

# Blackstone / GSO Loan Financing Limited

As of 30 September 2019

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# BGLF Overview

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## Blackstone / GSO Loan Financing Limited (“BGLF”)

A unique senior secured loan financing company that seeks to provide shareholders with stable and growing income returns

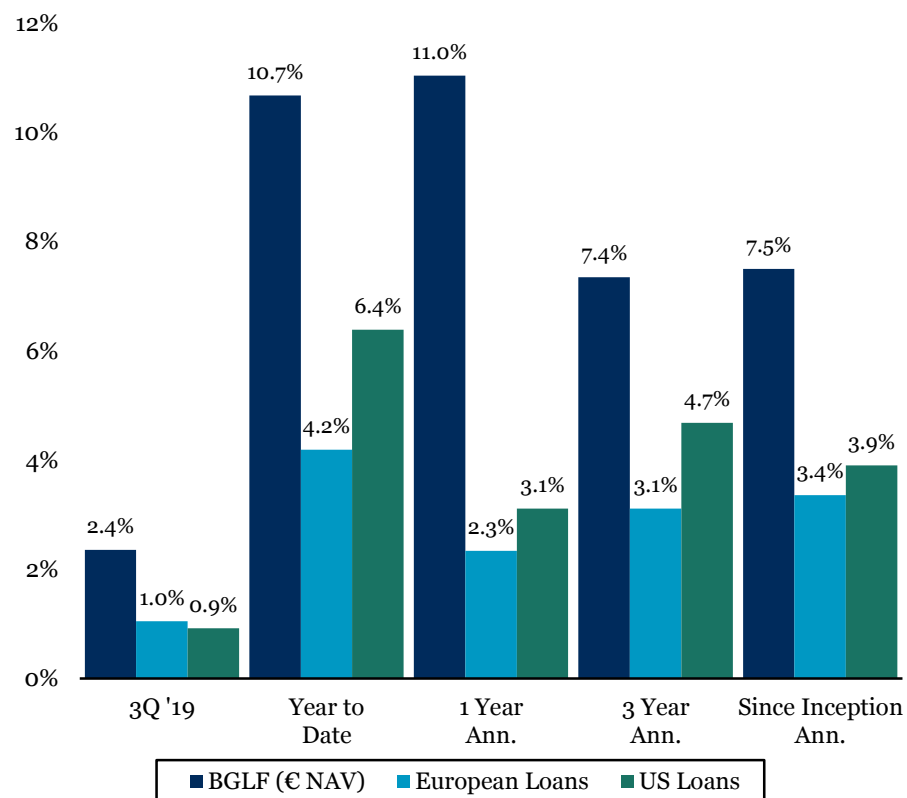
### Strategy Overview

- ▶ Exposure to European and U.S. floating rate senior secured loans and bonds, both directly and indirectly through its investment in BGCF
- ▶ Utilises a variety of financing sources, including a credit facility, external warehouses, and non-recourse leverage obtained from CLOs

### Fund Snapshot

Ticker LN:	BGLF	BGLP
Share Price <sup>(1)</sup>	€0.7875	£0.7100
NAV per share <sup>(2)</sup>	€0.9131	£0.8098
Premium/Discount	(13.76%)	(12.33%)
Distribution Yield <sup>(3)</sup>	12.70%	12.49%
Market Capitalisation <sup>(1)</sup>	€367.4m	
Shares Outstanding	402.3m	
Inception Date	24/07/14	

### BGLF € NAV Total Returns



Note: BGLC not included in the above figures, which represents a NAV of €73.0m, market capitalisation of €66.7m, and shares of 133.5m as of 30 September 2019.

1) Bloomberg, as of 30 September 2019.

2) As calculated by BGLF's Administrator in accordance with the provisions of the BGLF Prospectus. Per share data based on final number of shares in the period.

3) Distribution yield based on last four quarterly distributions declared and the share price as of 30 September 2019.

BGLC: Blackstone / GSO Loan Financing Limited C Shares

BGCF EUR: Blackstone / GSO Corporate Funding EUR Fund

BGCF: Blackstone / GSO Corporate Funding DAC

BGUCF: Blackstone / GSO US Corporate Funding Ltd

## Investment Opportunity Overview

### Strength of GSO CLO Platform

- ▶ Provides access to the market leading GSO loan and CLO management platform, including CLO warehouse investment opportunities<sup>(1)</sup>
- ▶ Cost effective leveraged exposure to senior secured loans through term financing on balance sheet and through CLOs

### Multiple Ways to Access Strategy

- ▶ BGLF: publicly listed shares of a closed-end investment company incorporated in Jersey with a NAV of €367 million<sup>(2)</sup>
- ▶ BGCF EUR: privately placed units in an open-end Irish unit trust with a NAV of €639 million<sup>(2)</sup>

