed and controlled by the directors in Ireland. They may exercise all such powers of BGCF as are not, by applicable law or by the BGCF Articles, required to be exercised by BGCF in general meeting.

5.18 ***Proceedings of directors***

All meetings of the directors of BGCF must take place in Ireland. Questions arising at any meeting shall be decided by a majority of votes. Where there is an equality of votes, the Chair shall have a second or casting vote.

The continuing directors may act so long as a quorum is present. If a quorum is not present, the continuing directors may act for the purpose of increasing the number of directors to that number or of summoning a general meeting of BGCF. The directors may delegate any of their powers to committees consisting of such persons as the BGCF's board as think fit.

5.19 ***Indemnity of officers and insurance***

Subject to applicable legislation, every director and secretary of BGCF shall be indemnified by BGCF against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.

5.20 ***Dividends and other distributions***

The directors of BGCF may from time to time pay to the members of BGCF such dividends (whether as either interim dividends or final dividends) as appear to the directors to be justified by the profits of BGCF, subject to the provisions of the Companies Act 2014 (as amended).

5.21 ***Winding up***

Subject to the provisions of the Companies Act 2014 (as amended) as to preferential payments, the property of BGCF on its winding up shall, subject to such application, be distributed among the members of BGCF according to their rights and interests in BGCF.

BGCF's surplus assets upon a winding up shall be applied first in payment to the holders of the Class B Shares of the capital and share premium paid up on them, with the entire of any residue, divided among the holders of BGCF Shares in proportion to the amount paid up at the commencement of the winding up on BGCF Shares respectively held by them.

6. MATERIAL CONTRACTS

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by BGCF since its incorporation and are, or may be, material or that contain any provision under which BGCF has any obligation or entitlement which is or may be material to it as at the date of this Prospectus.

6.1 ***Portfolio Service Support Agreement***

6.1.1 A portfolio service support agreement dated 3 June 2014 (as amended, modified or supplemented from time to time) entered into between: (i) BGCF; and (ii) the Service Support Provider (the "**Portfolio Service Support Agreement**"), pursuant to which BGCF appointed the Service Support Provider to provide certain service support and assistance (including back and middle office functions), human resources and credit and market research and analysis in connection with the origination and ongoing management of the portfolio by BGCF.

6.1.2 The Portfolio Service Support Agreement may be automatically terminated in the event of: BGCF determining in good faith that BGCF or the portfolio has become required to register as an investment company under the provisions of the Investment Company Act (where there is no available exemption), and BGCF has given prior notice to the Service Support Provider of such requirement; the date on which the portfolio has been liquidated in full and BGCF's Financing Arrangements have been terminated or redeemed in full; and such other date as agreed between BGCF and the Service Support Provider.

6.1.3 In addition, the Portfolio Service Support Agreement may be terminated, and the Service Support Provider removed for Cause (as defined in the Portfolio Service Support Agreement) by BGCF upon 10 business days' prior written notice to the Service Support Provider.

6.1.4 Any resignation or removal of the Service Support Provider will only be effective on the satisfaction of certain conditions set out in the Portfolio Service Support Agreement.

6.1.5 BGCF has given certain market standard indemnities in favour of the Service Support Provider and its affiliates (and their manager, directors, officers, partners, agents and employees) in respect of the Service Support Provider's potential liabilities it may occur in carrying on its responsibilities under the Portfolio Service Support Agreement.

6.1.6 Under the Portfolio Service Support Agreement, the Service Support Provider agrees to perform its obligations thereunder, with reasonable care: (i) using a degree of skill and

attention no less than that which the Service Support Provider exercises with respect to comparable assets that it manages for itself and others having similar investment objectives and restrictions; and (ii) to the extent not inconsistent with the foregoing, in a manner consistent with the Service Support Provider's customary standards, policies and procedures in performing its duties under the Portfolio Service Support Agreement (the "Standard of Care"); provided that the Service Support Provider will not be liable for any loss or damages resulting from any failure to satisfy the Standard of Care except to the extent any act or omission of the Service Support Provider constitutes a Service Support Provider Breach (as defined below). The Standard of Care may change from time to time to reflect changes by the Service Support Provider to its customary standards, policies and procedures provided that such customary standards, policies and procedures are at least as rigorous as the foregoing.

6.1.7 The Service Support Provider will not be liable (whether directly or indirectly, in contract or in tort or otherwise) to BGCF under the Portfolio Service Support Agreement for liabilities incurred by BGCF as a result of or arising out of or in connection with the performance by the Service Support Provider under the Portfolio Service Support Agreement, or for any losses or damages resulting from any failure to satisfy the Standard of Care except to the extent such liabilities were incurred by reason of acts or omissions constituting bad faith, fraud, wilful misconduct or due to the gross negligence (with such term given its meaning under New York law) or reckless disregard of the duties and obligations of the Service Support Provider (a "**Service Support Provider Breach**").

6.1.8 The Service Support Provider is able to resign its role under the Portfolio Service Support Agreement upon 90 days' written notice to BGCF (or such shorter notice as is acceptable to BGCF). Whilst the resignation will not be effective until the date as of which a successor adviser has been appointed, it may be difficult to locate an alternative adviser as a successor. In addition, the Service Support Provider may immediately resign by providing written notice to BGCF upon the occurrence of certain events relating to BGCF such as, amongst others, the failure of BGCF to comply in any material respect with any investment policy or investment objective to which it is bound to comply, a wilful breach or knowing violation by BGCF of a material provision of the Portfolio Service Support Agreement or the occurrence of insolvency proceedings in respect of BGCF.

6.1.9 Under the Portfolio Service Support Agreement, the Service Support Provider agrees to the provision of certain human resources as may be necessary to enable BGCF to conduct any matters related to its portfolio of assets.

6.1.10 Further, in respect of each BGCF CLO, BGCF and DFME will enter into a fee rebate letter in the form set out in schedule 2 (Form of CLO Fee Rebate Letter) or schedule 5 (*Form of CLO Fee Rebate Letter for Vertical Strip*) (as applicable) of the Portfolio Service Support Agreement (the "**CLO Fee Rebate Letter**"), pursuant to which DFME will rebate to BGCF (a) 20 per cent. of the management fee it earns in its capacity as CLO Manager of BGCF CLOs (in respect of CLOs where BGCF holds the CLO Income Notes i.e. horizontal strip) *pro rata* to the CLO Income Notes held by BGCF in such CLOs or (b) 100 per cent. of the aggregate management fee it earns in its capacity as CLO Manager of the BGCF CLOs *pro rata* to the CLO Securities held by BGCF in such CLOs (in respect of CLOs where BGCF holds CLO Securities i.e. vertical strip) (excluding, in each case, any incentive/performance fee the CLO Manager is entitled to receive).

6.1.11 Under the Portfolio Service Support Agreement, BGCF shall pay to the Service Support Provider as full compensation for the services performed thereunder, the totality of amounts comprising:

(a) a fee as may be determined from time to time on an arm's length basis; and

(b) an amount equivalent to all reasonable third party costs and expenses incurred by the Service Support Provider in the performance of its obligations thereunder, together with any irrecoverable VAT arising on such costs and expenses

6.1.12 The Portfolio Service Support Agreement contains standard limited recourse and non-petition provisions with respect to BGCF.

6.1.13 The Portfolio Service Support Agreement is governed by English law.

6.1.14 When formed, the Risk Retention Companies may enter into service support arrangements with DFM on substantially similar terms to those contained in the Portfolio Service Support Agreement.

6.2 ***EU NPA and the EU Profit Participating Notes***

Please see summary set out in paragraph 5.1 of Part VII of this Prospectus.

6.3 ***U.S. Note Purchase Agreement and the U.S. Profit Participating Notes***

Please see summary set out in paragraph 5.2 of Part VII of this Prospectus.

6.4 ***Variable Funding Note Issuing and Purchasing Agreement***

6.4.1. Variable funding notes issued on 8 August 2014 (as has been amended, modified or supplemented from time to time) to four bank counterparties will, subject to the satisfaction of certain conditions, allow BGCF to draw funding amounts of up to €475,000,000 in aggregate (or the Euro equivalent) in Euro, pounds sterling and/or United States Dollars for use in connection with the purposes set out below. The variable funding notes rank senior in right of repayment and upon enforcement as compared to the EU Profit Participating Notes, and will rank senior to the U.S. Profit Participating Notes. It is expected that BGCF may upsize the maximum funding amount of this facility, to reflect any additional Shares issued. Subject to certain conditions, BGCF will use drawings under the variable funding notes for the following purposes:

(a) in certain circumstances for investment in assets which will form part of BGCF's portfolio (excluding CLO Retention Securities or CLO Retention Income Notes);

(b) in certain circumstances for the payment of costs, expenses, third party agent/adviser fees and other liabilities of BGCF; and

(c) in certain circumstances to absorb any realised market value and/or credit losses on BGCF Portfolio from time to time.

6.4.2. The Variable Funding Note Issuing and Purchasing Agreement contains standard limited recourse and non-petition provisions with respect to BGCF.

6.4.3. The Variable Funding Note Issuing and Purchasing Agreement is governed by English law.

6.5 ***Revolving Credit Facility***

Multi-currency revolving credit facilities may be entered into from time to time between: (i) BGCF; and; (ii) an RCF Provider (each, a "**Revolving Credit Facility**"), pursuant to which BGCF is able to draw multi-currency loans from time to time in order to purchase assets for its portfolio (excluding CLO Retention Securities or CLO Retention Income Notes). Such Revolving Credit Facilities will be entered into on market standard terms, as negotiated between BGCF and the relevant RCF Provider in each case and will include a senior security package in favour of the RCF Provider.

6.6 ***Loan Warehouse investment arrangements***

In certain circumstances, the Risk Retention Companies may invest in Loan Warehouses as opposed to investing directly in loans. In order to do so, the Risk Retention Companies are expected to enter into limited recourse financing arrangements with Loan Warehouses pursuant to which the Risk Retention Companies will provide certain funds to the Loan Warehouse in order that it can purchase loans in the market. As part of such financing arrangement, the Risk Retention Companies may be granted a security interest over the loans purchased by the Loan Warehouse, although the Risk Retention Companies' interest in the Loan Warehouse may be subordinated in all respects to any senior financing of the Loan Warehouse (if applicable). In certain circumstances the Loan Warehouse

may become the vehicle for a CLO. In such circumstances, the Loan Warehouse financing provided by the Risk Retention Companies (and any senior financing) will be repaid from the proceeds of the CLO Securities issued by such CLO, including any applicable positive carry during the loan warehousing period.

6.7 ***Financing for CLO Securities***

Where BGCF invests in CLO Securities (i.e. a vertical strip) the CLO Retention Securities may be financed by the entry into a retention financing facility with a bank lender. Any such facility will be with full-recourse to the assets of BGCF, will be a general obligation of BGCF and will be secured, subject to any applicable consent requirements, by a first-lien security interest over the relevant CLO Securities.

6.8 ***Corporate Services Agreement***

6.8.1. Intertrust Management Ireland Limited (the "**Corporate Services Provider**"), an Irish company, acts as the corporate administrator for BGCF pursuant to the terms of the corporate services agreement dated 15 May 2014 entered into between BGCF and the Corporate Services Provider (the "**Corporate Services Agreement**").

6.8.2. Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider performs various management functions on behalf of BGCF, including the provision of certain clerical, reporting, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by BGCF at rates agreed upon from time to time plus expenses. As at the date of this Prospectus, the annual fees payable to the Corporate Services Provider are €47,000.

6.8.3. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least 30 days' written notice to the other party.

6.8.4. The Corporate Services Provider's principal office is at 3rd Floor, Europa House, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

6.9 ***Fund Administration Agreement***

6.9.1 A fund administration agreement dated 10 February 2016 was entered into between BGCF and the BGCF Administrator (the "**Fund Administration Agreement**"). The appointment of the BGCF Administrator became effective on 1 March 2016.

6.9.2 Pursuant to the Fund Administration Agreement, the BGCF Administrator agrees to provide BGCF with certain valuation, financial reporting and fund accounting services.

6.9.3 In consideration of the foregoing, the BGCF Administrator is entitled to receive various fees and other charges payable by BGCF at rates agreed upon from time to time plus expenses. As at the date of this Prospectus, the BGCF Administrator is entitled to receive: (i) an annual administration fee equal to 6 bps on the first €250 million of BGCF's NAV, and 5 basis points on such of BGCF's NAV as exceeds €250 million (subject to a minimum fee of €10,000 per month); (ii) €10,000 per issuance of BGCF's financial statements; and (iii) fees charged at an hourly rate for any other services agreed with BGCF.

6.9.4 The Fund Administration Agreement provides that either party may terminate the agreement on ninety days' prior written notice, or upon the occurrence of certain specified events, including any material breach by the other party of its obligations under the Fund Administration Agreement which is not remedied within 30 days after the service of written notice requiring it to be remedied.

6.9.5 The Fund Administration Agreement contains standard limited recourse and non-petition provisions.

6.9.6 The Fund Administration Agreement is governed by Irish law.

6.10 ***Forward Purchase Agreements***

6.10.1 Forward Purchase Agreements may be entered into from time to time, between: (i) BGCF; (ii) a CLO; or (iii) a Loan Warehouse (each, a "**Forward Purchase Agreement**"), pursuant to which BGCF may, from time to time enter into sale and purchase contracts with a CLO or a Loan Warehouse with respect to the assets of BGCF ("**Forward Sales**"). Such Forward Sales are with a view to effectively managing its access to wholesale funding and exposure to unnecessary market price volatilities of its portfolio. Such Forward Purchase Agreements may be entered into at the same time or shortly after the origination or acquisition of the relevant asset by BGCF, at a later date, or not at all. Where a loan becomes subject to a Forward Purchase Agreement, BGCF will (subject to the conditions set out in paragraph 6.10.2 below) neither receive the market value gain nor bear the market value loss that occurs between the date when the loan is added to the Forward Purchase Agreement and the date when the transfer occurs.

6.10.2 Each Forward Sale between BGCF and a CLO will become effective on either the pricing date or the issue date of the relevant CLO and will be conditional upon:

(a) the occurrence of the closing date of the relevant CLO;

(b) the assets that are the subject of such Forward Sale satisfying a set of eligibility criteria on the closing date of the relevant CLO as agreed between BGCF and the relevant CLO; and

(c) such other conditions which BGCF agrees to from time to time.

6.10.3 The Forward Purchase Agreements will contain standard limited recourse and non-petition provisions with respect to the Loan Warehouse, BGCF and with respect to the relevant CLO (as applicable).

6.10.4 The governing law of the Forward Purchase Agreements will be English law.

6.11 ***BGCF Account Bank Agreement***

6.11.1 An account bank agreement dated 2 July 2014, as amended, supplemented or modified from time to time, entered into between: (i) BGCF; and (ii) Citibank, N.A., London Branch (as "**BGCF Account Bank**") (the "**BGCF Account Bank Agreement**"), pursuant to which BGCF appointed the BGCF Account Bank to act as account bank of BGCF for an annual fee of €6,000 payable by BGCF.

6.11.2 The BGCF Account Bank Agreement contains terms requiring the BGCF Account Bank to establish a cash account(s) in the name of BGCF and to deposit and withdraw certain amounts from such cash account(s) upon the instructions of an authorised person of BGCF.

6.11.3 The BGCF Account Bank may be replaced by BGCF giving written notice to the BGCF Account Bank.

6.11.4 The BGCF Account Bank may at any time resign as account bank for any reason by giving at least 45 days' written notice to BGCF.

6.11.5 BGCF has given certain market standard indemnities in favour of the BGCF Account Bank in respect of the BGCF Account Bank's potential losses in carrying on its responsibilities under the BGCF Account Bank Agreement.

6.11.6 The BGCF Account Bank Agreement contains standard limited recourse and non-petition provisions with respect to BGCF.

6.11.7 The BGCF Account Bank Agreement is governed by English law.

6.12 ***BGCF Custody Agreement***

6.12.1 A custody agreement dated 2 July 2014, as amended, supplemented or modified from time to time, entered into between (i) BGCF; and (ii) Citibank, N.A., London Branch (as "**BGCF Custodian**") (the "**BGCF Custody Agreement**"), pursuant to which the BGCF Custodian was appointed to act as custodian of certain of BGCF's investments and other assets. The BGCF Custodian receives a fee of 1 bp per annum on the nominal value of BGCF's assets held through Euroclear, and 0.6 bp per annum on the nominal value of BGCF's assets held through DTCC.

6.12.2 The BGCF Custodian provides custody services in respect of such of the property of BGCF which is delivered to and accepted by the Custodian as and when such custody services may be required. Securities are held by the Custodian in one or more custody accounts in the name of BGCF and separately designated in the books of the Custodian as belonging to BGCF.

6.12.3 The BGCF Custody Agreement may be terminated by either party giving not less than 60 days' notice in writing to the other.

6.12.4 The BGCF Custodian has a market standard indemnity from BGCF in relation to liabilities incurred other than as a result of its negligence, fraud, or wilful misconduct in carrying out its responsibilities under the BGCF Custody Agreement.

6.12.5 The BGCF Custody Agreement is governed by English law.

7. CORPORATE GOVERNANCE

BGCF will be required to comply with the provisions of the Companies Act 2014 (as amended from time to time) and its constitutional documents in the conduct of its business.

8. RELATED PARTY TRANSACTIONS

Other than as set out in paragraph 6 of this Part VIII of this Prospectus, BGCF has not entered into any related party transactions.

9. THIRD PARTY SOURCES

Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

10. LITIGATION

There are no, and have not been in the last 12 months, any governmental, legal or arbitration proceedings, nor, so far as the Company is aware, are any such proceedings pending or threatened, which may have, or have in the recent past had, a significant effect on BGCF's financial position or profitability.

11. SIGNIFICANT CHANGE

There has been no significant change in the trading or financial position of BGCF since 30 June 2015, the end of the latest period in respect of which unaudited interim financial information is available (as set out in Part XI of this Prospectus).

PART IX

ADDITIONAL INFORMATION ON U.S. MOA

1. INCORPORATION AND ADMINISTRATION

1.1 U.S. MOA was incorporated as an exempted company with limited liability on 6 January 2016 in the Cayman Islands with the registration number IT-307238. The registered office of U.S. MOA is at the offices of Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. The telephone number of U.S. MOA is +1 345-943-3100.

1.2 U.S. MOA has not traded or commenced operations. As at the date of this Prospectus, no accounts of U.S. MOA have been made up since its incorporation on 6 January 2016. U.S. MOA's accounting period will end on 31 December of each year, with the first year end on 31 December 2016.

1.3 U.S. MOA does not, and will not, have any substantial assets other than: (i) collateralised loan obligations and commercial loans; and (ii) cash contributed to it by its shareholders or borrowed from lenders from time to time. The operations of U.S. MOA are subject to, *inter alia*, the provisions of the Companies Law (as amended) of the Cayman Islands.

2. SHARE CAPITAL

As at the date of this Prospectus, the authorised share capital of U.S. MOA is U.S.$50,000, divided into 50,000 ordinary voting shares of U.S.$1.00 par value per share (the "**U.S. MOA Ordinary Shares**"). The sole U.S. MOA Ordinary Share that has been issued as at the date of this Prospectus is held by Intertrust SPV (Cayman) Limited, under the terms of a declaration of trust in favour of charitable purposes. DFME expects that U.S. MOA will issue one or more additional classes of shares in connection with investments to be made in U.S. MOA by BGCF and by an affiliate of DFME. It is expected that any investment made by BGCF in U.S. MOA will be in a class of non-voting shares.

3. DIRECTORS' AND OTHER INTERESTS

3.1 U.S. MOA has one director, GSO Management Services (Cayman) Limited. The director of U.S. MOA may serve as director of and provide services to other special purpose entities that issue CLOs and perform other duties for the U.S. MOA Administrator.

3.2 Other than its directorship of U.S. MOA, GSO Management Services (Cayman) Limited has not acted and does not act as director to any other entity.

3.3 As at the date of this Prospectus, there are no potential conflicts of interest between any duties to U.S. MOA of any of the directors of U.S. MOA and their private interests and/or other duties.

4. SERVICE PROVIDERS TO U.S. MOA

4.1 Intertrust SPV (Cayman) Limited acts as the administrator of U.S. MOA (together with its successors the "**U.S. MOA Administrator**"). The U.S. MOA Administrator's registered office is at 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. Pursuant to the terms of an administration agreement between the U.S. MOA Administrator and U.S. MOA (as amended, the "**U.S. MOA Administration Agreement**"), the U.S. MOA Administrator will perform various corporate administrative functions on behalf of U.S. MOA, including communications with U.S. MOA's shareholders and the general public and the provision of certain clerical, administrative and other corporate services. In consideration for the foregoing, the U.S. MOA Administrator will receive fees of and reimbursement of its expenses, as set out in paragraph 6.2.2 of this Part IX of this Prospectus.

4.2 GSO / Blackstone Debt Funds Management LLC acts as the U.S. MOA Manager to U.S. MOA, and will be responsible for supervising and directing the investment and reinvestment of U.S. MOA's assets, advising U.S. MOA with respect to its financing (including the declaration of dividends, share buybacks, rights issuances and similar corporate matters), the entry into of any shareholders agreements, and performing on behalf of U.S. MOA the duties that have been specifically delegated to the U.S. MOA Manager in the various transaction documents entered into from time to time by the

U.S. MOA Manager and/or U.S. MOA in connection with U.S. MOA's assets and the financing thereof. DFM is a Delaware limited liability company, incorporated on 7 June 2007 with registered number 4366626, with its registered office at 345 Park Avenue, New York, NY 10154 (phone number: +1-212-503-2100). DFM is authorised by the Central Bank of Ireland as a non-EU Alternative Investment Fund Manager and is registered as an investment adviser under the Investment Advisers Act of 1940.

4.3 U.S. MOA does not currently have (and is not expected to have) a custodian or similar service provider appointed to hold its assets.

5. MEMORANDUM AND ARTICLES

5.1 Objects

U.S. MOA's Memorandum of Association provides that the objects for which U.S. MOA is established are unrestricted and it has full power and authority to carry out any object not prohibited by Section 7(4) of the Companies Law (as amended) of the Cayman Islands.

The U.S. MOA Articles include provisions to the following effect:

5.2 Share capital

The share capital of U.S. MOA is U.S.$50,000 divided into 50,000 U.S. MOA Ordinary Shares of a nominal or par value of U.S.$1.00 each.

5.3 Alteration of share capital

U.S. MOA may consolidate and divide all or any of its shares into shares of a larger amount, convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination, subdivide its existing shares into a smaller amount and cancel unissued shares as may be provided by the U.S. MOA Articles from time to time.

5.4 Purchase of own shares

Subject to applicable law, U.S. MOA may purchase its own shares (including any redeemable shares) on such terms and in such manner as the directors may determine and agree with the relevant shareholder.

5.5 Share rights

The directors of U.S. MOA shall be entitled to issue all unissued shares to such persons and on such terms, having such rights (including with respect to voting, dividends and redemption rights) or being subject to such restrictions as the directors of U.S. MOA in their absolute discretion shall think fit.

The directors of U.S. MOA, or the members of U.S. MOA by ordinary resolution, may authorise the division of shares into any number of classes and the different class may be established with such rights, restrictions, preferences, privileges and payment obligations as between the different classes as may be determined by the directors of U.S. MOA or its members by ordinary resolution.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be materially adversely varied by the creation or issue of further shares ranking *pari passu* therewith or the redemption or purchase of shares of any class by U.S. MOA.

5.6 Allotment of securities and pre-emption rights

The directors are generally authorised to exercise all the powers of U.S. MOA to allot relevant securities within the meaning of applicable law.

5.7 Variation of rights

If at any time the share capital of U.S. MOA is divided into different classes of shares, the rights attached to any class (subject to the terms of issue of the shares of that class) of shares may be materially adversely varied or abrogated with the consent in writing of the holders of not less than two-thirds of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be materially adversely varied by the creation or issue of further shares ranking *pari passu* therewith or the redemption or purchase of shares of any class by U.S. MOA.

5.8 **Transfer of shares**

Any member may, subject to the U.S. MOA Articles, transfer all or any of its shares by instrument in writing. All share transfers are however subject the approval of the directors of U.S. MOA in their absolute discretion.

5.9 **General meetings**

General meetings of U.S. MOA shall be held whenever the directors may think fit, or on the written requisition of any member or members entitled to attend and vote at general meetings of U.S. MOA who hold not less than 10 percent of the paid up voting share capital of U.S. MOA, in accordance with the procedures set out in the U.S. MOA Articles.

An annual general meeting and an extraordinary general meeting shall be called by at least 7 days' notice in writing.

All general meetings other than annual general meetings shall be called extraordinary general meetings.

5.10 **Voting rights**

Subject to any rights and restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person or by proxy shall at a general meeting have one vote and on a poll every member and every proxy shall have one vote for each share of which he or the person represented by proxy is the holder.

No member shall be entitled to vote at any general meeting unless all calls or other sums immediately payable by him in respect of shares in U.S. MOA have been paid.

5.11 **Appointment of Directors**

The number of directors of U.S. MOA shall be unlimited, unless otherwise determined by an ordinary resolution.

The first directors of U.S. MOA shall be determined by a majority of, or elected at a meeting of, the subscribers of the Memorandum of Association of U.S. MOA.

U.S. MOA may by ordinary resolution appoint any person to be a director of U.S. MOA.

The directors of U.S. MOA have the power at any time to appoint a person as a director, either as a result of a casual vacancy or as an additional director, subject to the maximum number (if any) imposed by ordinary resolution.

5.12 **No share qualification**

The U.S. MOA Articles do not require a director to hold any shares in the capital of U.S. MOA by way of qualification.

5.13 **Retirement of Directors**

The directors will not retire by rotation. A director of U.S. MOA shall hold office until such time as he is removed from office by ordinary resolution or his office is vacated in accordance with the U.S. MOA Articles.

5.14 **Remuneration of Directors**

The remuneration of the directors may be determined by U.S. MOA by ordinary resolution.

5.15 **Permitted interests of Directors**

A director shall, if he is in any way interested in a contract or proposed contract with U.S. MOA, declare the nature of such interest at a meeting of the directors in accordance with applicable law.

A director may hold any other office or place of profit under U.S. MOA (other than the office of auditor) in conjunction with his office of director. No director shall be disqualified by his office from contracting with U.S. MOA nor shall any such contract or any contract or arrangement entered into or on behalf of U.S. MOA in which any director is, in any way, interested be liable to be avoided, nor shall any director being so interested be liable to account to U.S. MOA for any profit realised by any such contract or arrangement.

5.16 **Restrictions on voting**

A director may vote in respect of any contract, appointment or arrangement in which he is interested, and he shall be counted in the quorum present at the meeting in accordance with the U.S. MOA Articles.

5.17 **Powers of Directors**

The business of U.S. MOA shall be managed by the directors. They may exercise all such powers of U.S. MOA as are not, by applicable law or by the U.S. MOA Articles, required to be exercised by the members of U.S. MOA.

5.18 **Proceedings of directors**

Meetings of the directors of U.S. MOA may take place within or without the Cayman Islands. Questions arising at any meeting shall be decided by a majority of votes. Where there is an equality of votes, the chairman shall have a second or casting vote.

The quorum necessary for the transaction of business of the directors may be fixed by the directors, and unless so fixed, shall be two, and if there be two or less directors, shall be one.

The continuing directors may act so long as a quorum is present. If a quorum is not present, the continuing directors may act for the purpose of increasing the number of directors to that number or of summoning a general meeting of U.S. MOA.

The directors may establish any committees, local boards or agencies for managing any of the affairs of U.S. MOA and may appoint any persons to be members of such committees or local boards as they think fit.

5.19 **Indemnity of officers and insurance**

Subject to applicable legislation, every director, secretary or other officer (but not including U.S. MOA's auditor) and the personal representatives of the same shall be indemnified and secured harmless out of the assets and funds of U.S. MOA against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such director, secretary or other officer in or about the conduct of the business of U.S. MOA or affairs or in the execution or discharge of his or her duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending any civil proceedings concerning U.S. MOA or its affairs in any court within or without the Cayman Islands.

No director, secretary or other officer shall be liable for the acts, receipts, neglects or defaults or omissions of any other such director or officer or agent of the U.S. MOA or for any loss, damage or misfortunate whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities or discretions of his office or in relation thereto, unless the same shall happen through such person's own dishonesty, actual fraud or willful default.

5.20 **Dividends and other distributions**

Subject to any rights and restrictions for the time being attached to any class or class of shares, or as otherwise provided in the U.S. MOA Articles, the directors of U.S. MOA may declare dividends (including interim dividends) and other distributions on shares in issue and authorise payment of the same out of the funds of U.S. MOA available therefor.

Dividends and distributions shall be paid in accordance with the relevant law.

5.21 **Capitalisation of profits and reserves**

Subject to applicable law and the U.S. MOA Articles, the directors of U.S. MOA may resolve to capitalise an amount standing to the credit or reserves whether or not available for distribution.

5.22 **Winding up**

If U.S. MOA shall be wound up the liquidator shall apply the assets of U.S. MOA in such manner and order as he thinks fit in satisfaction of creditors' claims.

If U.S. MOA is wound up, the liquidator may, with the sanction of an ordinary resolution and any other sanction required by the applicable law, divide the whole or any part of the assets of U.S. MOA (whether they consist of property of the same kind or not) among the shareholders in specie or kind and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between members or different classes of members.

6. MATERIAL CONTRACTS

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by U.S. MOA since its incorporation and are, or may be, material or that contain any provision under which U.S. MOA has any obligation or entitlement which is or may be material to it as at the date of this Prospectus.

6.1 **U.S. MOA Management Agreement**

6.1.1 A management agreement to be entered into between U.S. MOA and DFM (the "**U.S. MOA Management Agreement**"), pursuant to which the U.S. MOA Manager will be responsible for supervising and directing the investment and reinvestment of U.S. MOA's assets, advising U.S. MOA with respect to its financing (including the declaration of dividends, share buybacks, rights issuances and similar corporate matters), the entry into of any shareholders agreements, and performing on behalf of U.S. MOA the duties that have been specifically delegated to the U.S. MOA Manager in the various transaction documents entered into from time to time by the U.S. MOA Manager and/or U.S. MOA in connection with U.S. MOA's assets and the financing thereof (collectively, the "**Transaction Documents**"). In addition, pursuant to the terms of the U.S. MOA Management Agreement, the U.S. MOA Manager will be required to assist U.S. MOA with respect to any hedge agreements (to the extent any such agreement is entered into by U.S. MOA).

6.1.2 Pursuant to the U.S. MOA Management Agreement, U.S. MOA will indemnify the U.S. MOA Manager against liabilities incurred in performing its duties thereunder; provided, that U.S. MOA will not indemnify the U.S. MOA Manager for any liabilities incurred as a result of any acts or omissions constituting bad faith, fraud, wilful misconduct or gross negligence or reckless disregard of the duties and obligations of the U.S. MOA Manager (a "**U.S. MOA Manager Breach**").

6.1.3 Pursuant to the terms of the Transaction Documents, U.S. MOA will be required to prepare certain reports with respect to U.S. MOA's assets. The U.S. MOA Manager will agree in the U.S. MOA Management Agreement that it will cooperate with U.S. MOA in the preparation of such reports.

6.1.4 As compensation for the performance of its obligations as the manager of U.S. MOA, the U.S. MOA Manager will be entitled to receive fees in an amount agreed to between U.S. MOA and the U.S. MOA Manager in writing from time to time (the "**U.S. MOA Management Fees**"). It is not currently contemplated that the U.S. MOA Manager will receive a fee for its services under the U.S. MOA Management Agreement. The U.S. MOA Manager will also be entitled to be reimbursed by U.S. MOA for its expenses incurred in connection with its obligations under the U.S. MOA Management Agreement and the Transaction Documents as administrative expenses in accordance with and subject to the relevant Transaction Documents.

6.1.5 Prior to engaging in any agency cross transactions (which, for the purposes of this section, shall mean an "agency cross transaction for an advisory client" as defined in Rule 206(3)-2(b) under the Investment Advisers Act), U.S. MOA and the U.S. MOA Manager will enter into an Independent Client Representative Agreement with the Independent Client Representative under which such Independent Client Representative will review such transactions or other similar matters and will be authorised by U.S. MOA to consent or decline to consent, on U.S. MOA's behalf, to the terms of any such transaction or other matter referred to it by the U.S. MOA Manager, subject to the terms of the Transaction Documents. Fees and expenses of the Independent Client Representative will be for the account of U.S. MOA and not the U.S. MOA Manager. The U.S. MOA Manager may arrange for U.S. MOA to acquire assets from, and sell assets to, Affiliates and clients of the U.S. MOA Manager from time to time subject to the applicable procedures in the U.S. MOA Management Agreement and the investment guidelines attached thereto.

6.1.6 The U.S. MOA Management Agreement may be terminated, and the U.S. MOA Manager may be removed, for cause by U.S. MOA, acting in accordance with directions as permitted by the Transaction Documents, upon 10 Business Days' prior written notice to the U.S. MOA Manager. For purposes of any such termination of the U.S. MOA Management Agreement, "cause" means any one of the following events:

(a) the U.S. MOA Manager wilfully breaches, or wilfully takes any action that it knows violates any material provision of the U.S. MOA Management Agreement or any term of the Transaction Documents applicable to the U.S. MOA Manager;

(b) the U.S. MOA Manager breaches any provision of the U.S. MOA Management Agreement or any terms of the Transaction Documents applicable to it that, either individually or in the aggregate, has or could reasonably be expected to have a material adverse effect on the assets of U.S. MOA, or on U.S. MOA (excluding for purposes of this clause (b) any actions referred to in clause (a) above or clause (d) below) and fails to cure such breach within 30 days of becoming aware of, or receiving notice from the relevant custodian of, such breach or, if such breach is not capable of cure within 30 days, the U.S. MOA Manager fails to cure such breach within the period in which a reasonably diligent person could cure such breach (but in no event more than 90 days after becoming aware of or receiving notice from such custodian of such breach);

(c) certain bankruptcy events occur with respect to the U.S. MOA Manager as described in the U.S. MOA Management Agreement;

(d) the occurrence of an event of default that arises directly from a breach by the U.S. MOA Manager of its duties under the U.S. MOA Management Agreement, which breach or default is not cured within any applicable cure period set forth in the Transaction Documents;

(e) any action is taken by the U.S. MOA Manager, or any of its senior executive officers involved in the management of any of the assets of U.S. MOA, that constitutes fraud or criminal activity in connection with the performance of the U.S. MOA Manager's obligations under the U.S. MOA Management Agreement; or

(f) the U.S. MOA Manager is indicted, or any of its senior executive officers is convicted, of a criminal offence under the laws of the United States or a state thereof or the laws of any other jurisdiction in which it conducts business, materially related to the U.S. MOA Manager's asset management business, unless, in the case of a conviction of a senior executive officer of the U.S. MOA Manager, such senior executive officer has, within 30 days after such occurrence, been removed from performing work in fulfilment of the U.S. MOA Manager's obligations under the U.S. MOA Management Agreement.

6.1.7 Pursuant to the terms of the U.S. MOA Management Agreement, if the U.S. MOA Manager becomes aware that any of the events specified in paragraph 6.1.6 above has occurred, the U.S. MOA Manager will be required to give prompt written notice thereof to U.S. MOA.

6.1.8 The U.S. MOA Management Agreement will automatically terminate upon the determination in good faith by U.S. MOA that U.S. MOA or U.S. MOA's pool of assets has become required

to be registered under the Investment Company Act, and U.S. MOA notifies the U.S. MOA Manager thereof.

6.1.9 The U.S. MOA Manager may resign, upon 90 days' (or such shorter notice as is acceptable to U.S. MOA) written notice to U.S. MOA. Such resignation will not be effective until the date as of which a successor manager has been appointed by U.S. MOA in accordance with the U.S. MOA Management Agreement.

6.1.10 The U.S. MOA Management Agreement is governed by the law of the State New York.

6.2 **U.S. MOA Administration Agreement**

6.2.1 An administration agreement dated 25 February 2016 entered into between: (i) U.S. MOA; and (ii) Intertrust SPV (Cayman) Limited ("**U.S. MOA Administrator**"), pursuant to which the U.S. MOA Administrator was appointed to act as administrator of U.S. MOA, calculates its Net Asset Value and provides related management services (the "**U.S. MOA Administration Agreement**").

6.2.2 Under the terms of the U.S. MOA Administration Agreement, the U.S. MOA Administrator is entitled to the annual fees and certain miscellaneous fees and expenses, in each case, as determined in the Administration Agreement, including: (i) Set up fee – U.S.$2,500; (ii) Administration fee – U.S.$10,000 p.a.; (iii) Registered office fee – U.S.$1,500 p.a.; (iv) FATCA registration – U.S.$1,200; (v) FATCA Responsible Officer and Reporting – U.S.$2,000 p.a.; (vi) Tax forms – U.S.$250 (one-time fee in any one calendar year and U.S.$2.00 for each subsequent copy); (vii) General disbursements fee – U.S.$350 p.a.; and (viii) Liquidation fee – U.S.$6,150.

6.2.3 The annual fees are payable pro-rata for the period from incorporation to the next following 1 January and thereafter payable annually on 1 January of each calendar year.

6.2.4 The U.S. MOA Administration Agreement may be terminated by either party (a) at any time by notice in writing served by such party if the other party shall commit any material breach of its obligations under the U.S. MOA Administration Agreement and (if such breach shall not be capable of remedy) shall fail within 15 days of receipt of notice in writing requiring it to do so to make good such breach or (b) by giving not less than one months' notice in writing.

6.2.5 U.S. MOA has given certain market standard indemnities in favour of the U.S. MOA Administrator in respect of the U.S. MOA Administrator's potential losses in carrying out its responsibilities under the U.S. MOA Administration Agreement.

6.2.6 The U.S. MOA Administration Agreement is governed by the laws of the Cayman Islands.

7. CORPORATE GOVERNANCE

U.S. MOA will be required to comply with the provisions of the Companies Law (as amended) of the Cayman Islands and its constitutional documents in the conduct of its business.

8. RELATED PARTY TRANSACTIONS

U.S. MOA intends to acquire assets issued by special purpose companies that are managed by DFM (its manager under the U.S. MOA Management Agreement) or its affiliates.

9. THIRD PARTY SOURCES

Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

10. LITIGATION

There are no, and have not been in the last 12 months, any governmental, legal or arbitration proceedings, nor, so far as the Company is aware, are any such proceedings pending or threatened, which may have, or have in the recent past had, a significant effect on U.S. MOA's financial position or profitability.

11. SIGNIFICANT CHANGE

There has been no significant change in the trading or financial position of U.S. MOA since incorporation.

PART X

FINANCIAL INFORMATION OF THE COMPANY

SECTION A

PUBLISHED ANNUAL REPORT AND AUDITED ACCOUNTS OF THE COMPANY FOR THE PERIOD FROM 30 APRIL 2014 (THE DATE OF INCORPORATION OF THE COMPANY) TO 31 DECEMBER 2014

1. Historical Financial Information

The published annual report and audited accounts of the Company for the period from 30 April 2014 (the date of incorporation of the Company) to 31 December 2014 ("**2014 Annual Report**") (which is incorporated in this Prospectus by reference) included, on the pages specified in the table below, the following information:

2. Selected Financial Information

The key audited figures that summarise the financial condition of the Company in respect of the period from 30 April 2014 (Incorporation) to 31 December 2014, which have been extracted without material adjustment from the historical financial information referred to in paragraph 1 of this Part X (unless otherwise indicated in the notes below the following tables), are set out in the following tables. Investors should read the whole of such report and not rely solely on the key or summarised information set out below:

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	*EUR*
ASSETS		
Cash and cash equivalents	5 &12	86,944
Other receivables		21,223
Financial assets at fair value through profit or loss	3 &12	299,277,149
TOTAL ASSETS		299,385,316
LIABILITIES		
Expenses payable	4	(433,756)
TOTAL LIABILITIES		(433,756)
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS		298,951,560
NET ASSET VALUE PER EURO SHARE		0.99

STATEMENT OF COMPREHENSIVE INCOME

For the period from 30 April 2014 (date of incorporation) to 31 December 2014

	Notes	*EUR*
Realised gain on foreign exchange		248
Unrealised loss on financial assets at fair value through profit or loss		(1,672,851)
TOTAL REVENUE		(1,672,603)
Custodian fee	4	(32,962)
Administration fee	4	(109,841)
Directors' fees	4	(89,334)
Legal fees		(44,110)
Audit fee	4	(80,000)
Operating expenses		(219,590)
TOTAL OPERATING EXPENSES		(575,837)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ALL ATTRIBUTABLE TO SHAREHOLDERS		(2,248,440)
EARNINGS PER SHARE	13	
Loss per Euro share		(0.01)

STATEMENT OF CHANGES IN EQUITY

For the period from 30 April 2014 (date of incorporation) to 31 December 2014

	Notes	*EUR*
AT 30 APRIL 2014		–
TRANSACTIONS WITH SHAREHOLDERS		
Issue of shares	7	301,200,000
Redemption of shares	7	–
TOTAL TRANSACTIONS WITH SHAREHOLDERS		301,200,000
Profit for the period all attributable to shareholders		
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ALL ATTRIBUTABLE TO SHAREHOLDERS		(2,248,440)
AT 31 DECEMBER 2014		298,951,560

STATEMENT OF CASH FLOW

For the period from 30 April 2014 (date of incorporation) to 31 December 2014

	EUR
STATEMENT OF CASH FLOWS	
Total comprehensive loss attributable to shareholders	(2,248,440)
Adjustments for	
Movement in financial assets at fair value through profit or loss	1,672,851
OPERATING CASH FLOWS BEFORE MOVEMENTS IN WORKING CAPITAL	
Movement in receivables	(21,223)
Movement in payables	433,756
Cash inflow from movements in working capital	412,533
NET CASH USED IN OPERATING ACTIVITIES	(163,056)
Investing activities	
Purchase of investments	(300,950,000)
NET CASH USED IN INVESTING ACTIVITIES	(300,950,000)
Financing activities	
Proceeds from subscriptions	301,200,000
NET CASH GENERATED BY FINANCING ACTIVITIES	301,200,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	86,944
Cash and cash equivalents at the start of the period	–
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	86,944

3. Operating And Financial Review

The 2014 Annual Report (which is incorporated in this Prospectus by reference) included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company's portfolio of investments for that period:

	Page nos
Chair's Report	2-3
Adviser's Review	4-7

4. Documents Incorporated BY Reference

The 2014 Annual Report, which has been previously published, shall be deemed to be incorporated in, and form part of, this Prospectus. The parts of the 2014 Annual Report not incorporated in this Part X of this Prospectus are either not relevant for investors or are covered elsewhere in this Prospectus.

Copies of the 2014 Annual Report are available for inspection at the Company's registered office, set out on page 83 of this Prospectus.

SECTION B

ACCOUNTANTS' REPORT ON THE FINANCIAL INFORMATION OF THE COMPANY FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

Deloitte.

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The Board of Directors
on behalf of Blackstone / GSO Loan Financing Limited
Liberte House
19-23 La Motte Street
St Helier
Jersey
JE2 4SY

31 March 2016

Our Ref: API/ACA

Dear Sirs

Blackstone / GSO Loan Financing Limited (the "Company")

We report on the financial information of the Company for the 6 months ended 30 June 2015 (the "June 2015 Historical Financial Information") set out in Section C of Part X of the prospectus dated 31 March 2016 (the "Prospectus"). This June 2015 Historical Financial Information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 to the June 2015 Historical Financial Information. This report is required by Annex I item 20.6 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the June 2015 Historical Financial Information in accordance with International Accounting Standard 34, Interim Financial Reporting as adopted by the European Union.

It is our responsibility to form an opinion on the June 2015 Historical Financial Information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the June 2015 Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the June 2015 Historical Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the June 2015 Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion on financial information

In our opinion, the June 2015 Historical Financial Information, for the purpose of the Prospectus, including the state of affairs of the Company as at 30 June 2015 and of its profits, cash flows and changes in equity has been properly prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP

Chartered Accountants

*Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("**DTTL**"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.*

SECTION C

FINANCIAL INFORMATION OF THE COMPANY FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

Condensed Statement of Financial Position
As at 30 June 2015

	Notes	*30 June 2015 EUR*	*31 December 2014 EUR*
Assets			
Cash and cash equivalents		315,031	86,944
Other receivables		25,509	21,223
Financial assets at fair value through profit or loss	3	329,367,493	299,277,149
Total Assets		329,708,033	299,385,316
Liabilities			
Expenses payable		(505,371)	(433,756)
Total Liabilities		(505,371)	(433,756)
Net Assets		329,202,662	298,951,560
Capital and Reserves			
Called up share capital		331,307,652	301,200,000
Retained earnings		(2,104,990)	(2,248,440)
Total Capital and Reserves		329,202,662	298,951,560
Net Asset Value per Euro Share		0.99	0.99

The accompanying notes form an integral part of the June 2015 Historical Financial Information.

Condensed Statement of Comprehensive Income
For the Period ended 30 June 2015

	Notes	*EUR**
Realised gain on foreign exchange		2,044
Net gain on financial assets at fair value through profit or loss		15,445,144
Total Revenue		15,447,188
Administration fees		(119,650)
Directors' fees		(122,626)
Legal fees		(174,589)
Audit fees		(71,137)
Operating expenses		(206,170)
Total Operating Expenses		(694,172)
Net Income from Operations before Finance Costs		14,753,016
Interest expense		(1,372)
Total Finance Costs		(1,372)
Total Comprehensive Gain for the period all Attributable to Shareholders		14,751,644
Earnings per Share		
Gain per Euro share	7	0.0474

* No comparatives shown since the Company was not operational for the comparative period.

The accompanying notes form an integral part of the June 2015 Historical Financial Information.

Condensed Statement of Changes in Equity
For the period ended 30 June 2015

	Notes	*EUR**
At 1 January 2015		298,951,560
Transactions with Shareholders		
Issue of shares	4	30,107,652
Redemption of shares	4	–
Distribution to shareholders		(14,608,194)
Total Transactions with Shareholders		15,499,458
Profit for the period all attributable to shareholders		14,751,644
Total Comprehensive Gain for the period all Attributable to Shareholders		14,751,644
At 30 June 2015		329,202,662

* No comparatives shown since the Company was not operational for the comparative period.

The accompanying notes form an integral part of the June 2015 Historical Financial Information.

Condensed Statement of Cash Flow
For the period ended 30 June 2015

	*EUR**
Statement of Cash Flows	
Total comprehensive gain attributable to shareholders	14,751,644
Adjustments for	
Movement in financial assets at fair value through profit or loss	(110,818)
Operating Cash Flows before Movements in Working Capital	
Movement in receivables	(4,286)
Movement in payables	71,615
Cash inflow from movements in working capital	67,329
Net Cash generated from Operating Activities	14,708,155
Investing activities	
Purchase of investments	(29,979,526)
Net Cash used in Investing Activities	(29,979,526)
Financing activities	
Proceeds from subscriptions	30,107,652
Distributions	(14,608,194)
Net Cash Generated by Financing Activities	15,499,458
Net Increase in Cash and Cash Equivalents	228,087
Cash and cash equivalents at the start of the period	86,944
Cash and Cash Equivalents at the end of the period	315,031

* No comparatives shown since the Company was not operational for the comparative period.

The accompanying notes form an integral part of the June 2015 Historical Financial Information.

Notes to the Condensed Historical Financial Information
For the period ended 30 June 2015

1. General

The Company is a closed-ended limited liability investment company domiciled and incorporated under the laws of Jersey with variable capital pursuant to the Collective Investment Funds (Jersey) Law 1988. It was incorporated on 30 April 2014 under registration number 115628. The Company's Euro shares were admitted to the SFM of the LSE and from 17 April 2015 to the Official List of the CISE.

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 predominately to floating rate senior secured loans directly and indirectly through CLO income notes. The Company seeks to achieve its investment objective solely through exposure to the Originator.

At 30 June 2015, all shares in issue were Euro shares. The Company may issue one or more additional classes of shares in accordance with the Prospectus.

2. Significant Accounting Policies

2a. Statement of Compliance

This condensed historical financial information for the six months ended 30 June 2015, has been prepared in accordance with IAS 34, Interim Financial Reporting, as endorsed by the European Union ("EU"). The condensed historical financial information does not contain all of the information and disclosures required in the full annual financial statements and should be read in conjunction with the financial statements for the period ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and also in accordance with Companies (Jersey) Law 1991.

The accounting policies applied by the Company in this condensed historical financial information are the same as those applied in the financial statements for the period ended 31 December 2014, as described in those annual financial statements.

The financial statements for the period ended 31 December 2014, together with the independent auditor's report thereon, are available on the Company's website.

The condensed historical financial information has been prepared on a going concern basis. The Directors consider that this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the Directors took into account the Company's investment objective, risk management policies and capital management policies, its assets, the expected income from investments and the ability of the Company to meet its liabilities and ongoing expenses.

2b. Basis of Preparation

The Company's condensed historical financial information has been prepared on a historical cost basis, except for financial instruments measured at fair value through profit or loss.

The functional currency of the Company is Euro, as its financing and investment activities are primarily denominated in Euro. The presentation currency of the historical financial information is also the Euro.

The Directors consider it appropriate to adopt the going concern basis of accounting in preparing the condensed historical financial information.

2c. Significant Accounting Judgements and Estimates

The preparation of the condensed historical financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are required on an ongoing basis. Revisions to estimates are recognised prospectively.

i. Fair value

For the fair value of all financial instruments held, the Company determines fair values using valuation techniques.

For the period ended 30 June 2015, there were internal valuation techniques used. The investments are recorded at fair value and are designated as assets at fair value through profit or loss. The fair value of the investments is calculated, based on their cost plus or minus the profit or loss generated by that Originator, in accordance with the underlying note purchase agreement ("NPA"). Accordingly the Directors have classified these securities as level 3.

ii. Non-consolidation of the Originator

To determine control, there has to be a linkage between power and the exposure to risks and rewards. The main link from ownership would allow a company to control the payments of returns and operating policies and decisions of a subsidiary. To meet the definition of a subsidiary under the single control model of IFRS 10, the investor has to control the investee.

Control involves power, exposure to variability of returns and a linkage between the two:

i. The investor has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's returns;

ii. The investor has exposure or rights to variable returns from its involvement with the investee; and

iii. The investor has the ability to use its power over the investee to affect the amount of the investor's returns.

In the case of the Originator, the relevant activities are the investment decisions made by it. However, in the Company's case the power to influence or direct the relevant activities is not attributable to the Company. The Company does not have the ability to direct or stop investments by the Originator therefore it does not have the ability to control the variability of returns.

Accordingly, the Originator has been determined not to be a subsidiary undertaking as defined under IFRS 10 and the Company's investment in the profit participating notes ("PPNs") issued by the Originator are accounted for at fair value through profit or loss. The Board has also considered the non-voting B2 shares held by its Subsidiary, as defined below, which also do not give that entity the right to control the operations and activities of the Originator.

iii. Non-consolidation of the Subsidiary undertaking

At 30 June 2015 and 31 December 2014, the Company had one subsidiary undertaking as defined under IFRS 10, Blackstone / GSO Loan Financing 2 Limited.

In the case of the Subsidiary, the relevant activities are the investment decisions which are made by it. Power over its relevant activities is attributed to the Company through its 100 per cent. ownership. The impact of this ownership is that it gives the Company the ability to direct or stop investments by the Subsidiary and hence the decision making power.

To continue being exempt from preparing consolidated financial statements under IFRS 10, the Company must meet the definition of an investment entity. The Company is satisfied that it meets both the required criteria and typical characteristics of an investment entity:

a. It has met the required criteria as follows:

    i. It has obtained funds from one or more investors for the purpose of providing those investors with investment management services;

    ii. It has committed to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and

    iii. It measures and evaluates the performance of its investments on a fair value basis.

b. In addition, the Company has concluded that it has all the following typical characteristics of an investment entity, namely:

   i. It has exposure to more than one investment;

   ii. It has multiple investors;

   iii. The majority of its investors are not related parties; and

   iv. It has ownership interests in the form of equity.

Accordingly, the Subsidiary has not been consolidated under IFRS 10 and is accounted for at fair value through profit or loss.

3. Financial Instruments at Fair Value through Profit or Loss

The Company has financial assets at fair value through profit or loss. The financial instruments recognised at fair value are analysed between those whose fair value is based on:

– Level 1: quoted prices, unadjusted, in active markets for identical assets or liabilities;

– Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly, as prices, or indirectly, derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

– Level 3: inputs for the asset or liability that are not based on observable market data – unobservable inputs.