### Stable NAV & Performance

- ▶ Fund NAVs should remain resilient throughout varying interest rate environments
- ▶ We believe that credit spread widening may result in an increase in portfolio spreads and improvement in the NIM, potentially resulting in increased cash flows to the fund
- ▶ Hold to maturity retention requirement on retained CLO securities has also contributed to a more stable NAV; values CLO equity on the basis of expected future cash flows (versus mark to market)

### Strategic Partnership & Alignment of Interests

- ▶ Strategic partnership with GSO's CLO platform with wholesale access (no fund level management fee) to European and US CLO equity
- ▶ Blackstone owns 43 million shares of BGLF (8% of total BGLF/BGLC) and 14% of BGUCF<sup>(3)</sup>
- ▶ Investors benefit from additional governance overlay of independent boards at both the operating company (BGCF) and the listed company (BGLF)

1) Creditflux, as of 30 September 2019.

2) As of 30 September 2019.

3) Blackstone Asia Treasury Pte entered into a 12-month lock-up period at the time of initial issuance of BGLF, which agreement expired on 23 July 2015.

Past performance is not necessarily indicative of future results, and there can be no assurance that a fund will continue to achieve comparable results or that a fund will be able to implement its investment strategy or achieve its investment objectives or avoid substantial losses. Please refer to the "Important Disclosure Information" section of this Presentation for further information.

# Third Quarter Results

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## Third Quarter Highlights

- ▶ BGCF's NAV grew by €70 million since June 2019, given additional equity investments from BGLF/BGLC and BGCF EUR
- ▶ Sponsored/originated two new CLO securitisations (one USD, one EUR)

12.7%

*BGLF Distribution Yield<sup>(1)</sup>*

8.6x

*BGCF Debt-to-Equity Ratio<sup>(2)</sup>*

2.01%

*BGCF Portfolio Net Interest Margin<sup>(3)</sup>*

698

*Total Number of Issuers<sup>(4)</sup>*

+€70M

*3Q '19 BGCF NAV Growth*

€1,087M

*BGCF Net Assets*

€367M

*BGLF Net Assets*

€639M

*BGCF EUR Net Assets*

1) Distribution yield based on last four quarterly distributions declared and the share price as of 30 September 2019.

2) Calculated based on a look through basis for BGCF's portfolio. Assets: Directly Held Assets represent par balance of BGCF's on-balance sheet assets; Indirect Assets calculated as the sum of EUR and USD CLO Assets plus US CLO warehouse assets; EUR and USD CLO Assets represented by the total Target Par for each CLO, weighted for each CLO's respective BGCF investment; USD CLO Warehouse Assets present par balance of warehouse assets. Liabilities: Credit Facility balance presented as total drawn amount less actual cash balance and expected cash to be received from unsettled trades; EUR and USD CLO balances represent outstanding debt tranches, weighted for each CLO's respective BGCF investment; USD CLO Warehouse Facilities balance calculated as current warehouse loan exposure less invested capital. Data for EUR and US CLOs calculated by GSO based on data available on Intex as of 7 October 2019.

3) Data for EUR and US CLOs calculated based on data available on Intex as of 7 October 2019. Data for US CLO Warehouses and Directly Held Loans calculated by GSO. Leverage is assumed to be 4:1 for USD CLO Warehouses and 2:1 for Directly Held Loans. Stewart Park CLO and Dorchester Park CLO excluded from US CLO leverage calculation.

4) Portfolio data presented using the gross par amount of assets held directly and indirectly by BGCF. The total par amount of all assets held within each CLO and CLO warehouses are included on a fully consolidated basis and added to those assets held directly by BGCF. Subject to change and not a recommendation to buy or sell any security. Data calculated by GSO.

## Third Quarter 2019 Results

### Earnings & Distributions

- ▶ LTM BGLF distribution yield of 12.7%, as of 30 September 2019<sup>(1)</sup>
- ▶ BGLF reinvested and/or retained amounts received in excess of 33% above the amount distributed over the last twelve months, with improving retained earnings year to date<sup>(2)</sup>

### Investment Activity

- ▶ Focused on maintaining the overall quality of the portfolio, trimming risk and declining primary issues where we view documentation to be weak
- ▶ €2.6 billion of assets purchased, €1.8 billion net portfolio investments<sup>(3)</sup>

### Portfolio Composition

- ▶ Diversified portfolio invested across multiple sectors, geographies, and vintages
- ▶ Portfolio of 99.5% senior secured and 97.3% floating rate assets<sup>(4)</sup>
- ▶ No issuers defaulted within the portfolio during 3Q '19

### Capitalisation

- ▶ €60 million of capital called and invested (BGCF EUR), €21 million reinvested (BGLF/BGLC) in Q3 '19, resulting in €81 million growth in BGCF's equity balance
- ▶ Debt-to-Equity ratio of 8.6x through financing structures<sup>(5)</sup>

### Interest & Margins

- ▶ Average CLO cost of capital and warehouse leverage costs declined due to falling LIBOR

1) Distribution yield based on last four quarterly distributions declared and the share price as of 30 September 2019.