For the periods ended 30 June 2015 and 31 December 2014 all financial instruments were classified as level 3 within the fair value hierarchy.

For investments that have been categorised as level 3, fair value has been determined as the cost plus accumulated gain or loss attributable to the Company. The fair value of the ordinary shares held in the Subsidiary is deemed to approximate the cost. Sensitivity analysis of level 3 assets is performed at the Originator level since that has a direct impact on the valuation of the Company's level 3 holdings.

The following table shows the movement in level 3 of the fair value hierarchy for the period ended 30 June 2015:

	Financial assets at fair value through profit or loss EUR
Opening balance	299,277,149
Purchases	29,979,526
Movement in unrealised gains in comprehensive income	110,818
Closing balance	329,367,493

The following table shows the movement in level 3 of the fair value hierarchy for the period ended 31 December 2014:

	Financial assets at fair value through profit or loss EUR
Opening balance	–
Purchases	300,950,000
Total unrealised gains or losses in comprehensive income	(1,672,851)
Closing balance	299,277,149

For each class of assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed, the Company is required to disclose the level within the fair value hierarchy at which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

For the periods ended 30 June 2015 and 31 December 2014 cash and cash equivalents, other receivable and expenses payable whose carrying amounts approximate to fair value, were classified as level 2 within the fair value hierarchy.

Transfers between level 1, 2 and 3

There were no transfers between level 1 and level 2 during the periods ended 30 June 2015 or 31 December 2014. The transfers out of Level 3 into Level 2 were processed because the investments classified as Level 2 at the period ended 30 June 2015 were valued using observable inputs but these same investments were valued using unobservable inputs as at 31 December 2014. The transfers from Level 2 into Level 3 were processed because the investments classified as Level 3 at the period ended 30 June 2015 were valued using unobservable inputs but these same investments were valued using observable inputs as at 31 December 2014.

To provide information to shareholders the following is a summary of the fair value hierarchy as at 30 June 2015 of the financial instruments carried at fair value by the Originator:

Originator	*Level 1 EUR*	*Level 2 EUR*	*Level 3 EUR*	*Total Fair Value EUR*
Financial assets at fair value through profit or loss:				
Designated at fair value through profit or loss:				
– Investments	–	291,311,316	183,957,731	475,269,047
Held for trading				
Derivative financial assets	–	824,592	–	824,592
Total financial assets	–	292,135,908	183,957,731	476,093,639
Financial liabilities at fair value through profit or loss:				
Designated at fair value through profit or loss:				
PPNs	–	–	(314,367,493)	(314,367,493)
Held for trading				
Forward purchase agreements	–	–	–	–
Total financial liabilities	–	–	(314,367,493)	(314,367,493)

The following table shows the movement in level 3 of the Originator's fair value hierarchy for the period ended 30 June 2015:

Originator	*Financial assets at fair value through profit or loss EUR*	*Financial liabilities at fair value through profit or loss EUR*
Opening balance	135,541,185	(284,277,149)
Total unrealised gains or losses in comprehensive income	814,598	(110,818)
Purchases	138,070,131	–
Issuances	–	29,979,526)
Sales	(62,238,428)	–
Transfers into Level 3	3,747,312	–
Transfers out of Level 3	(32,006,408)	–
Realised loss	29,341	–
Closing balance	183,957,731	(314,367,493)

The Originator's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the last day of the accounting period.

The following is a summary of the fair value hierarchy as at 31 December 2014 of the financial instruments carried at fair value by the Originator:

Originator	*Level 1 EUR*	*Level 2 EUR*	*Level 3 EUR*	*Total Fair Value EUR*
Financial assets at fair value through profit or loss:				
Designated at fair value through profit or loss:				
– Investments	–	451,627,773	135,541,185	587,168,958
Held for trading				
Derivative financial assets	–	33,785	–	33,785
Total financial assets	–	451,661,558	135,541,185	587,202,743
Financial liabilities at fair value through profit or loss:				
Designated at fair value through profit or loss:				
PPNs	–	–	(284,277,149)	(284,277,149)
Held for trading				
Forward purchase agreements	–	(288,660)	–	(288,660)
Total financial liabilities	–	(288,660)	(284,277,149)	(284,565,809)

There were no transfers between level 1, level 2 and level 3 of the fair value hierarchy during the period ended 31 December 2014.

The following table shows the movement in level 3 of the Originator's fair value hierarchy for the period ended 31 December 2014:

Originator	*Financial assets at fair value through profit or loss EUR*	*Financial liabilities at fair value through profit or loss EUR*
Opening balance	–	–
Total unrealised gains or losses in comprehensive income	(10,381,597)	1,672,851
Purchases	193,911,717	–
Issuances	(285,950,000)	
Sales	(48,406,664)	–
Realised loss	417,729	–
Closing balance	135,541,185	(284,277,149)

Sensitivity of level 3 holdings to unobservable inputs

A number of holdings in the Originator's portfolio as at 30 June 2015 and 31 December 2014 were priced through Markit. Where the input into the Markit price was 2 or less prices, they were classified as level 3. These loan assets are not modelled on analysts' prices but are from dealers' runs therefore there are no unobservable inputs into the prices. The CLO income notes were priced by Thompson Reuters and were classified as level 3 as this is a single pricing source.

The assets classified as level 3 represented 38.9 per cent. (31 December 2014: 23.1 per cent.) of the Originator's total financial assets. If the price of the holdings classified as level 3 increased or decreased by 5 per cent. it would result in an increase or decrease in the value of the Originator's financial assets of EUR9,197,886 (1.94 per cent. of the total financial assets) (31 December 2014: EUR6,777,059 (1.15 per cent. of the total financial assets)). There also would be an equal and opposite effect on the valuation of the PPNs and the debt issued by the Originator's subsidiaries (2.83 per cent.) (31 December 2014: (2.38 per cent.)). The CLO income notes are valued by Thompson Reuters using discounted cash flow models. The key model input assumptions are the loan prepayment rates, loan default rates, loan recovery given default rates and reinvestment rates. These metrics are accumulated from various independent market sources. Additionally, Thompson Reuters review each CLO Indenture and the latest underlying CLO loan portfolio forming various projections based on the quality of the collateral, the collateral manager capabilities and general macroeconomic conditions.

The financial liabilities of the Originator held at fair value through profit or loss consist of the PPNs. In the financial statements of the Originator the PPNs are valued using a model based on the fair value of the underlying assets and liabilities. The amortised cost of the variable fund notes and cash and cash equivalents and receivables and payables included in the underlying assets and liabilities equate to their fair value due to the floating interest rates and short term nature of the balances. If the value of the underlying assets or liabilities changes then there would be an equal and opposite effect on the valuation of the PPNs – as discussed in the previous paragraph.

If the valuation of the element of debt issued by the subsidiaries of the Originator and then purchased by the Originator had increased or decreased by 5 per cent. the value of the CLO income notes would move by EUR8,301,000 (31 December 2014: EUR4,743,259).

4. Shares

Euro

The authorised share capital of the Company is represented by two subscriber shares at no par value and the maximum issued share capital is unlimited. As at 30 June 2015, the issued share capital consists of 331,319,700 Euro shares (31 December 2014: 301,200,000 Euro shares) and the subscriber shares referenced to below.

Voting rights

The Company has issued two subscriber shares of no par value. These shares do not participate in the profits of the Company. Holders of Euro shares participate in the profits of the Company and have voting rights with shareholders having one vote in respect of each whole share held.

Euro Shares

Rights as to capital

On a winding up, the Company may, with the sanction of a special resolution and any other sanction required by the Companies (Jersey) Law 1991, divide the whole or any part of the assets of the Company among the shareholders in specie provided that no holder shall be compelled to accept any assets upon which there is a liability. On return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after payments of its liabilities shall subject to the rights of the holders of other classes of shares be applied to the holders of shares equally pro rata to their holdings of shares.

Voting and transfer

Shareholders have the right to attend, speak and vote at any general meetings of the Company in accordance with the provisions of the Articles of Association.

Issued Shares	*Euro shares* EUR*
Issued Shares (no. of Shares)	
Balance at 1 January 2015	301,200,000
Issue during the period	30,119,700
Balance at 30 June 2015	331,319,700

	*Euro shares** EUR*
Issued Shares (no. of Shares)	
Opening balance	–
Issue during the period	301,200,000
Balance at 31 December 2014	301,200,000

Equity	*Euro shares* EUR*
Balance at 1 January 2015	298,951,560
Gain for the period all attributable to shareholders	14,751,644
Distributions to shareholders	(14,608,194)
Issue of shares	30,107,652
Balance at 30 June 2015	329,202,662

Issue of shares	*Euro shares* EUR*
30,119,700 shares issued at EUR1.02	30,722,094
Broker fees	(614,442)
Net proceeds received by the Company	30,107,652

	*Euro shares*** *EUR*
Opening Balance	–
Loss for the period all attributable to shareholders	(2,248,440)
Issue of shares	301,200,000
Balance at 31 December 2014	298,951,560

* 30,119,700 Euro shares were issued and admitted to the Official List of CISE and to trading on the SFM on 29 April 2015.

** 260,500,000 Euro shares were issued and admitted to the SFM on 23 July 2014. A further 40,700,000 Euro shares were issued and admitted to the SFM on 28 August 2014.

5. Soft Commissions

There are no agreements for the provision of any services by means of soft commission.

6. Related Party Transactions and Key Management Personnel

Transactions with entities with significant influence

The related parties and related party transactions during the period comprised an affiliate of Blackstone / GSO Debt Funds Management Europe Limited. Blackstone Asia Treasury Pty holds 50,000,000 shares (31 December 2014: 50,000,000 shares) in the Company and has entered into a Lock-Up Agreement with the Company and Joint bookrunners to the IPO pursuant to which Blackstone Asia Treasury Pty undertakes not to dispose of the placing shares it acquired in the Company pursuant to the placing for a period of 12 months from Admission. This agreement expired on 23 July 2015.

Transactions with Key Management Personnel

The Directors and the Adviser of the Company are the key management personnel as they are the persons/entity who have the authority and responsibility for planning, directing and controlling the activities of the Company for the periods ended 30 June 2015 and 31 December 2014.

During the period ended 30 June 2015, the Company incurred Director's fees for services as Directors and out-of-pocket expenses of EUR122,626 (31 December 2014: EUR89,334) of which EUR36,416 (31 December 2014: EUR26,132) was outstanding at the period end. The listing of the members of the Board is shown elsewhere in the Prospectus.

No Director except Mr. Gary Clark had any beneficial interest in the shares of the Company during the period ended 30 June 2015 or 31 December 2014. Mr. Gary Clark purchased 25,000 Euro Shares in the Company pursuant to the IPO. Mr. Clark did not sell any shares during the period and continues to hold 25,000 shares as at 30 June 2015 and 31 December 2014. The Company Secretary had no beneficial interest in the shares of the Company during the period ended 30 June 2015 or 31 December 2014.

Mr. Philip Austin is also a Director of Blackstone / GSO Debt Funds Europe Limited, a member of Blackstone Group LP.

The following Directors' fees were paid during the period:

	Period ended 30 June 2015 EUR
Ms. Charlotte Valeur	37,160
Mr. Philip Austin	26,012
Mr. Garry Clark	29,727
Ms. Joanna Dentskevich	29,727
	122,626

Transactions with Other Related Parties

At 30 June 2015, current employees and accounts managed or advised by the Adviser and its affiliates held 722,322 (31 December 2014: 1,222,322) Euro shares which represents approximately 0.22 per cent. (31 December 2014: 0.41 per cent.) of the issued shares of the Company. The reduction of 500,000 shares in this category during the period represented shares held by employees who are no longer employees of the Adviser and its affiliates, not sales.

The Company invests in PPNs of the Originator. The Adviser is also appointed as a service support provider to the Originator and as the Collateral Manager to the CLOs originated by the Originator.

Transaction with Subsidiary

As at 30 June 2015, the Company had one subsidiary for financial reporting purposes, Blackstone / GSO Loan Financing 2 Limited, a private company incorporated in Jersey. As at 30 June 2015 and 31 December 2014, the Company has a 100 per cent. notional holding of the entire outstanding notional balance of its Subsidiary.

During the period ended 30 June 2015, the Company made purchases of investments in the Subsidiary amounting to EUR Nil (31 December 2014: EUR15,000,000). There were no sales of investments in the Subsidiary during the period ended 30 June 2015 or 31 December 2014.

The value of the Subsidiary holding at 30 June 2015 was EUR15,000,000 (31 December 2014: EUR15,000,000).

7. Earnings per Share

The Earnings per Share (the "EPS") is calculated by dividing the profit or loss for the period to the participating shareholders by the weighted average number of shares outstanding in the period.

	30 June 2015 Euro Share Class EUR
Gain/(loss) for the period before distributions to shareholders	14,751,644
Number of ordinary shares on a weighted average basis	311,517,245
Gain/(loss) Per Share	0.0474

For the period ended 30 June 2015 and 31 December 2014, there are no potential ordinary shares in existence at the period end hence no diluted EPS is shown.

8. Taxation

The Company is subject to Jersey tax at a rate of 0 per cent.

9. Distributions

The Board declared a dividend of EUR0.0265 per Euro share in respect of the period from Admission to 31 December 2014 with an ex-dividend date of 29 January 2015. A total payment of EUR7,981,800 was processed on 20 February 2015.

The Board declared a dividend of EUR0.02 per Euro share in respect of the period from 1 January 2015 to 31 March 2015 with an ex-dividend date of 30 April 2015. A total payment of EUR6,626,394 was processed on 22 May 2015.

The Company may, by ordinary resolution, declare dividends in accordance with the respective rights of the shareholders, but no such dividend shall exceed the amount recommended by the Directors. The Directors may pay fixed rate and interim dividends.

A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that payment of a dividend shall be satisfied wholly or partly by the issue of shares or the distribution of assets and the Directors shall give effect to such resolution.

Except as otherwise provided by the rights attaching to or terms of issue of any shares, all dividends shall be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. No dividend or other moneys payable in respect of a share shall bear interest against the Company.

The Directors may deduct from any dividend or other moneys payable to a shareholder all sums of money (if any) presently payable by the holder to the Company on account of calls or otherwise in relation to such shares.

Any dividend unclaimed after a period of 10 years from the date on which it became payable shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

10. Seasonal or Cyclical Changes

The Company is not subject to seasonal or cyclical changes.

11. Significant events during the period

The existing Euro shares were admitted to the Official List of the Channel Islands Securities Exchange Authority Limited on 17 April 2015. Accordingly, the Euro shares are now "excluded securities" and therefore will not be subject to the marketing restrictions of the Financial Conduct Authority's rules on the promotion of Non-Mainstream Pooled Investments.

The Company issued 30,119,700 new ordinary shares at an issue price of EUR1.02 per share raising a further EUR30.7m, before costs. The shares were admitted to the Official List of CISE and to trading on the SFM on 29 April 2015.

12. Subsequent events

On 21 July 2015 the Directors declared a dividend of EUR0.02 per EUR Share in respect of the period from 1 April 2015 to 30 June 2015. This dividend was paid on 21 August 2015 to shareholders on the register as at the close of business on 31 July 2015, and the corresponding Ex-Dividend Date was 30 July 2015.

On 21 October 2015, the Directors declared a dividend of EUR0.02 per Euro share in respect of the year from 1 July 2015 to 30 September 2015 with an ex-dividend date of 29 October 2015. A total payment of EUR6,626,394 was processed on 20 November 2015.

On 28 January 2016, the Directors declared a dividend of EUR0.02 per Euro share in respect of the period from 1 October 2015 to 31 December 2015 with an ex-dividend date of 4 February 2016. A total payment of EUR6,626,394 was processed on 26 February 2016.

Blackstone / GSO Loan Financing 2 Limited was dissolved and a Luxembourg subsidiary, Blackstone / GSO Loan Financing (Luxembourg) S.a.r.l. has been incorporated. The Company has purchased 20,000 shares at a par value of one Euro per share in the Luxembourg subsidiary.

There were no other significant events affecting the Company since the period end which required adjustment to or disclosure in the financial statements.

PART XI

FINANCIAL INFORMATION OF BGCF

SECTION A

PUBLISHED ANNUAL REPORT AND AUDITED ACCOUNTS OF BGCF FOR THE PERIOD FROM 16 APRIL 2014 (THE DATE OF INCORPORATION OF BGCF) TO 31 DECEMBER 2014

Deloitte

Deloitte & Touche
Chartered Accountants &
Registered Auditors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKSTONE/GSO CORPORATE FUNDING LIMITED

We have audited the financial statements of Blackstone/GSO Corporate Funding Limited ('the Company') for the period ended 31 December 2014 which comprise the Group Financial Statements: the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Parent Company Financial Statements: the Company Statement of Financial Position, the Company Statement of Changes in Equity, the Company Statement of Cash Flows and the related notes 1 to 25. The financial reporting framework that has been applied in the preparation of the Group Financial Statements is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company Financial Statements is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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Deloitte.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKSTONE/GSO CORPORATE FUNDING LIMITED

Opinion on financial statements

In our opinion:

- the Group's Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2014 and of its profit for the period then ended;
- the Parent Company Statement of Financial Position gives a true and fair view, in accordance with IFRSs, as adopted by the European Union, and as applied in accordance with the provisions of the Companies Acts, 1963 to 2013, of the state of the Parent Company's affairs as at 31 December 2014;
- the Financial Statements have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2013.

Matters on which we are required to report by the Companies Acts, 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of accounts have been kept by the Parent Company.
- The Parent Company Statement of Financial Position is in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the Parent Company, as stated in the Parent Company Statement of Financial Position are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 2014 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Parent Company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts, 1963 to 2013 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Brian O'Callaghan
For and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Dublin

26 March 2015

BLACKSTONE / GSO CORPORATE FUNDING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period from 16 April 2014 to 31 December 2014

	Note	31 Dec 2014 EUR
Income from investments designated at fair value through profit or loss		13,880,129
Net (loss) on derivatives		(1,182,938)
Net foreign exchange (loss)		(1,937,385)
Net operating gain		10,759,806
Operating expenses	12	(25,737,911)
Comprehensive loss		
Unrealised gain on financial liabilities	17	28,396,098
Finance (expense) on financial liabilities	18	(13,415,941)
Net profit on ordinary activities before taxation		2,052
Taxation		
Tax on ordinary activities	11	(513)
Total comprehensive income		1,539

All results are from continuing activities.

The members of the Group were incorporated during the period, therefore there are no comparatives.

The accompanying notes are an integral part of these financial statements.

On behalf of the Board of Directors:

Director:

Director:

Date: 26 March 2015

BLACKSTONE / GSO CORPORATE FUNDING LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Note	31 Dec 2014 EUR
Financial assets at fair value through profit or loss:		
Designated at fair value through profit or loss:		
- Investments	2, 13	1,651,477,103
Held for trading		
- Derivative financial assets	2, 3, 13	122,994
Receivable for investments sold	2	35,633,279
Other receivables	8	6,540,010
Cash and cash equivalents	7	767,976,769
Total assets		2,461,750,155
Financial liabilities at fair value through profit or loss:		
Designated at fair value through profit or loss:		
- Profit Participating Notes	4, 13	(284,277,149)
- Debt issued by subsidiaries	4, 13	(1,202,548,753)
Held for trading		
- Derivative financial liabilities	2, 3, 13	(453,907)
Variable funding notes ("VFNs")	2, 6	(402,323,249)
Payable for investments purchased	2	(541,066,001)
Interest payable on debt issued by subsidiaries		(8,746,027)
Other payables and accrued expenses	9	(7,333,327)
Total liabilities		(2,446,748,413)
Net Assets		15,001,742
Capital and Reserves	10	
Called up share capital – Parent Company		215
Called up share capital – Minority Interest		3
Share premium		14,999,985
Retained earnings		1,539
		15,007,142

The members of the Group were incorporated during the period, therefore there are no comparatives.

The accompanying notes are an integral part of these financial statements.

On behalf of the Board of Directors:

Director:

Director:

Date: 26 March 2015

BLACKSTONE / GSO CORPORATE FUNDING LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Note	31 Dec 2014 EUR
Financial assets at fair value through profit or loss:		
Designated at fair value through profit or loss:		
- Investments	2, 13	587,168,958
Held for trading		
- Derivative financial assets	2, 3, 13	33,785
Receivable for investments sold	2	472,771,051
Other receivables	8	5,501,703
Cash and cash equivalents	7	91,601,158
Total assets		1,157,076,655
Financial liabilities at fair value through profit or loss:		
Designated at fair value through profit or loss:		
- Profit Participating Notes	4, 13	(284,277,149)
Held for trading		
- Derivative financial liabilities	2, 3, 13	(288,660)
Variable funding notes	2, 6	(402,323,249)
Payable for investments purchased	2	(447,523,872)
Other payables and accrued expenses	9	(7,662,865)
Total liabilities		(1,142,075,795)
Net Assets		15,000,860
Capital and Reserves	10	
Called up share capital		215
Share premium		14,999,985
Retained earnings		660
		15,000,860

The Parent Company was incorporated on 16 April 2014, therefore there are no comparatives.

The accompanying notes are an integral part of these financial statements.

On behalf of the Board of Directors:

Director:

Director:

Date: 26 March 2015

BLACKSTONE / GSO CORPORATE FUNDING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period from 16 April 2014 to 31 December 2014

	Note	Share Capital EUR	Share Premium Reserve EUR	Retained Earnings EUR	Total EUR
For the period ended 2014:					
At beginning of period		-	-	-	-
Shares Issued	10	223	19,999,980	-	20,000,203
Shares Redeemed	10	(5)	(4,999,995)	-	(5,000,000)
		218	14,999,985	-	15,000,203
Retained earnings		-	-	1,539	1,539
At end of period		218	14,999,985	1,539	15,001,742

The members of the Group were incorporated during the period, therefore there are no comparatives.

The accompanying notes are an integral part of these financial statements.

BLACKSTONE / GSO CORPORATE FUNDING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
For the period from 16 April 2014 to 31 December 2014

	Note	Share Capital EUR	Share Premium Reserve EUR	Retained Earnings EUR	Total EUR
For the period ended 2014:					
At beginning of period		-	-	-	-
Shares Issued	10	220	19,999,980	-	20,000,200
Shares Redeemed	10	(5)	(4,999,995)	-	(5,000,000)
		215	14,999,985	-	15,000,200
Retained earnings		-	-	660	660
At end of period		215	14,999,985	660	15,000,860

The Parent Company was incorporated on 16 April 2014, therefore there are no comparatives.

The accompanying notes are an integral part of these financial statements.

BLACKSTONE / GSO CORPORATE FUNDING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period from 16 April 2014 to 31 December 2014

	31 Dec 2014 EUR
Total comprehensive income	1,539
Adjustments for:	
Net gains/losses on financial assets at fair value	566,895
Movement in debt issued by the Parent Company and its subsidiaries	(28,396,098)
Unrealised loss on derivatives	330,913
Unrealised loss on foreign exchange	2,107,424
Operating cash flows before movements in working capital	(25,389,327)
(Increase) in other receivables	(6,540,010)
Increase in other payables	7,333,327
Cash generated by operations	793,317
Net cash (outflows) from operating activities	(24,596,010)
Investing activities	
Purchase of investments	(1,216,717,632)
Sales/paydowns of investments	70,106,356
Net cash outflows from investing activities	(1,146,611,276)
Financing activities	
Proceeds from VFNs	446,247,494
Repayments of VFNs	(43,924,245)
Proceeds from PPN	330,950,000
Redemption of PPN	(45,000,000)
Proceeds from debt issued by subsidiaries	1,229,272,000
Increase on interest payable on debt	8,746,027
Proceeds from share issuance - Parent Company	20,000,200
Proceeds from share issuance - Subsidiaries	3
Payments of shares redeemed - Parent Company	(5,000,000)
Net cash flows inflows from financing activities	1,941,291,479
Net increase in cash and cash equivalents	770,084,193
Cash and cash equivalents at start of period	-
Unrealised (loss) on foreign exchange	(2,107,424)
Cash and cash equivalents at end of period	767,976,769
Net cash flows from operating activities include:	
Interest paid	(841,238)
Interest received	8,742,741
Tax paid	-

The Parent Company and its subsidiaries were incorporated during the period, therefore there are no comparatives.

The accompanying notes are an integral part of these financial statements.

BLACKSTONE / GSO CORPORATE FUNDING LIMITED

COMPANY STATEMENT OF CASH FLOWS
For the period from 16 April 2014 to 31 December 2014

	31 Dec 2014 EUR
Total comprehensive income	660
Adjustments for:	
Net gains/losses on financial assets at fair value	4,342,591
Movement in debt issued by the Parent Company	(1,672,851)
Unrealised loss on derivatives	254,875
Unrealised loss on foreign exchange	2,172,942
Operating cash flows before movements in working capital	5,098,217
(Increase) in other receivables	(5,501,703)
Increase in other payables	7,662,865
Cash generated by operations	2,161,162
Net cash (outflows) from operating activities	7,259,379
Investing activities	
Purchase of investments	(1,202,951,883)
Sales/paydowns of investments	586,193,155
Net cash outflows from investing activities	(616,758,728)
Financing activities	
Proceeds from VFNs	446,247,494
Repayments of VFNs	(43,924,245)
Proceeds from PPN	330,950,000
Redemption of PPN	(45,000,000)
Proceeds from share issuance	20,000,200
Payments of shares redeemed	(5,000,000)
Net cash flows inflows from financing activities	703,273,449
Net increase in cash and cash equivalents	93,774,100
Cash and cash equivalents at start of period	-
Unrealised (loss) on foreign exchange	(2,172,942)
Cash and cash equivalents at end of period	91,601,158
Net cash flows from operating activities include:	
Interest paid	(699,641)
Interest received	5,620,248
Tax paid	-

The Parent Company was incorporated on 16 April 2014, therefore there are no comparatives.

The accompanying notes are an integral part of these financial statements.

Note 1 General information

Blackstone / GSO Corporate Funding Limited (the "Parent Company") is a limited liability company incorporated in Ireland on 16 April 2014. The Parent Company was established to originate investments using the proceeds from the issuance of profit participating notes ("PPN") and other resources available to it such as the Variable Funding Notes ("VFN"). The Parent Company is a qualifying company for the purposes of Section 110 of the Taxes Consolidation Act, 1997, as amended.

The Group is defined as the Parent Company and its subsidiaries, Phoenix Park CLO Limited, Sorrento Park CLO Limited and Castle Park CLO Limited. These consolidated financial statements relate to the financial statements for the Group.

A collateralised loan obligation ("CLO") is a pooled investment vehicle which invests in a diversified group of loan assets. To finance its investments the vehicle issues notes to investors. The servicing and repayment of these notes is linked directly to the performance of the underlying assets.

The portfolios underlying the CLO Notes consist mainly of senior secured loans, mezzanine loans, second lien loans and high yield bonds. Interest is payable on the notes issued by the subsidiaries on a quarterly basis.

The CLO Notes are outstanding at the period end and are subject to a final legal maturity date of 2027 and 2028 (please refer to Note 5). All of the aforementioned CLO Notes have been listed and are trading on the Main Securities Market of the Irish Stock Exchange.

Note 2 Significant accounting policies

Statement of compliance and basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") (and in effect on 16 April 2014) and interpretations adopted by the International Accounting Standards Board ("IASB") and the Irish Companies Acts, 1963 to 2013 applicable to companies reporting under IFRS. They have been prepared on an historical cost basis with the exception of investments, derivatives, debt issued by the subsidiaries and the PPN, which are carried at fair value.

The financial statements are presented in Euro ("EUR") and rounded to the nearest EUR.

As permitted by Section 148(8) of the Companies Act, 1963 and Section 7(1A) of the Companies (Amendment Act), 1986, the Parent Company is availing of the exemption from presenting its "separate" income statement in these financial statements and from filing it with the Registrar of Companies. The profit for the period dealt with in the separate financial statements of Blackstone / GSO Corporate Funding Limited, amounts to EUR660.

New standards, amendments and interpretations issued but not effective for the financial period beginning 16 April 2014 and not early adopted

IAS 24, "Related Party Disclosures" amendment adds an entity to the definition of key management personnel when that entity or any member of a group of which it is a part provides key management personnel services to the reporting entity or to the parent of the reporting entity and is effective for annual periods beginning on or after 1 July 2014. Amounts incurred by the Group for the provision of key management personnel services by a separate management entity shall be disclosed. The amendment is not expected to have any impact on the Group's financial position or performance but will require additional disclosures.

IFRS 9 "Financial Instruments", addressed the classification, measurement and recognition of financial assets and financial liabilities and will become effective for the periods beginning on or after 1 January 2018. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact.

IFRS 14 "Regulatory Deferred Accounts" was issued in January 2014 and will become effective for the periods beginning on or after 1 January 2016. The new standard is not expected to have any impact on the Group's financial position, performance or disclosures in its financial statements.

IFRS 15 "Revenue from Contracts with Customers" was issued in May 2014 and will become effective for periods beginning on or after 1 January 2017. The new standard is not expected to have any impact on the Group's financial position, performance or disclosures in its financial statements.

Note 2 Significant accounting policies (continued)

Basis of consolidation

The Group financial statements incorporate the financial statements of the Parent Company and its subsidiaries. As at 31 December 2014 the Parent Company has three subsidiaries - Phoenix Park CLO Limited, Sorrento Park CLO Limited and Castle Park CLO Limited, all of which have been originated.

The subsidiaries are deemed to be subsidiaries of Blackstone / GSO Corporate Funding Limited under the provisions of IFRS 10 including the consideration of the following factors:

- The Parent Company owns at least 51% of the subordinated notes of each entity and so has exposure to variable returns;
- The Parent Company has contributed at least 50% of the assets of each entity;
- The Parent Company has the right to a residual balance of income.

The Parent Company has taken into account that it does not own any share capital of the entities.

(Please refer to Note 5 for further details of the subsidiary undertakings).

Foreign currency translation

Items included in the Group and Parent Company's financial statements are measured and also presented using the currency of the primary economic environment in which it operates (the functional currency). This is the Euro ("EUR"), which reflects the fact that the liabilities and the majority of its assets are in EUR.

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Euro at the foreign currency closing exchange rate ruling at the period end date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Consolidated Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Euro at the foreign currency exchange rates ruling at the dates that the values were determined. All foreign currency exchange differences relating to monetary items, including cash and cash equivalents, are included in the net foreign exchange gain/(loss) in the Consolidated Statement of Comprehensive Income. Foreign exchange gain/(loss) on financial assets at fair value through profit or loss are included in income from investments designated at fair value through profit or loss.

Judgments and use of estimates

The preparation of financial statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The key judgments used in the preparation of these consolidated financial statements are:

- the accounting policy choice regarding the designation of the loan assets, CLO Income Notes, PPN and debt issued by the subsidiaries as fair value through profit or loss; and
- the choice of valuation technique to use in the assessment of fair value of the financial instruments held. These include, in particular, using Markit sourced prices to value the loan assets and Thompson Reuters to value the CLO Income Notes, together with the bespoke models to value the PPN and the debt issued by the subsidiaries.

The determination of fair value is the key source of estimation uncertainty. This relates in particular to the carrying value of the loan assets, Income Notes, PPN and debt issued by the subsidiaries. More details on the approach to valuation of these instruments is included in the accounting policy on financial instruments. Please see also Note 13 for further details. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Financial instruments

Financial assets and liabilities are recognised in the Statement of Financial Position when the Group or Parent Company becomes a party to the contractual provisions of the instrument.

(i) Investments

IAS 39 "Financial Instruments: Recognition and Measurement" establishes specific categories into which all financial assets must be classified. The classification of financial instruments dictates how these assets are subsequently measured in the financial statements. There are four categories of financial assets: *assets at fair value through profit or loss, available for sale, loans and receivables* and *held to maturity.* All investments held at the reporting date are categorised as fair value through profit or loss.

Note 2 Significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets are recorded. All investments are classified as held at fair value through profit or loss on initial recognition. Transaction costs on financial assets at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

The Parent Company has two types of investments – loan assets and CLO Income Notes.

Where available, the fair value of financial instruments is based on their quoted market prices at the period end date without any deduction for estimated future selling costs. However, all of the loan asset fair value prices used in the financial statements are based on broker quotes received from Markit Group Limited ("Markit"). Financial assets are priced at current mid prices. If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange traded financial instruments, the fair value of the instrument is estimated using the valuation techniques of GSO, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The CLO Income Notes issued by the subsidiaries listed on the Irish Stock Exchange is priced by Thompson Reuters and this price is used to establish the fair value of the CLO Income Notes held by the Parent Company and disclosed as financial assets at fair value through profit or loss in the Company Statement of Financial Position.

The Group and Parent Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39. The Group and Parent Company uses the average method to determine realised gains and losses on derecognition.

(ii) Financial liabilities

A financial liability is recognised when the Parent Company and Group enters into a contract giving rise to an obligation.

The PPN issued by the Parent Company is recorded at fair value and is designated as liabilities at fair value through profit or loss. The fair value of the PPN is based on a model incorporating the fair value of all the underlying assets and liabilities to which it is exposed

Debt issued by the subsidiaries is also recorded at fair value and is designated as liabilities at fair value through profit or loss. Debt issued by the subsidiaries and listed on the Irish Stock Exchange is valued in accordance with a model incorporating all the fair value of the underlying assets and liabilities to which it is exposed, which is the basis of its fair value.

VFNs are carried at amortised cost minus repayments and adjusted for the movement in foreign currency. All movements in foreign currency on the VFNs, commitment fees and interest charged on the amounts borrowed are recognised in the finance expense on financial liabilities in the Statement of Comprehensive Income.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(iii) Cash and cash equivalents

Cash comprises of current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Details of the banks where short-term investments are held at period end are disclosed in Note 7.

(iv) Forward purchase agreements

Forward purchase agreements are recognised at fair value through profit or loss: held for trading on the date on which the contract is entered into and are subsequently re-measured at fair value. All forward purchase agreements are carried as assets when fair value is positive and as liabilities when fair value is negative.

The forward purchase agreements are over-the-counter ("OTC") contracts for delayed delivery of investments in which the buyer agrees to buy and the seller agrees to deliver specified investments at specified prices on a specified future date. Because the terms are not standardised, they are not traded on organised exchanges and generally can be terminated or closed out only by agreement of both parties to the contract. They are valued in accordance with the terms of the forward purchase agreement.

Subsequent changes in the fair value of the forward purchase agreements are recognised immediately in the Consolidated Statement of Comprehensive Income.

A forward purchase agreement is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Note 2 Significant accounting policies (continued)

Financial instruments (continued)

(v) Swaps

A currency swap is an interest rate swap in which the cash flows are in different currencies. Upon initiation of a currency swap, the counterparties make an initial exchange of notional principals in the two currencies. During the life of the swap, each party pays interest (in the currency of the principal received) to the other. At the maturity of the swap, the parties make a final exchange of the initial principal amounts, reversing the initial exchange at the same spot rate. Swap contracts are recognised at fair value through profit or loss: held for trading on the date on which the contract is entered into and are subsequently re-measured at fair value. Contracts are marked-to-market daily based upon calculations using a valuation model and the change, if any, is recorded as unrealised appreciation or depreciation. Payments received or paid on maturity or termination of the contract are recognised as realised gains or losses in the Statement of Comprehensive Income. A swap contract is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Limited Recourse

The Notes are limited recourse obligations of the Parent Company and Group which are payable solely out of amounts received by the Parent Company and Group in respect of the collateral held. The net proceeds of the realisation of the collateral following an event of default, or on maturity of the Notes, may be insufficient to pay all amounts due on the Notes. The Subordinated Notes/PPN receive interest based on an available funds basis out of the interest proceeds after payment of certain fees and expenses and interest payable in respect of each of the other classes of Notes.

Receivable for investments sold and payable for investments purchased

Receivable for investments sold and payable for investments purchased represent amounts receivable and payable respectively for transactions contracted for but not yet delivered at the end of the period.

Interest income and expense

Interest income and expense are recognised in the Consolidated Statement of Comprehensive Income as they accrue.

Expenses

All expenses are recognised in the Consolidated Statement of Comprehensive Income on an accruals basis.

Finance expense on financial liabilities

Finance charges are accounted for on an accruals basis in the Consolidated Statement of Comprehensive Income.

Taxation

Corporation tax is provided on taxable profits at current rates applicable to the Group's activities.

Deferred taxation is accounted for, without discounting, in respect of all timing differences arising between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the period end date except as otherwise required by IAS 12 'Deferred Tax'. Provision is made at the tax rates which are expected to apply in the periods in which the timing differences reverse. Deferred tax assets are recognised only to the extent that it is considered more likely than not that they will be recovered.

Share capital

Ordinary shares have a right to vote but are not redeemable - they do not participate in the net income of the Group or Parent Company and are classified as equity. Share classes B1 and B2 do not have a right to vote and hold no right to receive a dividend - they do not participate in the net income of the Group or Parent Company and are also classified as equity.

Segment reporting

A segment is a distinguishable component of the Group or Parent Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different to those of other segments. The Group or Parent Company has only one line of business, which is its investment activities in debt securities and derivative financial instruments and represents its primary business segment.

Unfunded loans

Unfunded loans occur when the Group or Parent Company commits to purchase a loan asset and has purchased less the 100% of the commitment at the reporting date. The percentage outstanding as at the reporting date is the unfunded loan. The full 100% of the commitment is reflected in the Consolidated Statement of Financial Position at the reporting date as an asset designated at fair value through profit or loss. The percentage outstanding is reflected in the Consolidated Statement of Financial Position as a financial liability designated at fair value through profit or loss.

Organisational fees

All organisational fees are recognised on an accruals basis in the Statement of Comprehensive Income for the period ended 31 December 2014.

Note 3 Derivative financial assets and liabilities

The Parent Company will, from time to time, enter into a forward purchase agreement whereby it will purchase and warehouse investments on behalf of a CLO Issuer and sell those same warehoused investments to the same CLO Issuer at a specified purchase price at a specified future date. The forward purchase agreements contain provisions whereby (i) recourse to the Parent Company under the forward purchase agreement would be limited to available funds and (ii) the CLO Issuer would be required to enter into non-petition covenants whereby the CLO Issuer would agree not to take action to petition or take any corporate action or other steps or legal proceedings for the winding up of the Parent Company. As at 31 December 2014 there was one forward purchase agreement open with Dorchester Park CLO Limited with an unrealised value of EUR(254,875).

The Group has also entered into currency swaps. The Group has a total unrealised gain of EUR122,994 and an unrealised loss of EUR(453,907) on all of its derivative financial assets and liabilities as at 31 December 2014.

Note 4 Profit participating note and debt issued by subsidiaries

The PPN is an unsecured, limited recourse obligation of the Parent Company. The recourse of the Noteholder is limited to the proceeds available at such time from the debt obligations, CLO income notes and other obligations, which comply with the investment policy (refer to page 2). The Parent Company has issued the following PPN:

	Due date	Amount issued EUR	Market Value 31 Dec 2014 EUR
Profit participating note	01/06/2044	(285,950,000)	(284,277,149)
Total		(285,950,000)	(284,277,149)

The coupon on the PPN is payable on an available funds basis as set out in the Profit Participating Note Issuing and Purchase Agreement.

The rights attached to the debt issued by subsidiaries are as set out in the relevant offering documents.

The Group has issued Notes as follows:

Details	Debt issued by subsidiaries EUR	PPN EUR	Total EUR
Issued by the Parent Company	-	(284,277,149)	(284,277,149)
Issued by Phoenix Park CLO Limited	(397,574,879)	-	(397,574,879)
Issued by Sorrento Park CLO Limited	(498,459,949)	-	(498,459,949)
Issued by Castle Park CLO Limited	(401,379,100)	-	(401,379,100)
Debt issued by the subsidiaries and purchased by the Parent Company (eliminated on consolidation)	94,865,175	-	94,865,175
Total	(1,202,548,753)	(284,277,149)	1,486,825,902

Note 5 Subsidiaries

The entities listed below are deemed to be subsidiaries of Blackstone / GSO Corporate Funding Limited under the provisions of IFRS 10 including the consideration of the following factors:

- The Parent Company owns at least 51% of the subordinated notes of each entity and so has exposure to variable returns;
- The Parent Company has contributed at least 50% of the assets of each entity;
- The Parent Company has the right to a residual balance of income.

The Parent Company has taken into account that it does not own any share capital of the entities.

The collateral obligations have been sold by the Parent Company to its subsidiaries. The assets of the subsidiaries are not available to satisfy the obligations of the Parent Company.

Name of subsidiary	Place of incorporation and operation	Date of incorporation	% Subordinated Notes held
Phoenix Park CLO Limited	Ireland	7 April 2014	51.38%
Sorrento Park CLO Limited	Ireland	20 August 2014	60.53%
Castle Park CLO Limited	Ireland	14 October 2014	100.00%

The registered office for each subsidiary is 3rd Floor, Europa House, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

The largest group in which the results of the subsidiaries are consolidated is that headed by Blackstone Group L.P.

Note 5 Subsidiaries (continued)

Each of the subsidiaries has issued the following Notes, which are listed on the Irish Stock Exchange:

	Phoenix Park CLO Limited			Sorrento Park CLO Limited			Castle Park CLO Limited		
	Due date	Amount issued EUR	Coupon Rate	Due date	Amount issued EUR	Coupon Rate	Due date	Amount issued EUR	Coupon Rate
Senior rated notes									
Class A-1 senior secured floating rate notes	2027	(236,000,000)	1.35%	-	-	-	2028	(238,000,000)	1.35%
Class A-1A senior secured floating rate notes	-	-	-	2027	(290,000,000)	1.25%	-	-	-
Class A-1B senior secured floating rate notes	-	-	-	2027	(5,000,000)	1.85%	-	-	-
Class A-2 senior secured floating rate notes	2027	(47,000,000)	2.05%	-	-	-	-	-	-
Class A-2A senior secured floating rate notes	-	-	-	2027	(28,750,000)	2.00%	2028	(32,000,000)	2.15%
Class A-2B senior secured floating rate notes	-	-	-	2027	(30,000,000)	2.71%	2028	(15,000,000)	3.00%
Class B senior secured deferrable floating rate notes	2027	(24,000,000)	2.55%	2027	(30,000,000)	2.55%	2028	(23,000,000)	2.70%
Class C senior secured deferrable floating rate notes	2027	(23,000,000)	3.40%	2027	(28,750,000)	3.40%	2028	(23,000,000)	3.65%
Class D senior secured deferrable floating rate notes	2027	(24,000,000)	5.10%	2027	(30,000,000)	4.90%	2028	(26,000,000)	5.60%
Class E senior secured deferrable floating rate notes	2027	(14,000,000)	6.00%	2027	(17,500,000)	6.25%	2028	(12,000,000)	6.50%
Subordinated notes	2027	(45,250,000)	12.00%	2027	(57,000,000)	12.00%	2028	(46,000,000)	12.00%
Total Issued		(413,250,000)			(517,000,000)			(415,000,000)	
Total Market Value as at 31 December 2014		(397,574,879)			(498,459,949)			(401,379,100)	

Phoenix Park CLO Limited

All of the Notes, other than the Subordinated Notes, are floating rate and bear interest at three month EURIBOR plus the margin specified above. The Subordinated Notes receive interest based on an available funds basis out of the interest proceeds after payment of certain fees and expenses and interest payable in respect of each of the other classes of Notes.

The maturity date is 29 July 2027. The Notes will be repaid upon any breach of the coverage of the tests (as defined in the Offering Circular). Any reduction in the fair value of the securities will be matched by a reduction in the repayment obligations of the Notes.

Sorrento Park CLO Limited

All of the Notes, other than Class A1-B and A2-B and the Subordinated Notes, are floating rate and bear interest at three month EURIBOR plus the margin specified above. The Subordinated Notes receive interest based on an available funds basis out of the interest proceeds after payment of certain fees and expenses and interest payable in respect of each of the other classes of Notes.

The maturity date is 16 November 2027. The Notes will be repaid upon any breach of the coverage of the tests (as defined in the Offering Circular). Any reduction in the fair value of the securities will be matched by a reduction in the repayment obligations of the Notes.

Castle Park CLO Limited

All of the Notes, other than Class A2-B and the Subordinated Notes, are floating rate and bear interest at three month EURIBOR plus the margin specified above. The Subordinated Notes receive interest based on an available funds basis out of the interest proceeds after payment of certain fees and expenses and interest payable in respect of each of the other classes of Notes.

The maturity date is 15 January 2028. The Notes will be repaid upon any breach of the coverage of the tests (as defined in the Offering Circular). Any reduction in the fair value of the securities will be matched by a reduction in the repayment obligations of the Notes.

Note 6 Variable Funding Notes

On 8 August 2014 the Parent Company entered into a "Variable Funding Note Issuing and Purchasing Agreement" whereby Noteholders are required to make funds available to the Parent Company by way of the Parent Company issuing the variable funding notes ("VFNs") and requesting funding amounts from time to time in accordance with the agreement. The details are:

Noteholders	Maximum funding amounts EUR	Funding share %	Funding amounts as at 31 December 2014 EUR
Citibank, N.A.	(100,000,000)	21.04	(84,699,632)
BNP Paribas, London Branch	(125,000,000)	26.32	(105,874,539)
Deutsche Bank AG, London Branch	(125,000,000)	26.32	(105,874,539)
Bank of America N.A., London Branch	(125,000,000)	26.32	(105,874,539)
Total VFNs	(475,000,000)	100.00	(402,323,249)

The main conditions attached to the VFNs are:

The Noteholders will advance to the Parent Company, on a pro rata basis based on their respective funding share, amounts in Euro, British Pounds and/or USD up to an aggregate outstanding amount equal to the maximum funding amounts. No funding amount will be required to be advanced by the Noteholders until the following is confirmed:

a. No event of default or potential event of default has occurred or is subsisting or would occur as a result of such advance;
b. The Noteholders have received a funding notice with respect to the funding amount;
c. Immediately after the advance, the sum of the committed funding amount and the allocated unfunded amount will not exceed the maximum funding amount;
d. Immediately prior to and immediately after such advance, each coverage test is and will be satisfied;
e. The funding amount is denominated in the same currency as the investments which will be purchased with the proceeds of the funding amount;
f. The revolving period end date has not occurred; and
g. No requirements of any law or regulation will prohibit or otherwise restrain the Noteholders from making the required funding amount.

Each or any of the Noteholders may waive any of the above conditions.

The VFNs have a revolving period end date which is the earliest of three calendar years from the date of the agreement (8 August 2017) or an agreed early amortisation date.

The Parent Company also entered into a Deed of Charge and Assignment, granting security to the Noteholders over the assets of the Parent Company.

Note 7 Cash and cash equivalents

	Group 31 Dec 2014 EUR	Parent Company 31 Dec 2014 EUR
Money Market Funds	224,176,470	-
Cash	543,800,299	91,601,158
	767,976,769	91,601,158

The cash is held with the Custodian, Citibank N.A., London Branch (which has a credit rating of A2 from Moody's) as at 31 December 2014. The cash invested in Money Market Funds is held with Morgan Stanley Liquidity Funds (Morgan Stanley has a credit rating of Baa2 from Moody's) and Blackrock Institutional Cash Series plc (Blackrock Inc. has a credit rating of A+).

Note 8 Other receivables

	Group 31 Dec 2014 EUR	Parent Company 31 Dec 2014 EUR
Interest receivable	6,069,211	4,623,047
Other receivables	470,799	878,656
	6,540,010	5,501,703

Note 9 Other payables and accrued expenses

	Group 31 Dec 2014 EUR	Parent Company 31 Dec 2014 EUR
Broker fee payable	(3,113,358)	(3,113,358)
Interest fee payable	-	(2,295,153)
Commitment fee payable	(2,068,066)	(2,068,066)
Management fee payable	(1,500,428)	-
Administration fee payable	(69,043)	(10,000)
Audit fee payable	(30,750)	-
Other payable	(551,682)	(176,288)
	(7,333,327)	(7,662,865)

Note 10 Share capital

Upon incorporation the authorised share capital of the Parent Company was EUR1,000,000 divided into 1,000,000 ordinary shares of EUR1 each.

The Directors have the right to allot unissued share capital of the Parent Company up to an equal amount of the authorised share capital. Without prejudice to current shareholders, any share may be issued with such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting, return of capital or otherwise as the Directors may from time to time determine. Any shares may also be increased or reduced or divided into classes, as the Directors may determine.

On 3 June 2014, the Board of Directors approved the following change to the authorised share capital of the Parent Company:

The share capital of the Parent Company is EUR1,000,000 divided into ownership shares, being 999,800 ordinary shares of EUR1.00 each and non-ownership shares, being 100 B1 shares of EUR1.00 each and 100 B2 shares of EUR1.00 each.

The Ordinary Shares are ownership and voting shares. The B1 and B2 shares are non-ownership and non-voting shares. The issued share capital is held on trust for charitable purposes.

The class B1 shares were issued to Blackstone Treasury Asia Pte. Limited, a related party to GSO. Immediately upon Admission to the Irish Stock Exchange, the Class B1 shares were redeemed in their entirety and replaced instead with Class B2 shares which are held by Blackstone / GSO Loan Financing 2 Limited.

Each of the subsidiaries has minimal share capital, being authorised share capital of EUR100 divided into 100 ordinary shares of EUR1 each. The issued share capital of each of the subsidiaries is EUR1 which is held in trust by Intertrust Nominees (Ireland) Limited for charitable purposes.

The following tables represent the movement in shares issued by the Group for the period ended 31 December 2014:

	Ordinary shares EUR	Ordinary shares Number	B1 shares EUR	B1 shares Number	B2 shares EUR	B2 shares Number
Opening balance	-	-	-	-	-	-
Issued Parent Company	200	200	5,000,000	5	15	15
Issued Subsidiaries	3	3	-	-	-	-
Share premium	-	-	-	-	14,999,985	-
Redeemed	-	-	(5,000,000)	(5)	-	-
Closing balance	203	203	-	-	15,000,000	15

Note 10 Share capital (continued)

The following tables represent the movement in shares issued by the Parent Company for the period ended 31 December 2014:

	Ordinary shares EUR	Ordinary shares Number	B1 shares EUR	B1 shares Number	B2 shares EUR	B2 shares Number
Opening balance	-	-	-	-	-	-
Issued	200	200	5,000,000	5	15	15
Share premium	-	-	-	-	14,999,985	-
Redeemed	-	-	(5,000,000)	(5)	-	-
Closing balance	200	200	-	-	15,000,000	15

Note 11 Taxation

	Group 31 Dec 2014 EUR
Current period tax	(513)
Reconciliation of tax charge to profit before tax:	
Profit before tax	2,052
Corporation tax at 25%	(513)

Note 12 Operating expenses

	Group 31 Dec 2014 EUR
Legal fees	(1,892,678)
Trustee fees	(51,636)
Management fees	(1,545,284)
Underwriter fees	(14,608,728)
Organisational fees	(6,120,505)
Administration fees	(29,408)
Audit fees	(75,590)
Other operating fees	(1,414,082)
	(25,737,911)

The audit fee of EUR75,590 was remuneration for the provision of statutory audit work only. A further EUR30,000 was charged for taxation services provided by the auditors to the Group.

Note 13 Fair value hierarchy

Valuation of financial instruments

The Group is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted market price in an active market for an identical instrument.
- Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Note 13 Fair value hierarchy (continued)

Valuation of financial instruments (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement. The Group and the Parent Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

All of the holdings as at 31 December 2014 were broker priced through Markit and the majority were classified as Level 2 since the input into the Markit price consisted of more than two prices. However a small number of holdings as at 31 December 2014 were priced through Markit where the input into the Markit price was 2 or less prices so they were classified as Level 3. The Directors do not challenge the prices if the input into the Markit price is 2 or less prices. The CLO Income Notes issued by the subsidiaries and held by the Parent Company is priced by Thompson Reuters. Since this is a single pricing source, the CLO Income Notes is classified as Level 3.

The PPN and debt issued by the subsidiaries are categorised as Level 3. The PPN and the debt issued by the subsidiaries is valued using a model which is based on the fair value of the underlying assets and liabilities of the relevant entity.

For each class of assets and liabilities not measured at fair value in the Consolidated Statement of Financial Position but for which fair value is disclosed, the Group is required to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

Assets and Liabilities not carried at fair value are carried at amortised cost; their carrying values are reasonable approximations of fair value.