2) Calculated as net income received from BGCF PPNs received less BGLF expenses divided by distributions paid, each over the last twelve months.

3) Includes the total gross trading activity for assets held directly and indirectly by BGCF, including gross assets purchased within EUR and USD CLOs and USD CLO warehouses. Data calculated by GSO.

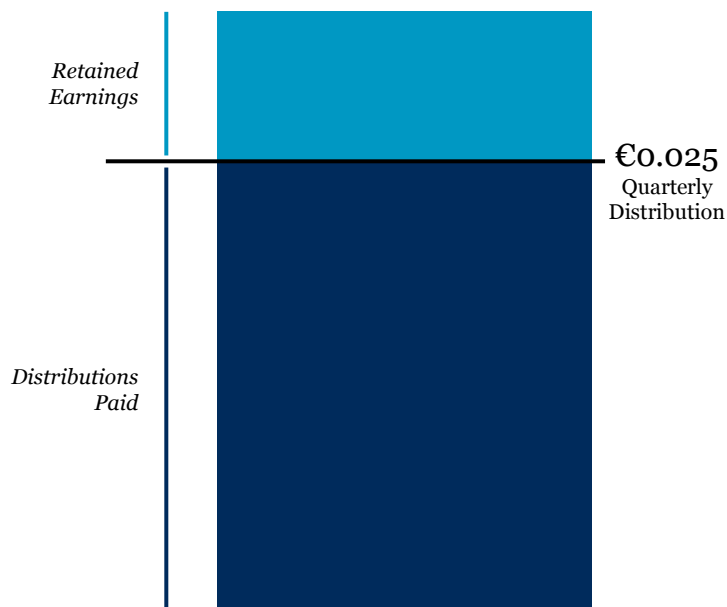
4) Portfolio data presented using the gross par amount of assets held directly and indirectly by BGCF. The total par amount of all assets held within each CLO and CLO warehouses are included on a fully consolidated basis and added to those assets held directly by BGCF. Subject to change and not a recommendation to buy or sell any security. Data calculated by GSO.

5) Calculated based on a look through basis for BGCF's portfolio. Please see slide 9 for more details.

## Earnings & Distributions

- ▶ LTM BGLF distribution yield of 12.7%, as of 30 September 2019<sup>(1)</sup>
- ▶ BGLF reinvested and/or retained amounts received in excess of 33% above the amount distributed over the last twelve months, with improving retained earnings year to date

### LTM Distributions

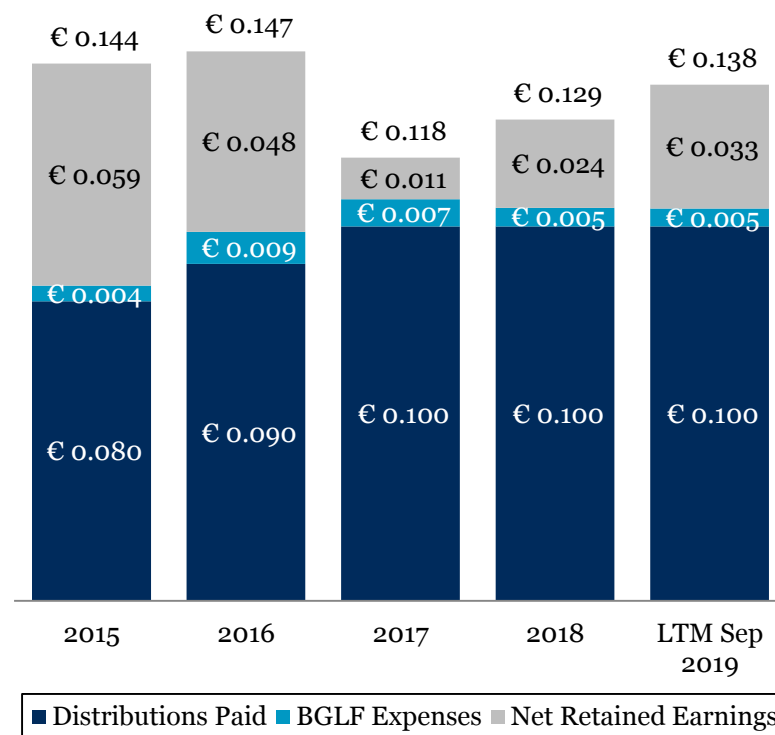


**33%**

*Received in Excess of Distributions LTM<sup>(2)</sup>*

### Stable Distribution, Growing Retained Earnings

(per BGLF Share)



1) Distribution yield based on last four quarterly distributions declared and the share price as of 30 September 2019.