Cash and cash equivalents with banks and other short-term investments in an active market are categorised as Level 2.

The amortised cost of the VFNs equate to their fair value due to the floating interest rates and the proximity of the maturity dates.

Receivable for investments sold and other receivables include the contractual amounts for settlement of trades and other obligations due to the Parent Company. Payable for investments sold and other payables represent the contractual amounts and obligations due by the Parent Company for settlement of trades and expenses. All of the receivable and payable balances are categorised as Level 2.

The following is a summary of the inputs used as at 31 December 2014 in valuing the Group's financial instruments carried at fair value:

Group	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total Fair Value EUR
Financial assets at fair value through profit or loss:				
Designated at fair value through profit or loss:				
- Investments	-	1,505,197,929	146,279,174	1,651,477,103
Held for trading				
- Derivative financial assets	-	122,994	-	122,994
Total financial assets	-	1,505,320,923	146,279,174	1,651,000,097
Financial liabilities at fair value through profit or loss:				
Designated at fair value through profit or loss:				
- PPN	-	-	(284,277,149)	(284,277,149)
- Debt issued by subsidiaries			(1,202,548,753)	(1,202,548,753)
Held for trading				
- Forward purchase agreements	-	(453,907)	-	(453,907)
Total financial liabilities	-	(453,907)	(1,486,825,902)	(1,487,279,809)

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

Note 13 Fair value hierarchy (continued)

The following table shows the movement in Level 3 of the fair value hierarchy for the period ended 31 December 2014:

Group	Financial assets at fair value through profit or loss EUR	Financial liabilities at fair value through profit or loss EUR
Opening balance	-	-
Total unrealised gains or losses in comprehensive income	(2,385,880)	28,396,098
Purchases	196,727,399	-
Issuances	-	(1,515,222,000)
Sales	(48,480,164)	-
Realised loss	417,819	-
Closing balance	146,279,174	(1,486,825,902)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the last day of the accounting period.

Sensitivity of level 3 holdings to unobservable inputs

A number of holdings as at 31 December 2014 were priced through Markit where the input into the Markit price was two or less prices so they were classified as Level 3. These loan assets are not modelled on analysts' prices but are from dealers' runs therefore there are no unobservable inputs into the prices. The CLO Income Notes was priced by Thompson Reuters which was classified as Level 3 because it was a single pricing source.

The assets classified as Level 3 represented 8.9% of the total financial assets. If the price of the holdings classified as Level 3 increased or decreased by 5% it would result in an increase or decrease in the value of the financial assets of EUR7,313,959 (0.44% of the total financial assets). There also would be an equal and opposite effect on the valuation of the PPN and debt issued by the subsidiaries (0.49%).

The financial liabilities at fair value through profit or loss consist of the PPN and debt issued by the subsidiaries. The PPN and the majority of the debt issued by the subsidiaries are valued using a model based on the fair value of the underlying assets and liabilities. The amortised cost of the VFNs and cash and cash equivalents and receivables and payables included in the underlying assets and liabilities equate to their fair value due to the floating interest rates and short term nature of the balances. If the value of the underlying assets or liabilities changes then there would be an equal and opposite effect on the valuation of the PPN and the debt issued by the subsidiaries – as discussed in the previous paragraph.

The following is a summary of the inputs used as at 31 December 2014 in valuing the Parent Company's financial instruments carried at fair value:

Parent Company	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total Fair Value EUR
Financial assets at fair value through profit or loss:				
Designated at fair value through profit or loss:				
- Investments	-	451,627,773	135,541,185	587,168,958
Held for trading				
- Derivative financial assets	-	33,785	-	33,785
Total financial assets	-	451,661,558	135,541,185	587,202,743
Financial liabilities at fair value through profit or loss:				
Designated at fair value through profit or loss:				
- PPN	-	-	(284,277,149)	(284,277,149)
Held for trading				
- Forward purchase agreements	-	(288,660)	-	(288,660)
Total financial liabilities	-	(288,660)	(284,277,149)	(284,565,809)

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

Note 13 Fair value hierarchy (continued)

Valuation of financial instruments (continued)

The following table shows the movement in Level 3 of the Parent Company's fair value hierarchy for the period ended 31 December 2014:

Parent Company	Financial assets at fair value through profit or loss EUR	Financial liabilities at fair value through profit or loss EUR
Opening balance	-	-
Total unrealised gains or losses in comprehensive income	(10,381,597)	1,672,851
Purchases	193,911,717	-
Issuances		(285,950,000)
Sales	(48,406,664)	-
Realised loss	417,729	-
Closing balance	135,541,185	(284,277,149)

The Parent Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the last day of the accounting period.

Sensitivity of level 3 holdings to unobservable inputs

A number of holdings as at 31 December 2014 were priced through Markit where the input into the Markit price was 2 or less prices so they were classified as Level 3. These loan assets are not modelled on analysts' prices but are from dealers' runs therefore there are no unobservable inputs into the prices. The CLO Income Notes was priced by Thompson Reuters which was classified as Level 3 because it was a single pricing source.

The assets classified as Level 3 represented 23.1% of the total financial assets. If the price of the holdings classified as Level 3 increased or decreased by 5% it would result in an increase or decrease in the value of the financial assets of EUR6,777,059 (1.15% of the total financial assets). There also would be an equal and opposite effect on the valuation of the PPN and the debt issued by the subsidiaries (2.38%). The CLO Income Notes are valued by Thompson Reuters using discounted cash flow models. The key model input assumptions are the loan prepayment rates, loan default rates, loan recovery given default rates and reinvestment rates. These metrics are accumulated from various market sources independent of GSO. Additionally, Thompson Reuters review each CLO Indenture and the latest underlying CLO loan portfolio forming various projections based on the quality of the collateral, the collateral manager capabilities and general macroeconomic conditions.

The financial liabilities at fair value through profit or loss consist of the PPN. The PPN is value using a model based on the fair value of the underlying assets and liabilities. The amortised cost of the VFNs and cash and cash equivalents and receivables and payables included in the underlying assets and liabilities equate to their fair value due to the floating interest rates and short term nature of the balances. If the value of the underlying assets or liabilities changes then there would be an equal and opposite effect on the valuation of the PPN – as discussed in the previous paragraph.

The element of debt issued by the subsidiaries and purchased by the Parent Company – the CLO Income Notes is valued by Thompson Reuters. If the valuation had increased or decreased by 5% the value of the CLO Income Notes would move by EUR4,743,259

Note 14 Financial instruments and associated risks

The following note discloses all of the risks that the Group (including the Parent Company) is exposed to, whether the assets are held by the Parent Company or the subsidiaries. The Group is exposed to market risk (including currency risk, interest rate risk and price risk) credit risk and liquidity risk arising from the financial instruments it holds. The details information below details how the Group manages the aforementioned risks.

Risk management

GSO's approach to risk management includes both analytical and judgemental elements.

The principal risk in the Group is credit risk, so the focus of the process is on managing and mitigating specific credit risk for both borrowers in the Parent Company and the underlying subsidiaries.

Note 14 Financial instruments and associated risks (continued)

The following limits (the "eligibility criteria") apply to senior secured loans (and, to the extent applicable, other corporate debt loan instruments) directly held by the Parent Company (and not through CLO income notes):

Maximum exposure	% of Parent Company's gross asset value
Per obligor	5
Per industry sector	15 (with exception of one industry which may be up to 20 per cent)
To obligors with a rating lower than B-/B3/B-	7.5
To second lien loans, unsecured loans, mezzanine loans and high yield bonds	10

For the purposes of these eligibility criteria, 'gross asset value' shall mean gross assets including any investments in CLO income notes and any undrawn commitment amount of any gearing under any term revolving credit facility. Further, for the avoidance of doubt, the eligibility criteria shall apply on a trade date basis.

Each of these eligibility criteria will be measured at the close of each business day on which a new investment is made, and there will be no requirement to sell down in the event the limits are breached at any subsequent point (for instance, as a result of movement in the gross asset value, or the sale or downgrading of any assets held by the Parent Company).

In addition, each CLO in which the Parent Company holds CLO income notes will have its own eligibility criteria and portfolio limits. These limits are designed to ensure the portfolio of assets within the CLO meets a prescribed level of diversity and quality as set by the relevant rating agencies rating securities issued by such CLO.

The CLO Manager will seek to identify and actively manage assets which meet those criteria and limits within each CLO. The eligibility criteria and portfolio limits within a CLO will include the following:

- a limit on the weighted average life of the portfolio;
- a limit on the weighted average rating of the portfolio;
- a limit on the maximum amount of portfolio assets with a rating lower than B-/B3/B-; and
- a limit on the minimum diversity of the portfolio;

CLOs in which the Parent Company may hold CLO income notes are also expected to have certain other criteria and limits, including:

- a limit on the minimum weighted average of the prescribed rating agency recovery rate;
- a limit on the minimum amount of senior secured assets;
- a limit on the maximum aggregate exposure to second lien loans, high yield bonds, mezzanine loans and unsecured loans;
- a limit on the maximum portfolio exposure to covenant-lite loans;
- an exclusion of project finance loans;
- an exclusion of structured finance securities;
- an exclusion on investing in the debt of companies domiciled in countries with a local currency sub investment grade rating; and
- an exclusion of leases.

This is not an exhaustive list of the eligibility criteria and portfolio limits within a typical CLO and the inclusion or exclusion of such limits and their absolute levels are subject to change depending on market conditions. Any such limits applied are measured by GSO at the time of investment in each CLO.

Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk, which are discussed in detail under separate headings within this note.

The Group exposure to market risk is that the market value of assets that the Group invests in and some liabilities will generally fluctuate with, among other things, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry and the financial condition of the issuers of the loans.

The Group's market risk is managed on a daily basis by GSO as set out above in accordance with policies and procedures in place. The Parent Company's overall market positions are reported to the Board of Directors on a quarterly basis.

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Group might suffer through holding market positions in the face of price movements caused by factors specific to the individual investment or factors affecting all instruments traded in the market.

As all of the financial instruments are carried at fair value through profit or loss, all changes in market conditions will directly impact the valuation of the PPN.

Note 14 Financial instruments and associated risks (continued)

(i) Currency risk

Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. Foreign exchange exposure relating to non-monetary assets and liabilities is considered to be a component of market price risk, not foreign currency risk.

The Group's financial statements are denominated in Euro, though investments are also made and realised in other currencies. Changes in rates of exchange may have an adverse effect on the value, price or income of the investments of the Group. The Group may utilise different financial instruments to seek to hedge against declines in the value of the Group's positions as a result of changes in currency exchange rates.

The following table sets out the Group's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities at 31 December 2014:

Group	Financial assets at fair value through profit or loss EUR	VFNs EUR	Derivative liabilities EUR	Cash EUR	Other assets and liabilities EUR	Net exposure EUR	Sensitivity 10% EUR
GBP	47,502,244	(10,516,901)	(8,916,570)	68,517	(28,043,753)	93,537	9,354
USD	164,935,237	(86,225,349)	(2,455,577)	5,139,465	(81,124,631)	269,145	26,914

Sensitivity analysis Group and Parent Company

At 31 December 2014, had the Euro strengthened by 10% in relation to all currencies, with all other variables held constant, the net asset / liability exposure would have increased by the amounts shown above for the Group and below for the Parent Company. There would be no impact on the total comprehensive income of the Group or the Parent Company because the finance expense on financial liabilities would move in the opposite direction and cancel the effect of the foreign exchange movement. A 10% weakening of the base currency, against the currencies below, would have resulted in an equal but opposite effect than that on the table below, on the basis that all other variables remain constant. The calculations were based on historical data. Future currency movements and correlations between holdings could vary significantly from those experienced in the past.

The following table sets out the Parent Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities at 31 December 2014:

Parent Company	Financial assets at fair value through profit or loss EUR	VFNs EUR	Cash EUR	Other assets and liabilities EUR	Net exposure EUR	Sensitivity 10% EUR
GBP	19,878,672	(10,516,901)	21,246	(9,736,941)	(353,924)	(35,392)
USD	160,195,088	(86,225,349)	2,680,854	(77,220,596)	(570,003)	(57,000)

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

Changes in interest rates affect the Group's interest income, as the majority of the Group's investments are leveraged loans, which are floating rate obligations.

The leveraged loans in the portfolio are all typically structured with a floating rate payment structure, whereby a fixed basis point spread is paid over the prevailing reference rate, typically 3 Month LIBOR or EURIBOR, reset on a quarterly or semi-annual basis. The total interest earned on investments will vary from time to time with changes in the underlying reference rate.

The following table details the Group's exposure to interest rate risk. It includes the Group's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity date measured by the carrying value of the assets and liabilities at 31 December 2014:

Note 14 Financial instruments and associated risks (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Group	Within one year EUR	Non-Interest Bearing EUR	Total EUR
Financial assets at fair value through profit or loss:			
Designated at fair value through profit or loss:			
- Investments	1,651,477,103	-	1,651,477,103
Held for trading			
- Derivative financial assets		122,994	122,994
Receivable for investments sold	-	35,633,279	35,633,279
Other receivables	-	6,540,010	6,540,010
Cash and cash equivalents	767,976,769	-	767,976,769
Total assets	2,419,453,872	42,296,283	2,461,750,155
Financial liabilities at fair value through profit or loss:			
Designated at fair value through profit or loss:			
- Notes and credit facilities	(1,889,149,151)	-	(1,889,149,151)
Held for trading			
- Derivative financial liabilities	-	(453,907)	(453,907)
Payable for investments purchased	-	(541,066,001)	(541,066,001)
Other payables and accrued expenses	-	(16,079,354)	(16,079,354)
Total liabilities	(1,889,149,151)	(557,599,262)	(2,446,748,413)
Total interest sensitivity gap	530,304,721		

Sensitivity analysis

At 31 December 2014, had the base interest rates strengthened/weakened by 2% in relation to all holdings subject to interest with all other variables held constant, the finance income would increase/decrease by EUR10,606,094 which would subsequently impact the amount available for distribution as finance expense. There would be no impact on the total comprehensive income of the Group. The interest rate sensitivity information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historic data. Future price movements and correlations between securities could vary significantly from those experienced in the current financial period.

Note 14 Financial instruments and associated risks (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

The following table details the Parent Company's exposure to interest rate risk. It includes the Parent Company's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity date measured by the carrying value of the assets and liabilities at 31 December 2014:

Parent Company	Within one year EUR	Non-Interest Bearing EUR	Total EUR
Financial assets at fair value through profit or loss:			
Designated at fair value through profit or loss:			
- Investments	587,168,958	-	587,168,958
Held for trading			
- Derivative financial asset		33,785	33,785
Receivable for investments sold	-	472,771,051	472,771,051
Other receivables	-	5,501,703	5,501,703
Cash and cash equivalents	91,601,158	-	91,601,158
Total assets	678,770,116	478,306,539	1,157,076,655
Financial liabilities at fair value through profit or loss:			
Designated at fair value through profit or loss:			
- Notes and credit facilities	(686,600,398)	-	(686,600,398)
Held for trading			
- Derivative financial liability	-	(288,660)	(288,660)
Payable for investments purchased	-	(447,523,872)	(447,523,872)
Other payables and accrued expenses	-	(7,662,865)	(7,662,865)
Total liabilities	(686,600,398)	(455,475,397)	(1,142,075,795)
Total interest sensitivity gap	(7,830,282)		

Sensitivity analysis

At 31 December 2014, had the base interest rates strengthened/weakened by 2% in relation to all holdings subject to interest with all other variables held constant, the finance income would increase/decrease by EUR156,606 which would subsequently impact the amount available for distribution as finance expense. There would be no impact on the total comprehensive income of the Parent Company. The interest rate sensitivity information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historic data. Future price movements and correlations between securities could vary significantly from those experienced in the current financial period.

(iii) Price risk

All of the Group's financial instruments (except for VFNs, cash and cash equivalents and receivables and payables) are carried at fair value in the Consolidated Statement of Financial Position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. For certain other financial instruments, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

The carrying amounts of all the Group's financial assets and financial liabilities at the period end date approximated their fair values.

The Group attempts to mitigate asset pricing risk by using external pricing and valuation sources and by permitting the Collateral Manager, subject to certain requirements, to sell Collateral Obligations and reinvest the proceeds .

Where possible, prices are received from brokers on a monthly basis. Broker prices are sourced from Markit Partners, a composite price provider.

Estimation of fair values

The major methods and assumptions used in estimating the fair values of financial instruments were disclosed in Note 2.

Note 14 Financial instruments and associated risks (continued)

Market risk (continued)

(iii) Price risk (continued)

At 31 December 2014, the carrying amounts of debt investments in respect of which fair values were determined directly, in full or in part, by reference to published price quotations amounted to EUR1,651,477,103 for the Group and EUR587,168,958 for the Parent Company. There were no debt investments fair valued by using valuation techniques as at 31 December 2014.

At 31 December 2014, the carrying amounts of debt in respect of which fair values were estimated using valuation techniques, amounted to EUR1,486,825,902 for the Group and EUR284,277,149 for the Parent Company.

Key sources of estimation uncertainty

As indicated in Note 2, all of the Group's financial instruments are measured at fair value in the Consolidated Statement of Financial Position and it is usually possible to determine their fair values within a reasonable range of estimates.

For the majority of the Group's financial instruments, publically available prices are obtainable. However, certain financial instruments, for example, those classified as Level 3 are fair valued using Markit prices where the input was 2 or less prices.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement (e.g. interest rates, volatility, estimated cash flows etc.) and therefore cannot be determined with precision.

Sensitivity Analysis

A 5% increase in investment prices at 31 December 2014 would have increased the value of investments designated at fair value through profit or loss by EUR82,573,855 for the Group and EUR29,358,448 for the Parent Company and it would have also increased the value of the PPN and debt issued by the subsidiaries by an equal amount. This calculation is done on a gross basis and does not take into account assets subject to a forward purchase agreement. A 5% decrease would have an equal and opposite effect. The net impact on the net assets of the Group or the Parent Company would be EUR Nil.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group. The Group may invest in investments such as leveraged loans which are below investment grade, which as a result carry greater credit risk than investment grade sovereign or corporate bonds or loans.

Leveraged loan obligations are subject to unique risks, including the possible invalidation of an investment as a fraudulent conveyance under relevant creditors' rights laws. Further, where exposure to leveraged loans is gained by purchase of sub-participations there is the additional credit and bankruptcy risk of the direct participant and its failure for whatever reason to account to the Group for monies received in respect of leveraged loans directly held by it. In analysing each leveraged loan or sub-participation, GSO will compare the relative significance of the risks against the expected benefits of the investment.

In purchasing sub-participations, the Group generally will not have the right to enforce compliance by the obligor with the terms of the applicable debt agreement nor directly benefit from the supporting collateral for the debt in respect of which it has purchased a sub-participation. As a result, the Group will assume the credit risk of both the obligor and the institution selling the sub-participation. There were no sub-participations in the portfolio as at 31 December 2014.

The Group's credit risk concentration is spread between a number of counterparties. The top ten largest holdings represented 14.2% of the Group's assets and 33.9% of the Parent Company's assets.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the period end date.

GSO through its investment strategy will endeavor to avoid losses relating to defaults on the underlying assets. In-house research is used to identify asset allocation opportunities amongst potential borrowers and industry segments and to take advantage of episodes of market mis-pricing. Segments and themes that are likely to be profitable are subjected to rigorous analysis and risk is allocated to these opportunities consistent with investment objectives. All transactions involve credit research analysis having relevant sector experience.

The analysis involves developing a full understanding of the business and associated risk of the issuer and a full analysis of the financial risk, which leads to an overall assessment of credit risk. GSO analyses credit concentration based on the counterparty and industry of the financial assets that the Group holds.

Note 14 Financial instruments and associated risks (continued)

Credit risk (continued)

The Group held investments with the following credit quality as rated by Moody's:

Rating	31 Dec 2014
B1	22.4%
B2	40.9%
B3	21.1%
Ba1	1.5%
Ba2	1.6%
Ba3	8.1%
Baa2	0.7%
Caa1	0.4%
Not Rated	3.3%
Total	100%

The Parent Company held investments with the following credit quality as rated by Moody's:

Rating	31 Dec 2014
B1	19.7%
B2	35.6%
B3	25.8%
Ba2	0.4%
Ba3	2.2%
Not Rated	16.3%
Total	100%

The Credit ratings of the counterparties holding the cash and cash equivalents is disclosed in note 7.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the high credit quality of the brokers used. The Group monitors the credit rating and financial positions of the brokers used to further mitigate this risk.

At the reporting date, the Group's financial assets exposed to credit risk are as follows:

	31 Dec 2014 EUR
Financial assets designated at fair value through profit or loss	1,651,477,103
Derivative financial assets	122,994
Receivables for investments sold	35,633,279
Receivables	6,540,010
Cash at bank	767,976,769
Total	2,461,750,155

At the reporting date, the Parent Company's financial assets exposed to credit risk are as follows:

	31 Dec 2014 EUR
Financial assets designated at fair value through profit or loss	587,168,958
Derivative financial assets	33,785
Receivables for investments sold	472,771,051
Receivables	5,501,703
Cash at bank	91,601,158
Total	1,157,076,655

Amounts in the above tables are based on the carrying value of the financial assets as at the period end date.

A record of the loan holdings is held by the Agent Banks. Bankruptcy or insolvency of an Agent Bank may cause the Group's rights with respect to securities held by the Agent Bank to be delayed. If an Agent Bank was to become insolvent or bankrupt, historical evidence has shown the risk of monetary loss to the Group to be minor (or indeed zero) as the duties of the incumbent Agent Bank can be transferred to a new Agent Bank in short order.

Note 14 Financial instruments and associated risks (continued)

Credit risk (continued)

All of the cash held by the Group is held by the Custodian, Citibank N.A., London Branch. Cash as a practical matter may not be held in physical segregation. Therefore bankruptcy or insolvency by the Custodian may cause the Group's rights with respect to the assets held by the Custodian to be delayed or limited. The Group monitors its risk by reviewing the credit quality of the Custodian on a monthly basis, as reported by Standard and Poor's, Moody's and Fitch. In addition, GSO monitors the financial position of the Custodian on a quarterly basis. If the credit quality or the financial position of the Custodian deteriorates GSO will move the cash holdings to another bank. The credit rating for Citibank N.A. is A2 as at 31 December 2014.

The Group's financial assets exposed to credit risk were concentrated in the following industries:

	31 Dec 2014
Automotive	1.7%
Banking, Finance, Insurance & Real Estate	4.9%
Beverage, Food & Tobacco	5.1%
Capital Equipment	7.9%
Chemicals, Plastics and Rubber	8.0%
Construction & Building	7.4%
Consumer Products	1.2%
Containers, Packaging & Glass	2.7%
Energy: Oil & Gas	2.2%
Healthcare & Pharmaceuticals	14.7%
High Tech Industries	5.6%
Hotel, Gaming & Leisure	5.1%
Media	9.2%
Retail	5.5%
Services - Business	7.7%
Services - Consumer	1.7%
Telecommunications	4.3%
Other	5.1%
	100%

The Parent Company's financial assets exposed to credit risk were concentrated in the following industries:

	31 Dec 2014
Automotive	1.4%
Banking, Finance, Insurance & Real Estate	3.6%
Beverage, Food & Tobacco	3.0%
Capital Equipment	5.7%
Chemicals, Plastics and Rubber	5.7%
Construction & Building	7.8%
Containers, Packaging & Glass	1.4%
Energy: Oil & Gas	2.6%
Healthcare & Pharmaceuticals	12.3%
High Tech Industries	3.9%
Hotel, Gaming & Leisure	3.0%
Media	5.4%
Retail	4.6%
Services - Business	25.8%
Services - Consumer	4.8%
Telecommunications	4.2%
Other	4.8%
	100%

Note 14 Financial instruments and associated risks (continued)

Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The PPN issued to Blackstone / GSO Loan Financing Limited has limited recourse. The recourse of the Noteholders is limited to the proceeds available at such time from the debt obligations, CLO income notes and other obligations which comply with the investment policy. Therefore the associated liquidity risk of the PPN is reduced.

The Notes are limited recourse obligations of the subsidiaries which are payable solely out of amounts received by or on behalf of the subsidiaries in respect of the Collateral (as defined in each subsidiary's Prospectus). The net proceeds of the realisation of the security over the Collateral upon acceleration of the Notes following an Event of Default (as defined in each subsidiary's Prospectus) may be insufficient to pay all amounts due on the Notes after making payments to other creditors of the subsidiaries ranking in priority thereto or pari passu therewith. In the event of a shortfall in such proceeds, the subsidiaries will not be obliged to pay, and the other assets (including the subsidiaries' Irish Account and the rights of the subsidiaries under the Corporate Services Agreement (as defined in each subsidiary's Prospectus) of the subsidiaries will not be available for payment of such shortfall, all claims in respect of such shortfall will be extinguished. Therefore the liquidity risk relating to the subsidiaries' Notes is reduced.

The VFNs have a revolving period end date of 8 August 2017. The Parent Company must adhere to the conditions set out in the Variable Funding Note Issue and Purchasing Agreement. If these conditions are broken, the Noteholders have the right to redeem their Notes immediately. Please refer to Note 22 for details of the charges granted to the variable funding noteholders.

The Group may invest in investments such as leveraged loans which are below investment grade, which as a result carry greater liquidity risk than investment grade sovereign or corporate bonds or loans.

Due to the unique and customised nature of loan agreements evidencing private debt assets and the private syndication thereof, these assets are not as easily purchased or sold as publicly traded securities. Although the range of investors in private debt has broadened, there can be no assurance that future levels of supply and demand in loan trading will provide the degree of liquidity in loan trading which currently exists in the market. In addition, the terms of these assets may restrict their transferability without borrower consent. GSO will consider any such restriction, along with all other factors, in determining whether or not to advise the Group to acquire participation in each asset.

The requirement to sell investments quickly may result in an adverse impact on the value of holdings as forced sales may potentially be made below the fair value of investments. However, the likelihood of this happening is extremely low since the Group does not have any redeemable shares.

As the private debt assets in which the Group invests typically settle at least T+10, the Group's constitutional documentation makes provision for a range of measures to assist with the management of liquidity on an ongoing basis, including, the ability to borrow.