2) Calculated as net income received from BGCF PPNs received less BGLF expenses divided by distributions paid, each other the last twelve months.



## Investment Activity

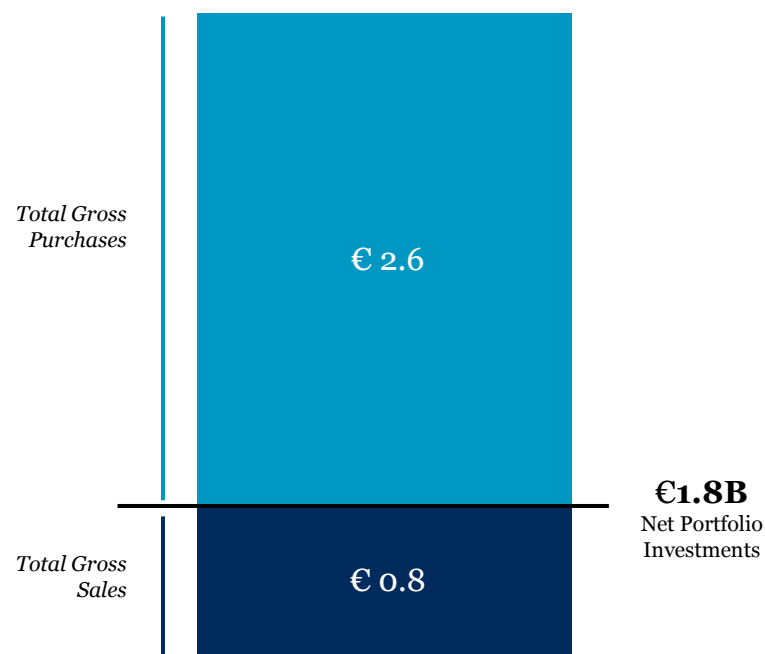
- ▶ Focused on maintaining the overall quality of the portfolio, trimming risk and declining primary issues where we view documentation to be weak
- ▶ In the third quarter, €2.6 billion of assets purchased, €1.8 billion net portfolio investments<sup>(1)</sup>

### 3Q '19 Portfolio Activity Highlights<sup>(2)</sup>

- ✓ Added 33 new issuers, sold 7 issuers
- ✓ WA spread generally unchanged at 3.53%
- ✓ Maintained B1/B2 average facility rating
- ✓ Diversification among sectors and geographies

### 3Q '19 Portfolio Activity<sup>(1)</sup>

(€ in billions)



(1) Includes the total gross trading activity for assets held directly and indirectly by BGCF, including gross assets purchased within EUR and USD CLOs and USD CLO warehouses. Data calculated by GSO.

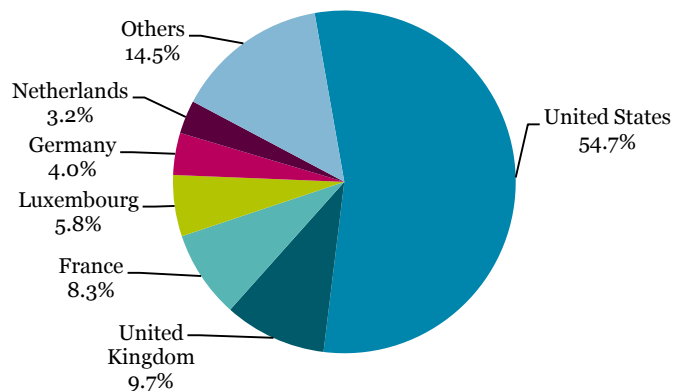
(2) Investment characteristics based on the total purchases of directly held loans, US and European CLOs portfolio assets, and US CLO warehouse investments.

Portfolio data by presented using the gross par amount of assets held directly and indirectly by BGCF. The total par amount of all assets held within each CLO and CLO warehouses are included on a fully consolidated basis and added to those assets held directly by BGCF. Subject to change and not a recommendation to buy or sell any security. CLO Note investments are excluded from all figures. Data calculated by GSO.

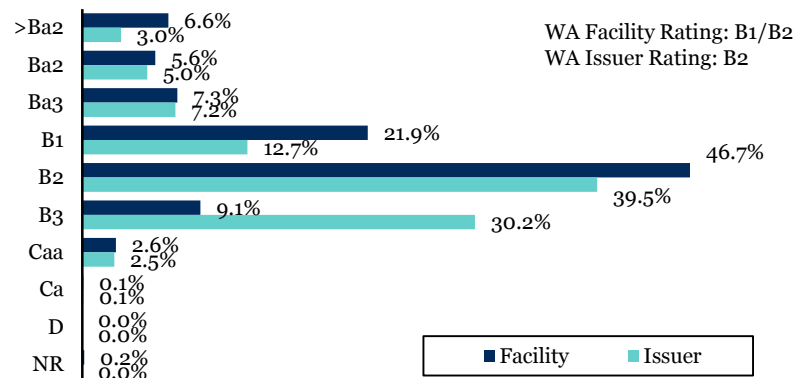
# Portfolio Composition

- ▶ Diversified portfolio invested across multiple sectors, geographies, and vintages
- ▶ Portfolio of 99.5% senior secured and 97.3% floating rate assets

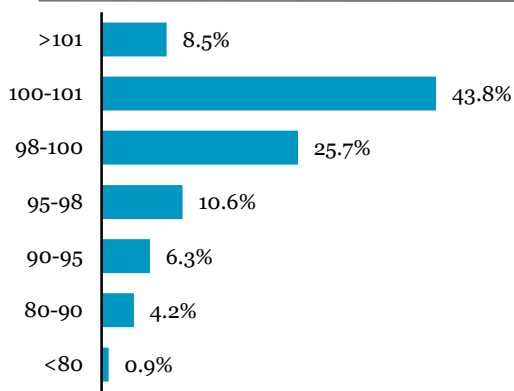
## Country Allocations



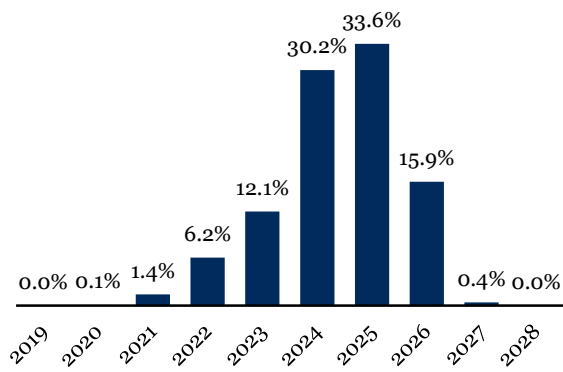
## Moody's Rating Distribution



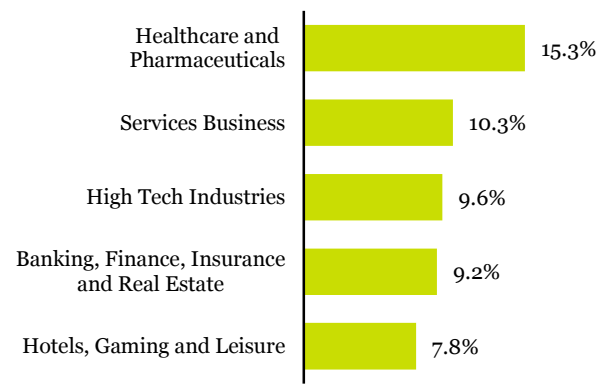
## Price Bands



## Maturities



## Top Five Industry Allocations



Portfolio data by presented using the gross par amount of assets held directly and indirectly by BGCF. The total par amount of all assets held within each CLO and CLO warehouses are included on a fully consolidated basis and added to those assets held directly by BGCF. Subject to change and not a recommendation to buy or sell any security. Data calculated by GSO.

## Capitalisation

- ▶ €60 million of capital called and invested (BGCF EUR), €21 million reinvested (BGLF/BGLC) in Q3 '19, resulting in €81 million growth in BGCF's equity balance
- ▶ Debt-to-Equity Ratio of 8.6x through financing structures<sup>(1)</sup>

### Balance Sheet<sup>(1)</sup>

(€ in millions)

Assets		Liabilities	
Directly Held Assets	€ 523	Credit Facility (Directly Held Assets)	€ 278
Indirect Assets	10,288	Indirect Liabilities	9,410
<i>EUR CLO Assets</i>	<i>4,609</i>	<i>EUR CLO Debt Outstanding</i>	<i>4,224</i>
<i>USD CLO Assets</i>	<i>5,324</i>	<i>USD CLO Debt Outstanding</i>	<i>4,895</i>
<i>USD CLO Warehouse Assets</i>	<i>355</i>	<i>USD CLO Warehouse Facilities</i>	<i>290</i>
<b>Total Par Assets</b>	<b>€ 10,811</b>	<b>Total Par Liabilities</b>	<b>€ 9,688</b>
		<b>Total Par Equity Value</b>	<b>€ 1,123</b>

# 8.6x

*Debt-to-Equity Ratio*

1) Asset Sources: Directly Held Assets represent par balance of BGCF's on-balance sheet assets; Indirect Assets calculated as the sum of EUR and USD CLO Assets plus US CLO warehouse assets; EUR and USD CLO Assets represented by the total Target Par for each CLO, weighted for each CLO's respective BGCF investment; USD CLO Warehouse Assets present par balance of warehouse assets. Liability sources: Credit Facility balance presented as total drawn amount less actual cash balance and expected cash to be received from unsettled trades; EUR and USD CLO balances represent outstanding debt tranches, weighted for each CLO's respective BGCF investment; USD CLO Warehouse Facilities balance calculated as current warehouse loan exposure less invested capital. Data for EUR and US CLOs calculated based on data available on Intex as of 7 October 2019.