The liquidity risk of the Group as at 31 December 2014 is as follows:

	Within 6 months	Greater than 6 months	Total
	EUR	EUR	EUR
Payable for investments purchased	(541,066,001)	-	(541,066,001)
Financial liabilities at fair value	-	(1,486,825,902)	(1,486,825,902)
Variable funding notes	-	(402,323,249)	(402,323,249)
Derivative financial liabilities	(288,660)	(165,247)	(453,907)
Interest payable on CLO Notes	(8,746,027)	-	(8,746,027)
Other payables and accrued expenses	(7,333,327)	-	(7,333,327)
	(557,434,015)	(1,889,314,398)	(2,446,748,413)

The liquidity of risk of the Parent Company as at 31 December 2014 is as follows:

	Within 6 months	Greater than 6 months	Total
	EUR	EUR	EUR
Payable for investments purchased	(447,523,872)	-	(447,523,872)
Financial liabilities at fair value	-	(284,277,149)	(284,277,149)
Variable funding notes	-	(402,323,249)	(402,323,249)
Derivative financial liabilities	(288,660)	-	(288,660)
Other payables and accrued expenses	(7,662,865)	-	(7,662,865)
	(455,475,397)	(686,600,398)	(1,142,075,795)

Note 15 Exchange rates

The following exchange rates (against the EUR) were used to convert the investments and other assets and liabilities denominated in currencies other than EUR at:

	31 Dec 2014
Great British Pounds	0.776369
United States Dollars	1.210050

Note 16 Related party transactions

A) Entities with significant influence over the Group

GSO

The Group has appointed Blackstone / GSO Debt Funds Management Europe Limited ("GSO"), an investment management company incorporated in Ireland as service support provider and CLO Manager. The subsidiaries pay collateral management fees to GSO. GSO is entitled to a fee of 15 basis points when acting as the senior manager of the portfolios and 35 basis points when acting as the sub manager of the portfolios.

GSO charged EUR1,545,284 on behalf of the Group for the period ended 31 December 2014 with EUR1,500,428 outstanding at the period end.

PPN issued to Blackstone / GSO Loan Financing Limited

The Parent Company is partially funded for its acquisition of investments by way of a PPN issued to Blackstone / GSO Loan Financing Limited. The PPN is unsecured, limited recourse obligations of the Parent Company. The recourse of the Noteholder is limited to the proceeds available at such time from the debt obligations, CLO income notes and other obligations, which comply with the investment policy. The carrying amount of these financial liabilities designated at fair value through profit or loss as at 31 December 2014 was EUR1,672,851 lower than the contractual amount at maturity, giving a fair value of EUR284,277,149 as at 31 December 2014.

In the event that accumulated losses prove not to be recoverable during the life of the Parent Company, then this will reduce the obligation to the Noteholders (i.e. contractual amounts at maturity by an equivalent amount).

Blackstone Treasury Asia Pte. Limited bought and sold 5 B1 shares in the Parent Company for EUR5,000,000 during the period. It did not hold any shares as at 31 December 2014.

Blackstone / GSO Loan Financing 2 Limited, a 100% owned subsidiary of Blackstone / GSO Loan Financing Limited, bought 15 B2 shares in the Parent Company for an amount of EUR15,000,000 during the period. It continued to hold these shares as at 31 December 2014.

B) Key management personnel of the Parent Company

Directors' interests

The Directors of the Parent Company are also directors of the Company Secretary, Intertrust Management Ireland Limited. The Company Secretary charged EUR31,759 for the period ended 31 December 2014 of which EUR31,759 was outstanding at period end. The Directors of the Parent Company were not paid a separate fee.

C) Other related parties

Cross holdings within the Group

The following related party transactions took place within the Group whereby the Parent Company traded with subsidiaries within the Group and the subsidiaries traded with each other:

Trade details	Currency	Trade Value 31 Dec 2014
Parent Company traded with Phoenix Park CLO Limited	EUR	382,609,550
Parent Company traded with Sorrento Park CLO Limited	EUR	353,157,301
Parent Company traded with Castle Park CLO Limited	EUR	273,788,424
Phoenix Park CLO Limited traded with Castle Park CLO Limited	EUR	2,006,459
Sorrento Park CLO Limited traded with Castle Park CLO Limited	EUR	1,986,160

Note 16 Related party transactions (continued)

C) Other related parties (continued)

The Parent Company traded with CLOs managed by GSO to the value of EUR383,334,364.

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Note 17 Unrealised gain on financial liabilities

The unrealised gain on financial liabilities reflects the movement in value of the Notes (which are classified as financial liabilities at fair value through profit or loss) issued by the Group. It consists of:

	Group 31 Dec 2014 EUR
Gain on Parent Company financial liabilities	1,672,851
Gain on Phoenix Park financial liabilities	13,200,221
Gain on Sorrento Park financial liabilities	14,350,051
Gain on Castle Park financial liabilities	8,057,800
Eliminated on consolidation	(8,884,825)
	28,396,098

Note 18 Finance expense on financial liabilities

The finance expense on financial liabilities consists of:

	Group 31 Dec 2014 EUR
Finance expense on debt issued by subsidiaries	(8,887,624)
Finance expense on VFNs	(4,528,317)
	(13,415,941)

Note 19 Master netting agreements

None of the financial assets and financial liabilities are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments. None of the financial assets and financial liabilities are offset in the Consolidated or Company Statement of Financial Position.

Note 20 Dividends

No dividends are recommended by the Directors in respect of the period ended 31 December 2014.

Note 21 Contingent liabilities

There are no contingent liabilities as at 31 December 2014.

Note 22 Charges

The PPN is secured by the assignment of a fixed first charge of the Parent Company's rights, title and interest on investments held and on its cash. This charge is subordinated to the charge assigned to the VFN. This charge was not exercised during the period.

The VFN is also secured by a Deed of Charge and Assignment over the Parent Company's assets. This charge has priority over the charge assigned to the PPN and was not exercised during the period.

Note 23 Significant events during the period

The Parent Company was incorporated on 16 April 2014 with one ordinary share in issue to Intertrust Nominees (Ireland) Limited and held on trust for charitable purposes.

The registered office on incorporation was 9th & 10th floors, O'Connell Bridge House, D'Olier Street, Dublin 2, Ireland. This was changed on 2 May 2014 to 3rd Floor Europa House, Harcourt Centre, Harcourt Street, Dublin 2, Ireland, which has remained as the registered office for the rest of the period.

Note 23 Significant events during the period (continued)

On 3 June 2014 Blackstone Treasury ASIA Pte Limited subscribed for 5 class B1 shares of EUR1.00 in the capital of the Parent Company for EUR5,000,000 representing a share premium of EUR4,999,995. Total proceeds of EUR5,000,000 were received. These shares were redeemed in full on 23 July 2014.

On 3 June 2014 Intertrust Nominees (Ireland) Limited subscribed for an additional 199 ordinary shares of EUR1.00 in the capital of the Parent Company for EUR199. Total proceeds of EUR199 were received. These shares are held on trust for charitable purposes.

On 3 June 2014 the Parent Company entered into a Subordinated Facility Agreement with Blackstone Treasury ASIA Pte Limited for funding of EUR45,000,000. This has been fully repaid during the period.

On 11 July 2014, Blackstone / GSO Loan Financing 2 Limited subscribed for 15 Class B2 shares of EUR1.00 in the capital of the Parent Company for EUR15,000,000 representing a share premium of EUR14,999,985. Total proceeds of EUR15,000,000 were received.

On 30 July 2014 the Parent Company issued profit participating notes, with a maturity date of 01/06/2044 to the value of EUR245,250,000 and on 9 September 2014 a further EUR40,700,000 was issued. All PPNs are limited recourse and were admitted to the Official List of the Irish Stock Exchange and to trading on its Global Exchange Market.

On 8 August 2014 the Parent Company entered into a Variable Funding Note Issuing and Purchasing Agreement with Citibank N.A., BNP Paribas, London Branch, Deutsche Bank AG, London Branch and Bank of America, N.A., London Branch (together, the "Noteholders") whereby the Noteholders agreed to provide funding amounts to the Parent Company to the maximum of EUR475,000,000.

The Company established three subsidiaries during the period, namely: Phoenix Park CLO Limited, Sorrento Park CLO Limited and Castle Park CLO Limited.

The Parent Company entered into a Forward Purchase Agreement relating to a portfolio of assets with Phoenix Park CLO Limited. This matured on 24 July 2014 when Phoenix Park CLO Limited closed and the Parent Company purchased 51.38% of its Subordinated Notes, in conjunction with the purchase of the underlying assets by the subsidiary. Please refer to note 5 for more details.

The Parent Company entered into a Forward Purchase Agreement relating to a portfolio of assets with Sorrento Park CLO Limited. This matured on 16 October 2014 when Sorrento Park CLO Limited closed and the Parent Company purchased 60.53% of its Subordinated Notes, in conjunction with the purchase of the underlying assets by the subsidiary. Please refer to note 5 for more details.

The Parent Company entered into a Forward Purchase Agreement relating to a portfolio of assets with Castle Park CLO Limited. This matured on 18 December 2014 when Castle Park CLO Limited closed and the Parent Company purchased 100% of its Subordinated Notes, in conjunction with the purchase of the underlying assets by the subsidiary. Please refer to note 5 for more details.

There were no other significant events during the period.

The Directors consider the above to be the key performance indicators of the Parent Company and the Group.

Note 24 Significant events after the period end

The Parent Company established two more subsidiaries, namely Dorchester Park CLO Limited and Dartry Park CLO Limited.

The Forward Purchase Agreement relating to a portfolio of assets with Dorchester Park CLO Limited matured on 26 February 2015 when the Parent Company purchased USD28,000,000 of its Subordinated Notes, representing 60.95% ownership in conjunction with the purchase of the underlying assets by the subsidiary.

The Forward Purchase Agreement relating to a portfolio of assets with Dartry Park CLO Limited matured on 16 March 2015 when the Parent Company purchased EUR22,800,000 of its Subordinated Notes, representing 51.12% ownership in conjunction with the purchase of the underlying assets by the subsidiary.

There were no other significant events affecting the Parent Company since the period end which required adjustment to or disclosure in the financial statements.

Note 25 Approval of financial statements

The Directors approved the financial statements on 26 March 2015.

SECTION B

UNAUDITED INTERIM REPORT AND ACCOUNTS FOR BGCF FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

Unaudited Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2015

	Note	*Unaudited* 30 June 2015 EUR*
Income from investments designated at fair value through profit or loss		52,201,168
Net (loss) on derivatives		(1,699,831)
Net foreign exchange gain		1,090,628
Net operating gain		51,591,965
Operating expenses		(24,434,096)
Comprehensive loss		
Unrealised gain on financial liabilities		24,396,519
Finance (expense) on financial liabilities		(51,553,588)
Net profit on ordinary activities before taxation		800
Taxation		
Tax on ordinary activities	8	(200)
Total comprehensive income		600

All results are from continuing activities.

* 30 June 2015 is the first interim period. There are no comparatives.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Unaudited Condensed Consolidated Statement of Financial Position
As at 30 June 2015

	Note	*Unaudited 30 June 2015 EUR*	*Audited 31 December 2014 EUR*
Financial assets at fair value through profit or loss:			
Designated at fair value through profit or loss:			
– Investments	9	2,665,352,460	1,651,477,103
Held for trading			
– Derivative financial assets	3	1,456,867	122,994
Receivable for investments sold		223,661,284	35,633,279
Other receivables		13,357,440	6,540,010
Cash and cash equivalents		536,134,204	767,976,769
Total assets		3,439,962,255	2,461,750,155
Financial liabilities at fair value through profit or loss:			
Designated at fair value through profit or loss:			
– Profit Participating Notes	4, 9	(314,367,493)	(284,277,149)
– Debt issued by subsidiaries	4, 9	(2,398,997,934)	(1,202,548,753)
Held for trading			
– Derivative financial liabilities	3, 9	(3,175,803)	(453,907)
Variable funding notes ("VFNs")	6	(290,197,495)	(402,323,249)
Payable for investments purchased		(393,374,863)	(541,066,001)
Interest payable on debt issued by subsidiaries		(21,374,088)	(8,746,027)
Other payables and accrued expenses		(3,472,234)	(7,333,327)
Total liabilities		(3,424,959,910)	(2,446,748,413)
Net Assets		15,002,345	15,001,742
Capital and Reserves			
Called up share capital – Parent Company		215	215
Called up share capital – Subsidiaries		6	3
Share premium		14,999,985	14,999,985
Retained earnings		2,139	1,539
		15,002,345	15,001,742

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Unaudited Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2015

	*30 June 2015**			
	Share Capital EUR	*Share Premium Reserve EUR*	*Retained Earnings EUR*	*Total EUR*
1 January 2015	218	14,999,985	1,539	15,001,742
Shares Issued				
Shares Redeemed	3		3	
	221		15,001,745	
Retained earnings	–		600	
30 June 2015	221		15,002,345	

* 30 June 2015 is the first interim period. There are no comparatives.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Unaudited Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2015

	30 June 2015 EUR*
Total comprehensive income	600
Adjustments for:	
Net gains/losses on financial assets at fair value	(40,978,616)
Movement in debt issued by the Parent Company and its subsidiaries	48,715,578
Unrealised gain on derivatives	1,388,023
Unrealised loss on foreign exchange	(10,963,084)
Operating cash flows before movements in working capital	(1,837,499)
(Increase) in other receivables	(3,318,357)
Increase in other payables	8,238,392
Cash generated by operations	4,920,035
Net cash inflows from operating activities	3,082,536
Investing activities	
Purchase of investments	(1,995,761,870)
Sales/paydowns of investments	566,931,019
Net cash (outflows) from investing activities	(1,428,830,851)
Financing activities	
Proceeds from VFNs	290,218,748
Repayments of VFNs	(402,344,502)
Proceeds from PPN	29,979,526
Proceeds from debt issued by subsidiaries	1,301,802,190
Decrease on interest payable on debt	(25,663,572)
Proceeds from share issuance – Subsidiaries	3
Net cash flows inflows from financing activities	1,193,992,393
Net decrease in cash and cash equivalents	(231,755,922)
Cash and cash equivalents at start of period	767,976,769
Unrealised (loss) on foreign exchange	(86,643)
Cash and cash equivalents at end of period	536,134,204

* 30 June 2015 is the first interim period. There are no comparatives.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Notes to the Unaudited Condensed Consolidated Financial Statements
For the six months ended 30 June 2015

1. General information

Blackstone / GSO Corporate Funding Limited (the "Parent Company") is a limited liability company incorporated in Ireland on 16 April 2014. The Parent Company was established to originate investments using the proceeds from the issuance of profit participating notes ("PPN") and other resources available to it such as the Variable Funding Notes ("VFN"). The Parent Company is a qualifying company for the purposes of Section 110 of the Taxes Consolidation Act, 1997, as amended.

The "Group" is defined as the Parent Company and its subsidiaries, Phoenix Park CLO Limited, Sorrento Park CLO Limited, Castle Park CLO Limited, Dorchester Park CLO Limited, Dartry Park CLO Limited and Orwell Park CLO Limited. These unaudited condensed consolidated financial statements relate to the interim financial statements for the Group for the six month period ended 30 June 2015.

2. Significant accounting policies

The unaudited condensed consolidated financial statements included in the interim financial report for the six months ended 30 June 2015, the first interim report for the Parent Company, have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting as adopted by the European Union.

The Parent Company is not required to prepare interim financial statements. This unaudited interim report has been prepared, in accordance with IAS 34 only, on a voluntary basis by the Parent Company.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the period ended 31 December 2014. The annual consolidated financial statements, which are audited, are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The same accounting policies and methods of computation have been followed in these unaudited condensed consolidated financial statements as in the annual consolidated financial statements for the period ended 31 December 2014.

The unaudited condensed consolidated financial statements are presented in Euro ("EUR"), which is the functional and presentation currency of the Parent Company, the ordinary shares of the Parent Company are issued in EUR and the Company's investing activities are primarily conducted in EUR.

There has been no change to the investment objective of the Parent Company. In addition, there has been no change to the segmental reporting or geographic concentration of categories of assets and liabilities.

The preparation of the unaudited condensed consolidated financial statements requires management to make judgments, estimates and assumptions that may affect the amounts recognised in the unaudited condensed consolidated financial statements.

However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. There have been no significant changes to the judgements as applied in the 2014 annual consolidated financial statements.

The key judgments used in the preparation of these unaudited condensed consolidated financial statements are:

- The accounting policy choice regarding the designation of the loan assets, CLO Income Notes, PPN and debt issued by the subsidiaries as fair value through profit or loss; and
- The choice of valuation technique to use in the assessment of fair value of the financial instruments held. These include, in particular, using Markit sourced prices to value the loan assets and Thompson Reuters to value the CLO Income Notes, together with the bespoke models to value the PPN and the debt issued by the subsidiaries.

The determination of fair value is the key source of estimation uncertainty. This relates in particular to the carrying value of the loan assets, Income Notes, PPN and debt issued by the subsidiaries. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. Derivative financial assets and liabilities

The Parent Company will, from time to time, enter into a forward purchase agreement whereby it will purchase and warehouse investments on behalf of a CLO Issuer and sell those same warehoused investments to the same CLO Issuer at a specified purchase price at a specified future date. The forward purchase agreements contain provisions whereby (i) recourse to the Parent Company under the forward purchase agreement would be limited to available funds and (ii) the CLO Issuer would be required to enter into non-petition covenants whereby the CLO Issuer would agree not to take action to petition or take any corporate action or other steps or legal proceedings for the winding up of the Parent Company.

There were no forward purchase agreements open as at 30 June 2015. As at 31 December 2014 there was one forward purchase agreement open with Dorchester Park CLO Limited with an unrealised value of EUR(254,875).

The Group has also entered into currency swaps. The Group has a total unrealised gain of EUR1,456,867 (31 December 2014: EUR122,994) and an unrealised loss of EUR(3,175,803) (31 December 2014: (EUR453,907)) on all of its derivative financial assets and liabilities as at 30 June 2015.

4. Profit participating note and debt issued by subsidiaries

The PPN is an unsecured, limited recourse obligation of the Parent Company. The recourse of the Noteholder is limited to the proceeds available at such time from the debt obligations, CLO income notes and other obligations, which comply with the investment policy. The Parent Company has issued the following PPN:

	Due date	*Amount issued EUR*	*Market Value EUR*
30 June 2015			
Profit participating note	01/06/2044	(315,929,526)	(314,367,493)
Total		(315,929,526)	(314,367,493)
31 December 2014			
Profit participating note	01/06/2044	(285,950,000)	(284,277,149)
Total		(285,950,000)	(284,277,149)

Interest on the PPN is payable on an available funds basis as set out in the Profit Participating Note Issuing and Purchase Agreement. The rights attached to the debt issued by subsidiaries are as set out in the relevant offering documents. The Group has issued Notes as follows:

Details	*Debt issued by subsidiaries EUR*	*PPN EUR*	*Total EUR*
30 June 2015			
Issued by the Parent Company	–	(314,367,493)	(314,367,493)
Issued by Phoenix Park CLO Limited	(401,821,034)	–	(401,821,034)
Issued by Sorrento Park CLO Limited	(503,159,799)	–	(503,159,799)
Issued by Castle Park CLO Limited	(401,968,301)	–	(401,968,301)
Issued by Dorchester Park CLO Limited	(446,840,274)	–	(446,840,274)
Issued by Dartry Park CLO Limited	(401,648,231)	–	(401,648,231)
Issued by Orwell Park CLO Limited	(403,010,015)	–	(403,010,015)
Debt issued by the subsidiaries and purchased by the Parent Company (eliminated on consolidation)	159,449,720	–	159,449,720
Total	(2,398,997,934)	(314,367,493)	(2,713,365,427)
31 December 2014			
Issued by the Parent Company	–	(284,277,149)	(284,277,149)
Issued by Phoenix Park CLO Limited	(397,574,879)	–	(397,574,879)
Issued by Sorrento Park CLO Limited	(498,459,949)	–	(498,459,949)
Issued by Castle Park CLO Limited	(401,379,100)	–	(401,379,100)
Debt issued by the subsidiaries and purchased by the Parent Company (eliminated on consolidation)	94,865,175	–	94,865,175
Total	(1,202,548,753)	(284,277,149)	(1,486,825,902)

5. Subsidiaries

The entities listed below are deemed to be subsidiaries of Blackstone / GSO Corporate Funding Limited. The Parent Company has taken into account that it does not own any share capital of the entities. The collateral obligations have been sold by the Parent Company to its subsidiaries. The assets of the subsidiaries are not available to satisfy the obligations of the Parent Company.

Name of subsidiary	*Place of incorporation and operation*	*Date of incorporation*	*% Subordinated Notes held*
Phoenix Park CLO Limited*	Ireland	7 April 2014	51.38%
Sorrento Park CLO Limited*	Ireland	20 August 2014	60.53%
Castle Park CLO Limited*	Ireland	14 October 2014	100.00%
Dorchester Park CLO Limited**	Ireland	25 November 2014	60.95%
Dartry Park CLO Limited	Ireland	6 January 2015	51.12%
Orwell Park CLO Limited	Ireland	6 March 2015	51.00%

* No changes in notes held since 31 December 2014. ** Dorchester Park CLO Limited has a base currency of U.S. Dollar. The registered office for each subsidiary is the same as the Parent Company.

6. Variable Funding Notes

On 8 August 2014 the Parent Company entered into a "Variable Funding Note Issuing and Purchasing Agreement" whereby Noteholders are required to make funds available to the Parent Company by way of the Parent Company issuing the variable funding notes ("VFNs") and requesting funding amounts from time to time in accordance with the agreement. The details are:

Noteholders	*Maximum funding EUR*	*Funding share %*	*Funding amounts EUR*
30 June 2015			
Citibank, N.A.	(100,000,000)	21.04	(61,094,209)
BNP Paribas, London Branch	(125,000,000)	26.32	(76,367,762)
Deutsche Bank AG, London Branch	(125,000,000)	26.32	(76,367,762)
Bank of America N.A., London Branch	(125,000,000)	26.32	(76,367,762)
Total VFNs	(475,000,000)	100.00	(290,197,495)
31 December 2014			
Citibank, N.A.	(100,000,000)	21.04	(84,699,632)
BNP Paribas, London Branch	(125,000,000)	26.32	(105,874,539)
Deutsche Bank AG, London Branch	(125,000,000)	26.32	(105,874,539)
Bank of America N.A., London Branch	(125,000,000)	26.32	(105,874,539)
Total VFNs	(475,000,000)	100.00	(402,323,249)

7. Share capital

Upon incorporation the authorised share capital of the Parent Company was EUR1,000,000 divided into 1,000,000 ordinary shares of EUR1 each.

On 3 June 2014, the Board of Directors approved the following change to the authorised share capital of the Parent Company:

The share capital of the Parent Company is EUR1,000,000 divided into ownership shares, being 999,800 ordinary shares of EUR1.00 each and non-ownership shares, being 100 B1 shares of EUR1.00 each and 100 B2 shares of EUR1.00 each.

The Ordinary Shares are ownership and voting shares. The B1 and B2 shares are non-ownership and non-voting shares. The issued share capital is held on trust for charitable purposes.

The class B1 shares were issued to Blackstone Treasury Asia Pte. Limited, a related party to GSO. Immediately upon admission to the Irish Stock Exchange, the Class B1 shares were redeemed in their entirety and replaced instead with Class B2 shares which are held by Blackstone / GSO Loan Financing 2 Limited.

Each of the subsidiaries has minimal share capital, being authorised share capital of EUR100 divided into 100 ordinary shares of EUR1 each. The issued share capital of each of the subsidiaries is EUR1 which is held in trust by Intertrust Nominees (Ireland) Limited for charitable purposes.

The following table represent the movement in shares issued by the Group for the period ended 30 June 2015:

	Ordinary shares EUR	*Ordinary shares Number*	*B2 shares EUR*	*B2 shares Number*
Opening balance	203	203	15,000,000	15
Issued Parent Company	–	–	–	–
Issued subsidiaries	3	3	–	–
Share Premium				
Redeemed	–	–	–	–
Closing balance	206	206	15,000,000	15

The following table represent the movement in shares issued by the Group for the period ended 31 December 2014:

	Ordinary shares EUR	*Ordinary shares Number*	*B1 shares EUR*	*B1 shares Number*	*B2 shares EUR*	*B2 shares Number*
Opening balance	–	–	–	–	–	–
Issued Parent Company	200	200	5,000,000	5	15	15
Issued Subsidiaries	3	3	–	–	–	–
Share Premium	–	–	–	–	14,999,985	–
Redeemed	–	–	(5,000,000)	(5)	–	–
Closing balance	203	203	–	–	15,000,000	15

8. Taxation

	Group 30 June 2015 EUR
Current period tax	(200)
Reconciliation of tax charge to profit before tax:	
Profit before tax	800
Corporation tax at 25%	(200)

9. Fair value hierarchy

Valuation of financial instruments

The Group is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted market price in an active market for an identical instrument.
- Level 2 – Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement. The Group considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

As at 30 June 2015, the majority of the holdings were broker priced through Markit and the majority were classified as Level 2 since the input into the Markit price consisted of two prices or more. However, a small number of holdings as at 30 June 2015 were priced through Markit where the input into the Markit price was 1 single price on a 30 day rolling average basis so they were classified as Level 3. The Directors do not challenge the prices if the input into the Markit price is 1 single price. The CLO Income Notes issued by the subsidiaries and held by the Parent Company are priced by Thompson Reuters. Since this is a single pricing source, the CLO Income Notes are classified as Level 3.

The PPN and debt issued by the subsidiaries are categorised as Level 3. The PPN and the debt issued by the subsidiaries is valued using a model which is based on the fair value of the underlying assets and liabilities of the relevant entity.

For each class of assets and liabilities not measured at fair value in the Unaudited Condensed Consolidated Statement of Financial Position but for which fair value is disclosed, the Group is required to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

Assets and Liabilities not carried at fair value are carried at amortised cost; their carrying values are reasonable approximations of fair value. Cash and cash equivalents with banks and other short-term investments in an active market are categorised as Level 2. The amortised cost of the VFNs equate to their fair value due to the floating interest rates and the proximity of the maturity dates.

Receivable for investments sold and other receivables include the contractual amounts for settlement of trades and other obligations due to the Group. Payable for investments sold and other payables represent the contractual amounts and obligations due by the Group for settlement of trades and expenses. All of the receivable and payable balances are categorised as Level 2.