## Interest & Margins

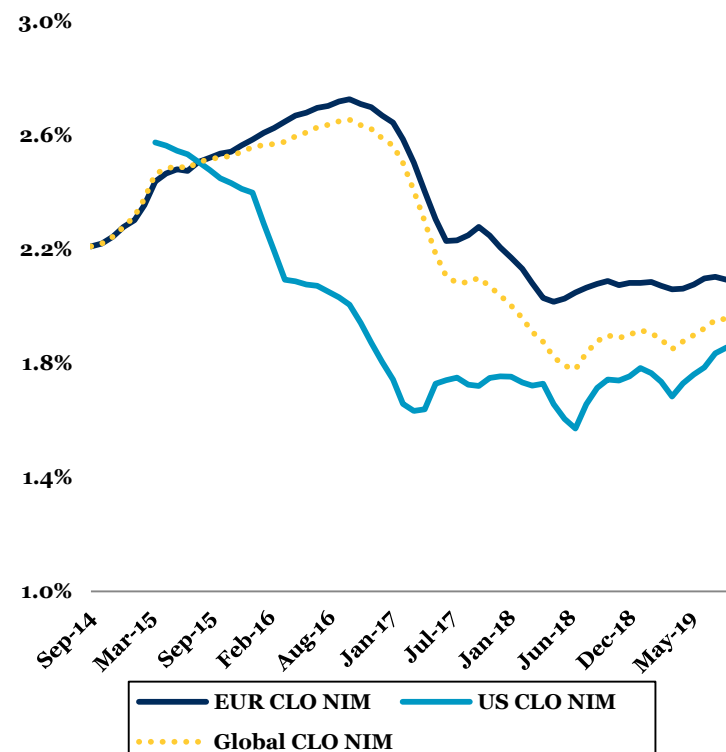
- ▶ Average CLO cost of capital and warehouse leverage costs declined due to falling LIBOR

### Portfolio Financing Cost

	4Q '18 Weighted Average Liability Cost	1Q '19 Weighted Average Liability Cost	2Q '19 Weighted Average Liability Cost	3Q '19 Weighted Average Liability Cost
EUR CLOs	1.58%	1.61%	1.60%	1.61%
US CLOs	4.01%	4.32%	4.16%	3.88%
US CLO Warehouses	3.92%	3.75%	3.65%	3.24%
Directly Held Loans	1.45%	1.45%	1.45%	1.45%
<b>Total Portfolio</b>	<b>2.66%</b>	<b>2.81%</b>	<b>2.70%</b>	<b>2.59%</b>

### CLO Net Interest Margins (“NIM”)

(Rolling 3 Month)



Data for EUR and US CLOs calculated based on data available on Intex as of 7 October 2019. Data for US CLO Warehouses and Directly Held Loans calculated by GSO. NIMs calculated using the Gross Coupon, as calculated by Intex, less the weighted average CLO liability coupons, per Intex, for each respective CLO.

# Fund Overview

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## Third Quarter Portfolio Activity

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- ▶ Portfolio trading activity during 3Q '19 continued to focus on maintaining the overall quality of the portfolio, trimming risk overweights in existing positions and declining primary issues where we view documentation to be weak
  - The loan market continued to exhibit relative strength and limited volatility during the quarter relative to prior periods, though we recognise that the late stages of the credit cycle may not continue to exhibit benign market conditions and afford de-risking opportunities
  - We have used this opportunity to reduce the tail risk in each of the CLOs and further diversify and de-risk the portfolios with a goal of maintaining sufficient cushions to each CLO's collateral quality tests and trading flexibility
- ▶ The increasing frequency of downgrade and negative watch actions by the rating agencies on loan issuers remains an ongoing challenge
  - While we apply our own views on assessing credit risk, we must also consider the rating agencies' actions that can affect the trading flexibility within a CLO
  - Our credit monitoring and watch list processes, which are both geared toward identifying potential losses and downgrades, is critical to staying ahead of the impact of negative rating actions
- ▶ As at 30 September, the weighted average all-in rate of the Fund's underlying portfolio decreased to 4.71% from 4.89% as at 30 June. The quarter-over-quarter changes in the weighted average all-in rates by sub portfolio are detailed below:
  - EUR CLOs: decreased slightly to 3.70% from 3.72%
  - USD CLOs: decreased to 5.54% from 5.86%
  - USD CLO warehouses: decreased to 5.44% from 5.93%
  - Directly held assets: decreased slightly to 3.75% from 3.78%