The following is a summary of the levels as at 30 June 2015:

Group	*Level 1 EUR*	*Level 2 EUR*	*Level 3 EUR*	*Total Fair Value EUR*
Financial assets at fair value through profit or loss:				
Designated at fair value through profit or loss:				
– Investments	–	2,529,372,149	135,980,311	2,665,352,460
Held for trading				
Derivative financial assets	–	1,456,867	–	1,456,867
Total financial assets	–	2,530,829,016	135,980,311	2,666,809,327
Financial liabilities at fair value through profit or loss:				
Designated at fair value through profit or loss:				
– PPN	–	–	(314,367,493)	(314,367,493)
Debt issued by subsidiaries	–	–	(2,398,997,934)	(2,398,997,934)
Held for trading				
Derivative financial assets	–	(3,175,803)	–	(3,175,803)
Total financial liabilities	–	(3,175,803)	(2,713,365,427)	(2,716,541,230)

The following is a summary of the levels as at 31 December 2014:

Group	*Level 1 EUR*	*Level 2 EUR*	*Level 3 EUR*	*Total Fair Value EUR*
Financial assets at fair value through profit or loss:				
Designated at fair value through profit or loss:				
Investments	–	1,505,197,929	146,279,174	1,651,477,103
Held for trading				
Derivative financial assets	–	122,994	–	122,994
Total financial assets	–	1,505,320,923	146,279,174	1,651,600,097
Financial liabilities at fair value through profit or loss:				
Designated at fair value through profit or loss:				
PPN	–	–	(284,277,149)	(284,277,149)
Debt issued by subsidiaries	–	–	(1,202,548,753)	(1,202,548,753)
Held for trading				
Forward purchase agreements	–	(453,907)	–	(453,907)
Total financial liabilities	–	(453,907)	(1,486,825,902)	(1,487,279,809)

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period ended 30 June 2015 (31 December 2014: EUR Nil). The following table shows the movement in Level 3 of the fair value hierarchy for the period ended 30 June 2015:

Group	*Financial assets at fair value through profit or loss EUR*	*Financial liabilities at fair value through profit or loss EUR*
Opening balance	146,279,176	(1,486,825,902)
Total unrealised gains or losses in comprehensive income	8,321,526	8,903,945
Purchases	146,914,140	(29,979,526)
Issuances	–	(1,205,463,944)
Sales	(93,617,712)	–
Realised loss	1,006,067	–
Transfer into Level III	13,578,451	–
Transfer out of Level III	(86,501,337)	–
Closing balance	135,980,311	(2,713,365,427)

The following table shows the movement in Level 3 of the fair value hierarchy for the period ended 31 December 2014:

Group	*Financial assets at fair value through profit or loss EUR*	*Financial liabilities at fair value through profit or loss EUR*
Opening balance	–	–
Total unrealised gains or losses in comprehensive income	(2,385,880)	28,396,098
Purchases	196,727,399	–
Issuances	–	(1,515,222,000)
Sales	(48,480,164)	–
Realised loss	417,819	–
Closing balance	146,279,174	(1,486,825,902)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the last day of the accounting period.

Sensitivity of level 3 holdings to unobservable inputs

A number of holdings as at 30 June 2015 were priced through Markit where the input into the Markit price was one single price on a 30 day rolling average basis so they were classified as Level 3. These loan assets are not modelled on analysts' prices but are from dealers' runs therefore there are no unobservable inputs into the prices. The CLO Income Notes were priced by Thompson Reuters which were classified as Level 3 because it was a single pricing source.

The assets classified as Level 3 represented 5.10 per cent. (period ending 31 December 2014: 8.90 per cent.) of the total financial assets. If the price of the holdings classified as Level 3 increased or decreased by 5 per cent. it would result in an increase or decrease in the value of the financial assets of EUR6,799,016 (0.25 per cent. of the total financial assets), (period ending 31 December 2014: EUR7,313,959, 0.44 per cent. of the total financial assets). There also would be an equal and opposite effect on the valuation of the PPN and debt issued by the subsidiaries of 0.25 per cent. (31 December 2014: 0.49 per cent.).

The financial liabilities at fair value through profit or loss consist of the PPN and debt issued by the subsidiaries. The PPN and the majority of the debt issued by the subsidiaries are valued using a model based on the fair value of the underlying assets and liabilities. The amortised cost of the VFNs and cash and cash equivalents and receivables and payables included in the underlying assets and liabilities equate

to their fair value due to the floating interest rates and short term nature of the balances. If the value of the underlying assets or liabilities changes then there would be an equal and opposite effect on the valuation of the PPN and the debt issued by the subsidiaries – as discussed in the previous paragraph.

The element of debt issued by the subsidiaries and purchased by the Parent Company – the CLO Income Notes are valued by Thompson Reuters. If the valuation had increased or decreased by 5 per cent. the value of the CLO Income Notes would move by EUR7,972,486 (31 December 2014: EUR4,743,259).

10. Exchange rates

The following exchange rates (against the EUR) were used to convert the investments and other assets and liabilities denominated in currencies other than EUR at:

	30 June 2015	*31 December 2014*
Great British Pound	0.7085	0.776369
United States Dollars	1.123600	1.210050

11. Related party transactions

GSO

The Group has appointed Blackstone / GSO Debt Funds Management Europe Limited ("GSO"), an investment management company incorporated in Ireland as service support provider and CLO Manager. The subsidiaries pay collateral management fees to GSO. GSO is entitled to a fee of 15 basis points when acting as the senior manager of the portfolios and 35 basis points when acting as the sub manager of the portfolios.

GSO charged EUR4,028,285 on behalf of the Group for the period ended 30 June 2015 with EUR3,395,695 (31 December 2014: EUR1,500,428) outstanding at the period end.

PPN issued to Blackstone / GSO Loan Financing Limited

The Parent Company is partially funded for its acquisition of investments by way of a PPN issued to Blackstone / GSO Loan Financing Limited. The PPN is an unsecured, limited recourse obligation of the Parent Company. The recourse of the Noteholders is limited to the proceeds available at such time from the debt obligation, CLO income notes and other obligations, which comply with the investment policy. The carrying amount of these financial liabilities designated at fair value through profit or loss as at 30 June 2015 was EUR1,562,033 (31 December 2014: EUR1,672,851) lower than the contractual amount at maturity, giving a fair value of EUR314,367,493 as at 30 June 2015 (31 December 2014: EUR284,277,149).

In the event that accumulated losses prove not to be recoverable during the life of the Parent Company, then this will reduce the obligation to the Noteholders (i.e. contractual amounts at maturity by an equivalent amount).

Blackstone / GSO Loan Financing 2 Limited, a 100 per cent. owned subsidiary of Blackstone / GSO Loan Financing Limited, bought 15 B2 shares in the Parent Company for an amount of EUR15,000,000 during the period ended 31 December 2014. It continued to hold these shares as at 30 June 2015.

Directors' interests

Two of the Directors of the Parent Company are also directors of the Company Secretary, Intertrust Management Ireland Limited. The Company Secretary charged EUR12,940 for the period ended 30 June 2015 (period ended 31 December 2014: EUR31,759) of which EUR Nil was outstanding at period end (31 December 2014: EUR31,759). The Directors of the Parent Company were not paid a separate fee.

Cross holdings within the Group

The following related party transactions took place within the Group whereby the Parent Company traded with subsidiaries within the Group and the subsidiaries traded with each other:

Trade details	*Currency*	*Trade Value 30 June 2015*	*Trade Value 31 December 2014*
Parent Company traded with Phoenix Park CLO Limited	EUR	51,088,250	382,609,550
Parent Company traded with Sorrento Park CLO Limited	EUR	34,395,500	353,157,301
Parent Company traded with Castle Park CLO Limited	EUR	55,057,627	273,788,424
Parent Company traded with Dorchester Park CLO Limited	EUR	332,070,134	–
Parent Company traded with Dartry Park CLO Limited	EUR	328,814,308	–
Parent Company traded with Orwell Park CLO Limited	EUR	247,581,643	–
Phoenix Park CLO Limited traded with Castle Park CLO Limited	EUR	1,997,080	2,006,459
Phoenix Park CLO Limited traded with Sorrento Park CLO Limited	EUR	2,994,955	–
Sorrento Park CLO Limited traded with Castle Park CLO Limited	EUR	2,007,920	1,986,160
Castle Park CLO Limited traded with Dartry Park CLO Limited	EUR	6,660	–
Dartry Park CLO Limited traded with Sorrento Park CLO Limited	EUR	(1,992,500)	–

The Parent Company traded with CLOs managed by GSO to the value of EUR23,047,171 (31 December 2014: EUR383,334,364) during the six month period ended 30 June 2015.

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

12. Dividends

No dividends are recommended by the Directors in respect of the period ended 30 June 2015.

13. Significant events during the period

The Parent Company established three new subsidiaries, namely Dorchester Park CLO Limited, Dartry Park CLO Limited and Orwell Park CLO Limited.

The Forward Purchase Agreement relating to a portfolio of assets with Dorchester Park CLO Limited matured on 26 February 2015 when the Parent Company purchased USD28,000,000 of its Subordinated Notes, representing 60.95 per cent. ownership in conjunction with the purchase of the underlying assets by the subsidiary.

The Forward Purchase Agreement relating to a portfolio of assets with Dartry Park CLO Limited matured on 16 March 2015 when the Parent Company purchased EUR22,800,000 of its Subordinated Notes, representing 51.12 per cent. ownership in conjunction with the purchase of the underlying assets by the subsidiary.

The Forward Purchase Agreement relating to a portfolio of assets with Orwell Park CLO Limited matured on 04 June 2015 when the Parent Company purchased EUR24,225,000 of its Subordinated Notes, representing 51.00 per cent. ownership in conjunction with the purchase of the underlying assets by the subsidiary.

Blackstone / GSO Loan Financing Limited ("Listco") raised capital in April 2015 and purchased PPN's at a cost of EUR29,979,526 with the proceeds raised.

The following interest payments were made to Listco during the period:

Q1 2015 EUR8,484,326
Q2 2015 EUR6,850,000

There were no other significant events affecting the Parent Company since the period end which required adjustment to or disclosure in the financial statements.

14. Significant events after the period end

The Parent Company established a new subsidiary, namely Tymon Park CLO Limited. Tymon Park CLO Limited was incorporated on 26 May 2015 but did not start trading or become a subsidiary of the Parent Company until after the period end.

The Forward Purchase Agreement relating to a portfolio of assets with Tymon Park CLO Limited matured on 17 December 2015 when the Parent Company purchased EUR22,700,000 of its Subordinated Notes, representing 51.01 per cent. ownership in conjunction with the purchase of the underlying assets by the subsidiary.

There were no other significant events affecting the Parent Company since the period end which required adjustment to or disclosure in the financial statements.

15. Seasonal or cyclical changes

The company is not subject to seasonal or cyclical changes.

PART XII

PLACING TERMS AND CONDITIONS

1. INTRODUCTION

The terms and conditions which shall apply to any Placee which confirms its agreement (whether orally or in writing) to Fidante and/or PSL (acting as the settlement agent of Fidante in connection with the Placing Programme) to subscribe for Placing Shares under the Placing Programme are contained in Part XII of this Prospectus. Fidante and/or PSL may require any such Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter.

The terms and conditions which shall apply to any Placee which confirms its agreement (whether orally or in writing) to N+1 Singer shall be contained in N+1 Singer Placing Letters.

Finally, the terms and conditions which shall apply to any Placee which confirms its agreement (whether orally or in writing) to the Company and/or any Distributor, shall be contained in Company Placing Letters.

2. AGREEMENT TO SUBSCRIBE FOR PLACING SHARES

Conditional on: (i) the Share Issuance Agreement becoming unconditional in all respects in respect of the relevant Placing and not having been terminated in accordance with its terms; and (ii) Fidante confirming to the Placees their allocation of Placing Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Placing Shares allocated to it by Fidante at the Placing Price in respect of the Placing Shares allocated to the Placee. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3. PAYMENT FOR PLACING SHARES

Each Placee must pay the Placing Price for the Placing Shares issued to the Placee in the manner and by the time directed by Fidante. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Placing Shares shall be rejected.

4. REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for Placing Shares, each Placee which enters into a commitment to subscribe for Placing Shares will (for itself and any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, Fidante, PSL and the Registrar that:

4.1 in agreeing to subscribe for Placing Shares under the Placing, it is relying solely on this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and not on any other information given, or representation or statement made at any time, by any person concerning the Company or the Placing. It agrees that none of the Company, Fidante, PSL or the Registrar, or any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

4.2 the contents of this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus are exclusively the responsibility of the Company and its Directors and apart from the responsibilities and liabilities, if any, which may be imposed on Fidante or PSL by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of Fidante nor any person acting on its behalf nor any of its affiliates (which, for the avoidance of doubt, in this document in respect of Fidante, includes PSL) accept any responsibility whatsoever for, and makes no representation or warranty, express or implied, as to the contents of this Prospectus or any supplementary prospectus published by the Company subsequent to the date of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in

connection with the Company, the Placing Shares or the Placing and nothing in this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future. Fidante and PSL accordingly disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which they might otherwise have in respect of this Prospectus or any supplementary prospectus published by the Company subsequent to the date of this Prospectus or any such statement;

4.3 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Placing Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its placing commitment in any territory and that it has not taken any action or omitted to take any action which will result in the Company, Fidante, PSL, the Registrar or any of their respective officers, agents, affiliates or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;

4.4 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;

4.5 it agrees that, having had the opportunity to read this Prospectus, it shall be deemed to have had notice of all information and representations contained in this Prospectus, that it is acquiring Placing Shares solely on the basis of this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and no other information and that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for Placing Shares;

4.6 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by Fidante, PSL or the Company;

4.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;

4.8 it accepts that none of the Placing Shares have been or will be registered under the laws of any Restricted Territory. Accordingly, the Placing Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Territory unless an exemption from any registration requirement is available;

4.9 if it is a resident of the European Economic Area ("**EEA**"), it is a person to whom the Placing Shares may be lawfully marketed under the AIFM Directive or under the applicable implementing legislation of the Relevant Member State;

4.10 if it is a resident in the EEA (other than the United Kingdom), it is a "Qualified Investor" within the meaning of the law in the Relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive;

4.11 if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

4.12 it acknowledges that none of Fidante or any of its respective affiliates nor any person acting on its behalf (which, for the avoidance of doubt, in this document in respect of Fidante, includes PSL) is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of Fidante or any of its affiliates and

that none of Fidante or any of its affiliates have any duties or responsibilities to it for providing protection afforded to its or their respective clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertaking or indemnities contained in these terms and conditions or in any Placing Letter, where relevant;

4.13 it acknowledges and makes the representations, warranties and agreements set out in this Prospectus, including those set out under "Subscriber and Shareholder warranties" in the section entitled "Purchase and Transfer Restrictions" in Part V of this Prospectus, and where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Placing Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus or in any Placing Letter, where relevant; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Fidante and/or PSL. It agrees that the provision of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;

4.14 it is acting as principal only in respect of the Placing, or, if it is acting for any other person: (i) it is and will remain liable to the Company, Fidante and/or PSL for the performance of all its obligations as a placee in respect of the Placing (regardless of the fact that it is acting for another person); (ii) it is both an "authorised person" for the purposes of FSMA and a "qualified investor" as defined at Article 2.1(e)(i) of Directive 2003/71/EC (known as Prospectus Directive) acting as agent for such person; and (iii) such person is either (1) a FSMA "qualified investor" or (2) its "client" (as defined in section 86(2) of FSMA) that has engaged it to act as his agent on terms which enable it to make decisions concerning the Placing or any other offers of transferable securities on his behalf without reference to him;

4.15 it confirms that any of its clients, whether or not identified to Fidante or PSL or any of their affiliates or agents, will remain its sole responsibility and will not become clients of Fidante or PSL or any of their affiliates or agents for the purposes of the rules of the Financial Conduct Authority or the JFSC or for the purposes of any other statutory or regulatory provision;

4.16 where it or any person acting on its behalf is dealing with Fidante and/or PSL, any money held in an account with Fidante and/or PSL on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority or the JFSC which therefore will not require Fidante and/or PSL to segregate such money as that money will be held by Fidante and/or PSL under a banking relationship and not as trustee;

4.17 it has not and will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 102B of the FSMA;

4.18 it is an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is subscribing for or purchasing the Shares for investment only and not for resale or distribution;

4.19 it irrevocably appoints any Director of the Company and any director of Fidante to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Placing Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;

4.20 it accepts that if the Placing does not proceed or the conditions to Fidante's obligations in respect of such Placing under the Share Issuance Agreement are not satisfied, the Share Issuance Agreement is terminated prior to the admission of the Placing Shares for which valid application are received and accepted to trading on the Specialist Fund Market and listing on the CISE Official List for any reason whatsoever or such Placing Shares are not admitted to trading on the Specialist Fund Market and to listing on the CISE Official List for any reason whatsoever, then none of Fidante or PSL, the Company or any of their respective affiliates, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

4.21 it has not taken any action or omitted to take any action which will or may result in Fidante, PSL, the Company or any of their respective directors, officers, agents, affiliates, employees or advisers being

in breach of the legal or regulatory requirements of any territory in connection with the Placing or its subscription of Placing Shares pursuant to the Placing;

4.22 in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing and that its placing commitment is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Jersey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;

4.23 due to anti-money laundering and the countering of terrorist financing requirements, Fidante, PSL and/or the Company may require proof of identity of the Placee and related parties and verification of the source of the payment before the placing commitment can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, Fidante, PSL and/or the Company may refuse to accept the placing commitment and the subscription moneys relating thereto. It holds harmless and will indemnify Fidante, PSL and the Company against any liability, loss or cost ensuing due to the failure to process the placing commitment, if such information as has been required has not been provided by it or has not been provided timeously;

4.24 any person in Jersey involved in the business of the Company who knows or suspects or has reasonable grounds for knowing or suspecting that any other person (including the Company or any person subscribing for Placing Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the relevant authorities pursuant to the Jersey AML Requirements. Similar disclosures may be required under other legislation;

4.25 it and each person or body (including, without limitation, any local authority or the managers of any pension fund) on whose behalf it accepts Placing Shares pursuant to the Placing or to whom it allocates such Placing Shares have the capacity and authority to enter into and to perform their obligations as a Placee of the Placing Shares and will honour those obligations;

4.26 as far as it is aware it is not acting in concert (within the meaning given in The City Code on Takeovers and Mergers) with any other person in relation to the Company and it is not a related party of the Company for the purposes of the Listing Rules;

4.27 Fidante, N+1 Singer and the Company (and any agent on their behalf) are entitled to exercise any of their rights under the Share Issuance Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);

4.28 the representations, undertakings and warranties contained in this Prospectus or in any Placing Letter, where relevant, are irrevocable. It acknowledges that Fidante and the Company and their respective affiliates will rely upon the truth and accuracy of such representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Placing Shares are no longer accurate, it shall promptly notify Fidante and the Company;

4.29 it confirms that it is not, and at Admission will not be, an affiliate of the Company or a person acting on behalf of such affiliate, and it is not acquiring Placing Shares for the account or benefit of an affiliate of the Company or of a person acting on behalf of such an affiliate;

4.30 nothing has been done or will be done by it in relation to the Placing that has resulted or could result in any person being required to publish a prospectus in relation to the Company or to any ordinary shares in accordance with FSMA or the Prospectus Rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;

4.31 it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Shares in accordance with Rule 5 of the Disclosure Rules and Transparency Rules issued by the FCA and made under Part VI of the FSMA as they apply to the Company;

4.32 it accepts that the allocation of Placing Shares shall be determined by Fidante, N+1 Singer and the Company in their absolute discretion and that such persons may scale down any placing commitments for this purpose on such basis as they may determine; and

4.33 time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the Placing.

5. SUPPLY AND DISCLOSURE OF INFORMATION

If Fidante, PSL, the Registrar or the Company or any of their agents request any information in connection with a Placee's agreement to subscribe for Placing Shares under the Placing or to comply with any relevant legislation, such Placee must promptly disclose it to them.

6. DATA PROTECTION

6.1 Pursuant to the Data Protection (Jersey) Law 2005, (the "**DP Law**") the Company, Fidante, N+1 Singer, PSL, the Registrar and/or the Administrator may hold personal data (as defined in the DP Law) relating to past and present Shareholders.

6.2 Such personal data held is used by those parties in relation to the Placing and to maintain a register of the Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (i) effecting the payment of dividends and redemption proceeds to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties; and (ii) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

6.3 The countries referred to above include, but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.

6.4 By becoming registered as a holder of Placing Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company, Fidante, N+1 Singer, PSL, the Registrar or the Administrator of any personal data relating to them in the manner described above.

6.5 The Company will be the "data controller" in respect of the personal data, but has appointed the Fidante, N+1 Singer, PSL, the Registrar and the Administrator as "data processors" of such data (each as defined in the DP Law). Details of the registration of the Company as data controller can be found on the website of the Jersey Data Protection Commissioner: www.dataprotection.gov.je.

7. MISCELLANEOUS

7.1 PSL is acting as receiving agent for Fidante in connection with the Placing Programme and for no-one else and will not treat a Placee or any other person as its customer by virtue of such application being accepted or owe a Placee or any other person any duties or responsibilities concerning the price of Placing Shares or concerning the suitability of Placing Shares for a Placee or for any other person or be responsible to a Placee or to any other person for providing the protections afforded to its customers.

7.2 The rights and remedies of the Company, Fidante, PSL, the Registrar and the Administrator under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

7.3 On the acceptance of their placing commitment, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

7.4 Each Placee agrees to be bound by the Articles (as amended from time to time) once the Placing Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Placing Shares under the Placing and the appointments and authorities mentioned in this Prospectus will be governed by, and construed in accordance with, the laws of England. For the exclusive benefit of the Company, Fidante, PSL, the Registrar and the Administrator, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.

7.5 In the case of a joint agreement to subscribe for Placing Shares under the Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

7.6 Fidante, N+1 Singer and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined.

7.7 The Placing is subject to the satisfaction of the conditions contained in the Share Issuance Agreement and the Share Issuance Agreement not having been terminated. For further details of the terms of the Share Issuance Agreement please refer to paragraph 5.4 in the section entitled "Material Contracts" in Part VII of this Prospectus.

8. TERMS AND CONDITIONS OF A PLACING BY N+1 SINGER

Each Placee which confirms its agreement (whether orally or in writing) to N+1 Singer to subscribe for Placing Shares under the Placing Programme will be bound by the terms and conditions set out in a N+1 Singer Placing Letter.

9. TERMS AND CONDITIONS OF A PLACING BY THE COMPANY AND/OR A DISTRIBUTOR

Each Placee which confirms its agreement (whether orally or in writing) to the Company and/or a Distributor to subscribe for Placing Shares under the Placing Programme will be bound by the terms and conditions set out in a Company Placing Letter.