## Third Quarter Portfolio Activity (cont'd)

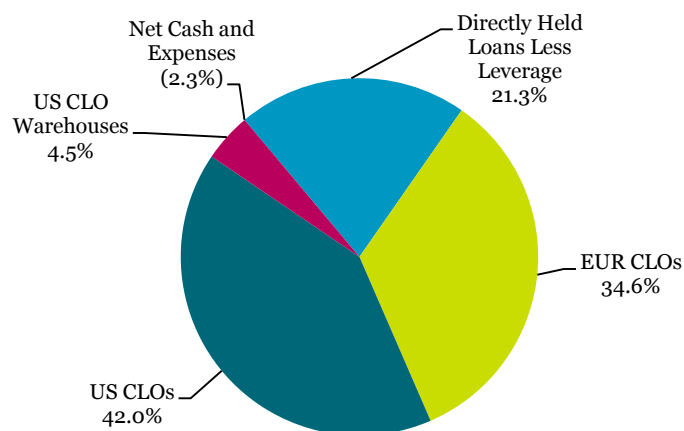
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- ▶ An important part of the Fund's strategy is loan and portfolio vintage diversification, which provides for greater investment flexibility to participate in the primary loan market and the ability to take advantage of secondary loan market dislocations
  - While the portfolio's concentration in newer vintage CLOs with longer reinvestment periods has increased, it remains at a more measured pace
  - This is due to a less consistently favourable arbitrage in 2019 resulting in modestly sized 2019 vintage CLOs versus those of 2018 vintage and inability to extend/reset or refinance at a lower cost, the debt of existing CLOs
- ▶ Throughout 2019, the CLO creation strategy has been one of patience
  - BGCF's loan portfolios, held both directly on the Fund's balance sheet and indirectly through CLO warehouses, continue to ramp at a slow pace due to our current view on the CLO creation equity arbitrage
  - Within each warehouse, we remain focused on balancing a favourable return to BGCF, as the warehouse first loss provider, with any potential credit risk introduced as the warehoused assets become more seasoned

## Summary of Investment Portfolio: BGCF Portfolio

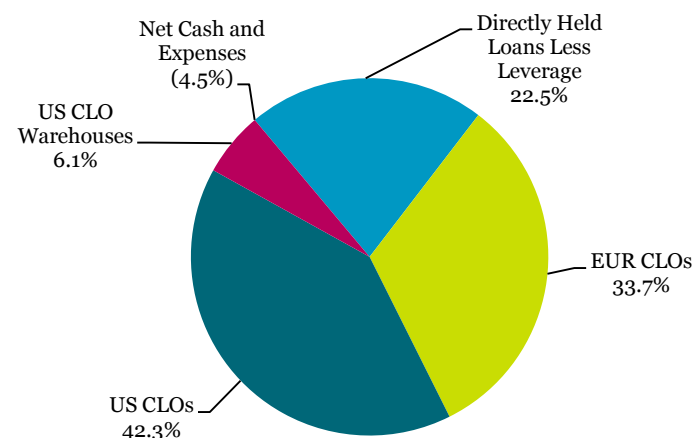
- ▶ Portfolio positioning between EUR and USD exposure remains largely unchanged versus 2Q '19
- ▶ Remaining reinvestment periods decrease slightly since last quarter due to a measured investment pace, though vintage diversification continues to be a focus

### BGCF Portfolio: June 2019<sup>(1)</sup>



	WA Asset Coupon	WA Liability Cost	WA Net Interest Margin	WA Remaining CLO Reinvestment Periods
EUR CLOs	3.71%	1.60%	2.11%	2.0 Years
USD CLOs	5.91%	4.16%	1.75%	3.4 Years
USD CLO Warehouses	5.93%	3.47%	2.46%	n/a
Directly Held Loans	3.78%	1.45%	2.33%	n/a
<b>Total Portfolio</b>	<b>4.73%</b>	<b>2.70%</b>	<b>2.02%</b>	<b>2.8 Years</b>

### BGCF Portfolio: September 2019<sup>(1)</sup>



	WA Asset Coupon	WA Liability Cost	WA Net Interest Margin	WA Remaining CLO Reinvestment Periods
EUR CLOs	3.69%	1.61%	2.08%	1.9 Years
USD CLOs	5.63%	3.88%	1.75%	3.3 Years
USD CLO Warehouses	5.44%	3.24%	2.20%	n/a
Directly Held Loans	3.76%	1.45%	2.31%	n/a
<b>Total Portfolio</b>	<b>4.59%</b>	<b>2.59%</b>	<b>2.01%</b>	<b>2.7 Years</b>

1) Asset Sources: Directly Held Assets represent par balance of BGCF's on-balance sheet assets; Indirect Assets calculated as the sum of EUR and USD CLO Assets plus US CLO warehouse assets; EUR and USD CLO Assets represented by the total Target Par for each CLO, weighted for each CLO's respective BGCF investment; USD CLO Warehouse Assets present par balance of warehouse assets. Liability sources: Credit Facility balance presented as total drawn amount less actual cash balance and expected cash to be received from unsettled trades; EUR and USD CLO balances represent outstanding debt tranches, weighted for each CLO's respective BGCF investment; USD CLO Warehouse Facilities balance calculated as current warehouse loan exposure less invested capital. Data for EUR and US CLOs calculated based on data available on Intex as of 7 October 2019.