PART XIII

DEFINITIONS

The following definitions apply in this Prospectus unless the context otherwise requires:

"**2007 Law**"	the Goods and Services Tax (Jersey) Law 2007
"**2010 PD Amending Directive**"	Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market
"**2014 Annual Report**"	annual report and audited accounts of the Company for the period from 30 April 2014 (the date of incorporation of the Company) to 31 December 2014
"**Acquisition**"	the acquisition of a controlling interest in GSO and its Affiliates by The Blackstone Group
"**Additional Currencies RTS**"	the European Securities and Markets Authority's final version of regulatory technical standards implementing the clearing obligation for certain additional classes of interest rate OTC derivatives (denominated in Norwegian Krone, Polish Zloty and Swedish Krona)
"**Administration Agreement**"	the administration agreement between the Company and the Administrator, a summary of which is set out in Part VII of this Prospectus
"**Administrator**"	BNP Paribas Securities Services S.C.A., Jersey Branch, or such other person or persons from time to time appointed by the Company
"**Admission Date**"	each such date between 1 April 2016 and 30 March 2017 as the Company may determine, in its sole discretion, on which Admission becomes effective in any Placing Shares and dealings in such Placing Shares commences
"**Admission**"	admission to trading on the Specialist Fund Market and to listing on the CISE Official List of Placing Shares becoming effective
"**Adviser Breach**"	as defined in paragraph 5.3.5 of Section VII on page 172
"**Adviser**"	DFME acting in its capacity as an adviser pursuant to the Advisory Agreement
"**Advisory Agreement**"	the advisory agreement dated 1 July 2014 entered into between the Company and DFME in its capacity as advisor to the Company (as amended, supplemented, modified or restated from time to time)
"**AIC Code**"	the AIC Code of Corporate Governance
"**AIC Guide**"	the AIC Corporate Governance Guide for Investment Companies

"**AIC**"	the Association of Investment Companies
"**AIF**"	an alternative investment fund, as defined in the AIFM Directive
"**AIFM Directive**"	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directive 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
"**AIFM**"	an alternative investment fund manager, as defined in the AIFM Directive
"**Appropriate Exchange**"	has the meaning given in Part VII of this Prospectus
"**Approved Pricing Source**"	in relation to loans, Markit Partners or any other entity appointed from time to time, in relation to CLO Securities, Thomson Reuters or any other entity appointed from time to time and in relation to private debt assets, Valuation Research Corporation or any other entity appointed from time to time
"**Articles**"	the articles of association of the Company as may be in force from time to time
"**ATA**"	advance tax analysis paper
"**Audit Committee**"	the audit committee of the Company, as more fully described in the section entitled "Audit Committee" in Part IV of this Prospectus
"**Auditor**"	Deloitte LLP, or such other person or persons from time to time appointed by the Company
"**BBA**"	British Bankers' Association
"**BGCF**"	Blackstone / GSO Corporate Funding Designated Activity Company, a designated activity company incorporated under the laws of Ireland on 16 April 2014 with registration number 542626, which is, for the avoidance of doubt, a Risk Retention Company
"**BGCF Account Bank Agreement**"	a bank account agreement dated 2 July 2014, as amended, supplemented, modified or restated from time to time, entered into between BGCF and the BGCF Account Bank
"**BGCF Account Bank**"	Citibank, N.A., London Branch
"**BGCF Administrator**"	VP Fund Services, LLC.
"**BGCF Articles**"	BGCF's articles of association as may be in force from time to time
"**BGCF CLO**"	a CLO established by BGCF and/or a CLO in which BGCF holds the retention notes
"**BGCF Custodian**"	Citibank, N.A., London Branch
"**BGCF Custody Agreement**"	a custody agreement dated 2 July 2014, as amended, supplemented, or modified or restated from time to time, entered into between BGCF and the BGCF Custodian

"**BGCF Shares**"	ordinary shares in the share capital of BGCF
"**bps**"	basis point
"**BRRD**"	the Bank Recovery and Resolution Directive (2014/59/EU) together with its secondary and implementing EU rules, and national implementing legislation
"**Business Day**"	a day on which the London Stock Exchange and banks in Jersey, the United Kingdom and Ireland are normally open for business
"**CCS Europe**"	European Customized Credit Strategies
"**CCS**"	Customized Credit Strategies
"**CEA**"	commodity pool operator
"**certificated**" or "**certificated form**"	not in uncertificated form
"**CFC**"	a controlled foreign company
"**CFTC Regulations**"	a new range of regulations promulgated by the CFTC pursuant to the Dodd-Frank Act
"**Chair**"	the chair of the Board
"**CIF Law**"	the Collective Investment Funds (Jersey) Law 1988
"**CISE**"	Channel Islands Securities Exchange
"**CISE Listing Rules**"	the listing rules made by the Channel Islands Securities Exchange Authority Limited
"**CISE Official List**"	the official list of the Channel Islands Securities Exchange Authority Limited
"**Citibank**"	Citibank N.A., London Branch
"**City Code**"	the City Code on Takeovers and Mergers, as amended from time to time
"**CIT**"	corporate income tax
"**Class Minimum Amount**"	has the meaning given in Part V of this Prospectus
"**clearing obligation**"	the general obligation of financial counterparties to clear all "eligible" OTC derivative contracts entered into with other counterparties
"**CLO Fee Rebate Letter**"	has the meaning given in Part VIII of this Prospectus
"**CLO Income Notes**"	the most subordinated tranche of debt issued by a CLO (which may be represented by a debt or equity security)
"**CLO Intrinsic Calculation Methodology**"	the valuation of CLO risk retention securities by discounting future cash flows back to present
"**CLO Management Agreement**"	a collateral management and administration agreement entered into in respect of a Risk Retention Company CLO on which DFME, DFM or an affiliate act as manager

"**CLO Management Fees**"	the fees received by DFME or DFM (as applicable) in its capacity as CLO Manager
"**CLO Manager**"	DFME, DFM or an affiliate acting as manager to Risk Retention Company CLOs from time to time, pursuant to the relevant CLO Management Agreement
"**CLO Retention Income Notes**"	the CLO Income Notes: (i) equalling at least 5 per cent. of the maximum portfolio principal amount of the assets in a CLO retained by a Risk Retention Company (in respect of the European Risk Retention Requirements; and (ii) representing at least 5 per cent. of the credit risk relating to the assets collateralising the CLO (in respect of the U.S. Risk Retention Regulations)
"**CLO Retention Securities**"	the CLO Securities equalling at least 5 per cent. of the nominal value of each of the tranches sold or transferred to investors in a CLO retained by a Risk Retention Company
"**CLO Securities**"	all tranches of debt issued by a CLO, including, for the avoidance of doubt, CLO Income Notes
"**CLO**"	a special purpose vehicle which issues notes backed by a pool of collateral consisting primarily of loans
"**Common Reporting Standard**"	the OECD developed new global standard for the automatic exchange of financial information between tax authorities
"**Companies Law**"	the Companies (Jersey) Law 1991, as amended, extended or replaced and any ordinance, statutory instrument or regulation made thereunder
"**Company**"	Blackstone / GSO Loan Financing Limited, a closed-ended investment company incorporated in Jersey under the Companies Law on 30 April 2014 with registration number 115628
"**Company Placing Letter**"	has the meaning given in Part V of this Prospectus
"**Corporate Services Agreement**"	the corporate services agreement entered into on 15 May 2014, between BGCF and the Corporate Services Provider
"**Corporate Services Provider**"	Intertrust Management Ireland Limited
"**CPO**"	commodity pool operator
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 of the United Kingdom (SI No. 2001/3755) and the CREST Jersey Regulations
"**CREST**"	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
"**CRR**"	Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms
"**CSWs**"	cash settlement warrants

"**CTA**"	commodity trading advisor
"**Custodian**"	BNP Paribas Securities Services S.C.A.
"**Custody Agreement**"	the agreement dated 9 July 2014 between the Company and the Custodian (as amended, supplemented, modified or restated from time to time), further details of which are set out in Part VII of this Prospectus
"**Default Shares**"	has the meaning given in Part VII of this Prospectus
"**Defaulting Holder**"	has the meaning given in Part VII of this Prospectus
"**DFM**"	GSO / Blackstone Debt Funds Management LLC
"**DFME**"	Blackstone / GSO Debt Funds Management Europe Limited
"**Directors**" or "**Board**"	the directors of the Company
"**Disclosure and Transparency Rules**" or "**DTRs**"	the disclosure rules and transparency rules made by the FCA under Part VI of FSMA
"**Distribution Agreement**"	a distribution agreement entered into between the Company and any Distributor, further details on the template of which are set out in Part VII of this Prospectus
"**Distributor**"	a distributor appointed by the Company pursuant to a Distribution Agreement for the purposes of the Placing Programme
"**DP Law**"	Data Protection (Jersey) Law 2005
"**DTCC**"	The Depository Trust & Clearing Corporation and its affiliates
"**EBA Report**"	the report on securitisation risk retention, due diligence and disclosure published by the European Banking Authority on 22 December 2014
"**EEA**"	the European Economic Area being the countries included as such in the Agreement on European Economic Area, dated 1 January 1994, among Iceland, Liechtenstein, Norway, the European Community and the EU Member States, as may be modified, supplemented or replaced
"**Eligibility Criteria**"	has the meaning given in Part I of this Prospectus
"**EMIR**"	Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories
"**ERISA**"	the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
"**ESMA**"	European Securities and Markets Authority
"**EU Member State**"	a member country of the EU
"**EU NPA**"	a Note Purchasing Agreement entered into between *inter alia* the Company and BGCF on 1 July 2014 (as amended, supplemented, modified or restated from time to time)

"**EU Profit Participating Notes**"	profit participating notes to be issued by BGCF pursuant to the EU NPA
"**EU**"	the European Union
"**EURIBOR**"	Euro interbank offered rate, a benchmark interest rate
"**Euro Share**"	a Share denominated in Euro
"**Euro**" or "**€**" or "**EUR**"	the lawful currency of the EU
"**Euroclear**"	Euroclear UK & Ireland Limited
"**European CLO**"	a collateralised loan obligation transaction which is collateralised primarily by loans to European obligors
"**European Risk Retention Requirements**"	has the meaning given in the section entitled "Risk Factors" of this Prospectus
"**Excess Distribution**"	the amount by which the U.S. Dollar value of distributions during a taxable year in respect of a Share exceeds 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Shares).
"**Exchange**"	Channel Islands Securities Exchange Authority Limited
"**Extraordinary General Meeting**"	the extraordinary general meeting of the Company held on 29 February 2016
"**FATCA Withholding**"	has the meaning given in the section entitled "Risk Factors" of this Prospectus
"**FATCA**"	the U.S. Foreign Account Tax Compliance Act 2010
"**Fidante Capital**" or "**Fidante**"	Fidante Partners Europe Limited, the Company's Joint Financial Adviser and Placing Agent
"**Final Closing Date**"	30 March 2017 (or any earlier date the Company may determine, in its sole discretion, and announce by an RIS announcement)
"**Financial Conduct Authority**" or "**FCA**"	the UK Financial Conduct Authority and any successor regulatory authority
"**Fitch**"	has the meaning given in Part II of this Prospectus
"**Forward Purchase Agreement**"	agreements which may be entered into from time to time between BGCF and a Risk Retention Company CLO pursuant to which BGCF may, from time to time, enter into sale and purchase contracts with a CLO with respect to certain assets of BGCF
"**Forward Sales**"	sale and purchase contracts that BGCF may, from time to time enter into with a CLO or a Loan Warehouse with respect to the assets of BGCF pursuant to a Forward Purchase Agreement
"**FRB**"	the Board of Governors of the Federal Reserve System

"**FSMA**"	the Financial Services and Markets Act 2000 of the United Kingdom, as amended
"**FTT**"	the European Commission's proposal for a Directive for a common financial transaction tax in certain EU Member States
"**Fund Administration Agreement**"	the agreement BGCF entered into with the BGCF Administrator on 10 February 2016
"**GEM**"	the Global Exchange Market of the Irish Stock Exchange
"**GFSC**"	Guernsey Financial Services Commission
"**Global Custody Agreement**"	the agreement dated 2 December 2015 (as amended, supplemented, modified or restated from time to time) entered into between the Company and the Custodian whereby the Custodian was appointed to act as custodian of the Company's cash and securities.
"**gross asset value**"	gross assets including any investments in CLO Securities and any undrawn commitment amount of any gearing under any debt facility
"**Gross Placing Programme Proceeds**"	the gross proceeds of the issue of the Placing Shares at the Placing Price pursuant to the Placing Programme
"**Group**"	the Company and LuxCo, its wholly owned subsidiary
"**GSO**"	GSO Capital Partners LP (together with its affiliates within the credit-focused business unit of The Blackstone Group L.P.)
"**GSO Affiliates**"	DFME, DFM, and The Blackstone Group L.P, collectively
"**GSO Managed Accounts**"	has the meaning given on page 51 of this Prospectus
"**GSO-Related Loan**"	loans or other securities in respect of which The Blackstone Group, GSO Affiliates or Other Accounts either participated in the original lending group or structured or originated the asset
"**Harbourmaster**"	Harbourmaster Capital Limited and Harbourmaster Capital Management Limited
"**HMRC**"	Her Majesty's Revenue and Customs
"**horizontal strip**"	as defined in the Investment policy at page 89 of the Prospectus
"**IBA**"	ICE Benchmark Administration Limited
"**IFRS**"	the International Financial Reporting Standards as adopted by the EU
"**Independent Shareholders**"	has the meaning given in Part VII of this Prospectus
"**Initial Period**"	has the meaning given in Part VII of this Prospectus
"**Initial Placing**"	the first Placing of U.S. Dollar Shares pursuant to the Placing Programme

"**Interim Closing Date**"	each of the multiple closing dates under the Placing Programme
"**Investment Advisers Act**"	the U.S. Investment Advisers Act of 1940, as amended
"**Investment Objective and Policy**"	the investment objective and policy set out in Part I of this Prospectus, adopted by the Company following Shareholder approval at the Extraordinary General Meeting
"**IRR Threshold**"	has the meaning given in Part IV of this Prospectus
"**IRR**"	internal rate of return
"**IRS**"	U.S. Internal Revenue Service
"**ISA**"	an individual savings account
"**ISIN**"	International Securities Identification Number
"**Jersey AML Requirements**"	the Proceeds of Crime (Jersey) Law 1999, the Drug Trafficking Offences (Jersey) Law 1988, the Terrorism (Jersey) Law 2002 and any applicable regulations from time to time relating to prevention of use of the financial system for the purpose of money laundering and made pursuant thereto including the Money Laundering (Jersey) Order 2008
"**Jersey IGA Legislation**"	Jersey legislation implementing the U.S. IGA
"**JFSC**" or "**Commission**"	Jersey Financial Services Commission
"**Joint Financial Advisers**"	Fidante and N+1 Singer
"**Jersey RFI**"	"reporting financial institutions" in Jersey
"**Latest Practicable Date**"	means 29 March 2016, the latest practicable date prior to the publication of this Prospectus
"**LIBOR**"	London interbank offered rate, a benchmark interest rate
"**Licensees**"	those holding a licence from the GFSC under any of the following laws: the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended or the Regulation of Fiduciaries, Administration Businesses and Company Directors etc. (Bailiwick of Guernsey) Law, 2000, as amended
"**Loan Warehouse**"	a special purpose vehicle incorporated for the purposes of warehousing US and/or European floating rate senior secured loans and bonds
"**London Stock Exchange**" or "**LSE**"	London Stock Exchange plc
"**LuxCo**"	Blackstone / GSO Loan Financing (Luxembourg) S.à r.l., a private limited liability company ("société à responsabilité limitée") which was incorporated under the laws of the Grand-Duchy of Luxembourg on 23 July 2015, having its registered office at L-2310 Luxembourg, 16, Avenue Pasteur, and registered with the Luxembourg register of commerce and companies under number B 199.065

"**Luxembourg Presidency**"	the Luxembourg Presidency of the Council of the European Union
"**maximum exposures**"	as defined in the Eligibility Criteria on page 90 of the Prospectus
"**MBT**"	municipal business tax
"**Memorandum**"	the memorandum of association of the Company
"**MIFID**"	Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments
"**Model Code**"	the Model Code for directors' dealings contained in the Listing Rules
"**Money Laundering Directive**"	2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing
"**Moody's**"	has the meaning given in Part II of this Prospectus
"**N+1 Singer**"	Nplus1 Singer Advisory LLP, the Company's Joint Financial Adviser and Placing Agent
"**N+1 Singer Placing Letter**"	has the meaning given in Part V of this Prospectus
"**NAV Calculation Date**"	the relevant date for the calculation of NAV
"**Net Asset Value per Share**" or "**NAV per Share**"	for any class, the Net Asset Value of the relevant class divided by the number of Shares of such class in issue at the relevant time (excluding any Shares of such class held in treasury)
"**Net Asset Value**" or "**NAV**"	gross assets less liabilities (including accrued but unpaid fees) determined in accordance with the section entitled "Net Asset Value" in Part I of this Prospectus
"**Net Placing Programme Proceeds**"	the Gross Placing Programme Proceeds, less the costs of the Placing Programme and any amounts retained for working capital purposes
"**Non-Qualified Holder**"	any person whose ownership of Shares: (i) may result in the U.S. Plan Threshold being exceeded causing the Company's assets to be deemed "plan assets" for the purpose of ERISA, the U.S. Tax Code or any applicable Similar Law; (ii) may cause the Company to be required to register as an "investment company" under the U.S. Investment Company Act (including because the holder of the shares is not a "qualified purchaser" as defined in the U.S. Investment Company Act) or to lose an exemption or a status thereunder to which it might be entitled; (iii) may cause the Company to have to register under the U.S. Exchange Act or any similar legislation; (iv) may cause the Company not to be considered a "Foreign Private Issuer" as such term is defined in rule 3b-4(c) under the U.S. Exchange Act; (v) may result in a person holding shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; and (vi) may cause the Company to be a "controlled foreign corporation" for the purposes of the U.S. Tax Code

"**North America**"	Canada and the United States of America
"**NPA(s)**"	one or both of the EU NPA and the U.S. NPA
"**NWT**"	net worth tax
"**OECD**"	the Organisation for Economic Co-operation and Development
"**Official List**"	the list maintained by the UK Listing Authority pursuant to Part VI of FSMA
"**OID**"	original issue discount
"**Other Accounts**"	Other Blackstone Accounts and the Other GSO Accounts
"**Other Blackstone Accounts**"	has the meaning given in the section entitled "Risk Factors" in this Prospectus
"**Other Blackstone Funds**"	has the meaning given in the section entitled "Risk Factors" in this Prospectus
"**Other GSO Accounts**"	has the meaning given in the section entitled "Risk Factors" in this Prospectus
"**Other GSO Funds**"	has the meaning given in the section entitled "Risk Factors" in this Prospectus
"**Other Notes**"	other classes of notes of the Risk Retention Company CLOs
"**Other Plan**"	a governmental, church, non-U.S. or other plan, account or arrangement
"**Panel**"	the Takeover Panel
"**Participating Member States**"	Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal Spain, Slovakia and Slovenia
"**PCL**"	the Proceeds of Crime Law (as amended)
"**PFIC**"	a passive foreign investment company
"**Placee**"	a person subscribing for Shares under the Placing Programme
"**Placing**"	any placing of Placing Shares under the Placing Programme
"**Placing Price**"	the price at which Placing Shares will be issued pursuant to the Placing Programme to Placees, as set out in Part V of this Prospectus
"**Placing Programme**"	the proposed programme of Placings of up to 500 million Placing Shares, as described in this Prospectus
"**Placing Shares**"	Shares to be issued by the Company pursuant to the Placing Programme, being either U.S. Dollar Shares or Euro Shares
"**POI Law**"	the Protection of Investors (Bailiwick of Guernsey) Law, 1987
"**Portfolio Service Support Agreement**"	the agreement dated 3 June 2014 between BGCF and the Service Support Provider (as amended, supplemented,

	modified or restated from time to time) pursuant to which the Service Support Provider will provide certain service support and human resources to BGCF
"**Profit Participating Notes**" or "**PPNs**"	the EU Profit Participating Notes and the U.S. Profit Participating Notes
"**Prospectus Directive**"	Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading
"**Prospectus Rules**"	the prospectus rules made by the UK Listing Authority under section 73A of FSMA
"**Prospectus**"	this document
"**PRSI**"	Pay Related Social Insurance, as defined under Irish law
"**PSL**"	Pershing Securities Limited
"**QEF**"	a qualified electing fund
"**Qualified Institutional Buyers**"	has the meaning given in Rule 144A under the U.S. Securities Act
"**Qualified Purchasers**"	has the meaning given in the U.S. Investment Company Act
"**Register**"	the register of Shareholders
"**Registrar Agreement**"	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 5.6 of Part VII of this Prospectus
"**Registrar**"	Capita Registrars (Jersey) Limited, or such other person or persons from time to time appointed by the Company
"**Regulation S**"	Regulation S promulgated under the U.S. Securities Act
"**Related Accounts**"	Other Accounts that The Blackstone Group or GSO Affiliates manage or otherwise provide advice in respect of
"**Relevant Clients**"	clients whose investment mandates are consistent with the investment opportunity
"**relevant institutions**"	credit institutions and significant investment firms in the context of the BRRD
"**Relevant Member State**"	each member state of the European Economic Area which has implemented the Prospectus Directive
"**reporting obligation**"	the obligation of financial counterparties to report details of all derivatives contracts to a trade repository
"**Requesting Investors**"	those who have specifically solicited the Prospectus, where such approach was not itself specifically solicited by the Joint Bookrunners
"**Resolution Authorities**"	national authorities in EU member states

"**Restricted Territory**"	Australia, Canada, Japan, South Africa, the United States and any other jurisdiction where the extension or availability of the Placing Programme would breach any applicable law
"**Retention Requirements**"	has the meaning given in the section entitled "Risk Factors" of this Prospectus
"**Revolving Credit Facility**"	has the meaning given in Part VIII of this Prospectus
"**RIS**"	a regulatory information service, being any of the regulatory information services set out in Appendix 2 of the Listing Rules
"**risk mitigation obligations**"	the obligation of financial counterparties to undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty
"**Risk Retention Company**"	a company or entity to which the Company has a direct or indirect exposure for the purpose of achieving its investment objective, which is established to, among other things, directly or indirectly, purchase, hold and/or provide funding for the purchase and retention of CLO Securities issued by U.S. CLOs or EU CLOs (which it may manage), loans and interests in Loan Warehouses (including, for the avoidance of doubt, BGCF and U.S. MOA)
"**Risk Retention Company CLO**"	a CLO established by a Risk Retention Company and/or a CLO in which a Risk Retention Company holds the retention notes
"**RSA 421-B**"	Chapter 421-B of the New Hampshire Revised Statutes
"**Rule 37**"	Rule 37 of the City Code
"**S&P**"	has the meaning given in Part II of this Prospectus
"**Savings Directive**"	Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments
"**SDRT**"	UK Stamp Duty Reserve Tax
"**SEC**"	the U.S. Securities and Exchange Commission
"**SEDOL**"	the Stock Exchange Daily Official List
"**Service Support Provider Breach**"	has the meaning given in Part VIII of this Prospectus
"**Service Support Provider**"	DFME acting as Service Support Provider to BGCF pursuant to the Portfolio Service Support Agreement
"**Share Issuance Agreement**"	the conditional agreement dated 31 March 2016 entered into between the Company, GSO, BGCF, U.S. MOA, Fidante and N+1 Singer, a summary of which is set out in Part VII of this Prospectus
"**Share Trust Deed**"	has the meaning given in Part VIII of this Prospectus
"**Share Trustee**"	has the meaning given in Part VIII of this Prospectus
"**Share**"	an ordinary share of no par value in the capital of the Company, denominated in such currency as the Directors may determine in accordance with the Articles, and having

	such rights and being subject to such restrictions as are contained in the Articles
"**Shareholder**"	a holder of Shares
"**Shareholding**"	a holding of Shares
"**Similar Laws**"	any federal, state, local or non-U.S. law or regulation that would have the same or similar effect as the U.S. Plan Assets Regulations so as to subject the Company (or other persons responsible for the investment and operation of the Company's assets) to laws or regulations that are similar to the fiduciary responsibility and/or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the U.S. Tax Code
"**Specialist Fund Market**"	the specialist fund market of the London Stock Exchange (to be renamed Specialist Fund Segment with effect from 4 April 2016)
"**Subsequent Placing**"	any Placing other than the Initial Placing
"**Substantial Risk Retention Company**"	a Risk Retention Company to which the Company has an exposure (directly or indirectly) equal to or greater than 20 per cent. of the Company's gross assets
"**Target Dividend**"	has the meaning given in Part I of this Prospectus
"**Target Total Return**"	has the meaning given in Part I of this Prospectus
"**Tax Law**"	the Income Tax (Jersey) Law 1961 (as amended)
"**TCA**"	the Taxes Consolidation Act 1997 of Ireland, as amended
"**The Blackstone Group**"	The Blackstone Group L.P. together with its affiliates as the context requires
"**Transaction Documents**"	the various transaction documents entered into from time to time by the U.S. MOA Manager and/or U.S. MOA in connection with U.S. MOA's assets and the financing thereof
"**TRS**"	total return swap
"**U.S. CLO**"	a collateralised loan obligation transaction which is collateralised primarily by loans to U.S. obligors
"**U.S. Dollar Share**"	a Share denominated in U.S. Dollars
"**U.S. Dollar**" or "**U.S.$**"	the lawful currency of the United States
"**U.S. Exchange Act**"	the U.S. Securities Exchange Act of 1934, as amended
"**U.S. Holder**"	as defined under U.S. Holders of Shares on page 142
"**U.S. IGA**"	the Intergovernmental Agreement entered into between the governments of Jersey and the United States to implement FATCA
"**U.S. Investment Company Act**"	the U.S. Investment Company Act of 1940, as amended

"**U.S. MOA Administration Agreement**"	the administration agreement between the U.S. MOA Administrator and U.S. MOA
"**U.S. MOA Administrator**"	Intertrust SPV (Cayman) Limited
"**U.S. MOA Articles**"	U.S. MOA's articles of association as may be in force from time to time
"**U.S. MOA CLO**"	a CLO in which the U.S. MOA invests
"**U.S. MOA Management Agreement**"	the management agreement to be entered into between U.S. MOA and DFM
"**U.S. MOA Management Fees**"	fees in an amount agreed to between U.S. MOA and the U.S. MOA Manager in writing from time to time
"**U.S. MOA Manager Breach**"	any acts or omissions constituting bad faith, fraud, wilful misconduct or gross negligence or reckless disregard of the duties and obligations of the U.S. MOA Manager
"**U.S. MOA Ordinary Shares**"	ordinary voting shares of U.S.$1.00 par value in the capital of U.S. MOA
"**U.S. MOA**"	Blackstone / GSO US Corporate Funding, Ltd.
"**U.S. NPA**"	a Note Purchase Agreement to be entered into between *inter alia* the Company and BGCF
"**U.S. Persons**"	has the meaning given in Regulation S under the U.S. Securities Act
"**U.S. Plan Assets Regulations**"	the regulations promulgated by the U.S. Department of Labour at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA
"**U.S. Plan Investor**"	(i) an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the U.S. Tax Code that is subject to Section 4975 of the U.S. Tax Code (including an individual retirement account); or (iii) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in the preceding clause (i) or (ii) in such entity pursuant to the U.S. Plan Assets Regulations
"**U.S. Plan Threshold**"	ownership by benefit plan investors, as defined under section 3(42) of ERISA, in the aggregate of 25 per cent. or more of the total value of any class of equity in the Company (calculated by excluding the value of any equity interest held by any person (other than a benefit plan investor, as defined under section 3(42) of ERISA) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person); the term shall be amended to reflect such new ownership threshold that may be established by a change in the U.S. Plan Asset Regulations or other applicable law
"**U.S. Profit Participating Notes**"	profit participating notes to be issued by BGCF to the Company pursuant to the U.S. NPA

"**U.S. Risk Retention Hedging Prohibition End Date**"	the latest of: (i) the date on which the total unpaid principal balance of the assets that collateralise the relevant CLO has been reduced to 33 per cent. of the original total unpaid principal balance of such assets; (ii) the date on which the total unpaid principal amount of the securities issued by the CLO has been reduced to 33 per cent. of the original total unpaid principal amount of such securities; and (iii) two years after the date of the closing of the relevant CLO
"**U.S. Risk Retention Regulations Effective Date**"	24 December 2016
"**U.S. Risk Retention Regulations**"	the joint final regulations implementing the credit risk retention requirements of section 15G of the U.S. Exchange Act as added by the Dodd-Frank Wall Street Reform and Consumer Protection Act
"**U.S. Securities Act**"	the U.S. Securities Act of 1933, as amended
"**U.S. Tax Code**"	the U.S. Internal Revenue Code of 1986, as amended
"**U.S.**" or "**U.S.A**" or "**United States**"	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia
"**UK Corporate Governance Code**"	the UK Corporate Governance Code as published by the Financial Reporting Council
"**UK IGA**"	the Intergovernmental Agreement entered into between the governments of Jersey and the United Kingdom for the implementation of information exchange arrangements, based on FATCA
"**UK Listing Authority**" or "**UKLA**"	the Financial Conduct Authority as the competent authority for listing in the United Kingdom
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland
"**uncertificated**" or "**uncertificated form**"	recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
"**Upfront Fee**"	has the meaning given in Part I of this Prospectus
"**USC**"	Universal Social Charge, as defined under Irish law
"**Valuation, Fund Accounting and Financial Reporting Agreement**"	has the meaning given in Part VIII of this Prospectus
"**VAT**"	value added tax or a similar consumption tax
"**vertical strip**"	has the meaning given on page 89 of the Prospectus
"**Western Europe**"	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom
"**Whitewash Resolution**"	has the meaning given in Part VII of this Prospectus
"**WHT**"	withholding tax

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