## Summary of Investment Portfolio: Look Through Portfolio Data

	Q4 '18	Q1 '19	Q2 '19	Q3 '19
# Issuers / Facilities	687 / 902	686 / 901	705 / 932	698 / 914
Total Gross Par Exposure (€mm)	15,676	16,556	17,129	17,769
WA Spread	3.48%	3.51%	3.52%	3.53%
WA All In Rate	4.92%	4.94%	4.89%	4.71%
WA Price	96.6	97.9	98.3	98.4
WA Maturity (years)	4.6	4.7	4.8	5.0
Floating Rate Assets %	97.30%	98.00%	97.90%	98.60%
Senior Secured Assets %	99.48%	99.96%	99.74%	99.92%
WA Moody Issuer Rating Value	2734	2751	2741	2760
WA Moody Facility Rating Value	2460	2471	2474	2487
Avg Issuer Exposure	0.15%	0.15%	0.14%	0.14%
Exposure to Largest Issuer	1.11%	1.10%	1.10%	1.13%
Exposure to 10 Largest Issuers	8.80%	8.92%	8.87%	9.12%
WA Interest Coverage <sup>(1)</sup>	4.7x	4.7x	4.0x	4.1x
WA Net Total Leverage <sup>(1)</sup>	5.4x	5.6x	5.6x	5.6x

Data calculated by GSO using internal data.

(1) Note that this data has been calculated using internal GSO data that may have been adjusted by the GSO credit analyst at their discretion through the course of their due diligence and analysis. Examples of this include adjustments for litigation expense, one-time gains or losses, asset write-downs, goodwill impairments, cash restructuring expenses, accounting changes and non-cash compensation.

The portfolio reflected in this presentation is as of a certain date, and there is no guarantee that the future investments made by the Fund will continue to be identical to the make-up of the current portfolio. Moreover, the future investments to be made by the Fund may differ substantially from the investments included in the current portfolio. Therefore, subject to any relevant investment limitations, the current portfolio parameters, concentration, spread distribution and other factors related to the current portfolio could all be materially different than those of the future portfolio acquired by the Fund. **Past performance is not necessarily indicative of future results, and there can be no assurance that a fund will continue to achieve comparable results or that a fund will be able to implement its investment strategy or achieve its investment objectives or avoid substantial losses.** Please refer to the "Important Disclosure Information" section of this Presentation for further information.

## Look Through Portfolio Details

	# Facilities	Portfolio Par (€mm)	Total Par Outstanding (€mm)	Moody's Industry	Country	Moody's Corporate Rating	Moody's Facility Rating	WA Price	WA Spread	WA All-In Rate	WA Maturity (Years)
Issuer 1	5	197	5,037	Retail (Global Petrol Stations)	United Kingdom	B2	B2	98.5	4.05%	4.87%	5.3
Issuer 2	4	191	2,136	Banking, Finance, Insurance and Real Estate	United Kingdom	B2	B2	100	4.19%	5.19%	5.4
Issuer 3	2	189	8,317	Services Business	United States	B2	B2	101.1	3.91%	4.64%	5.9
Issuer 4	2	155	4,129	Hotels, Gaming and Leisure	Canada	B2	Ba3	101.2	3.70%	4.11%	5.7
Issuer 5	2	154	3,957	High Tech Industries	United States	B2	B2	98.6	4.52%	5.47%	5.9
Issuer 6	5	153	6,420	Media Broadcasting and Subscription	France	B2	B2	99.5	3.10%	3.70%	6.1
Issuer 7	2	144	5,771	Chemicals, Plastics and Rubber	Netherlands	B1	Ba3	99.6	3.56%	4.33%	5.9
Issuer 8	2	137	3,310	High Tech Industries	United States	B1	B1	100.5	3.62%	4.57%	4.9
Issuer 9	2	123	3,156	Banking, Finance, Insurance and Real Estate	Ireland	B2	B2	98.8	3.35%	4.50%	5.0
Issuer 10	4	121	3,342	Healthcare and Pharmaceuticals	United States	Ba2	Ba1	100.4	1.92%	2.72%	4.9
Issuer 11	2	120	4,566	Media Broadcasting and Subscription	Netherlands	B1	B1	100.5	2.88%	3.38%	5.4
Issuer 12	2	119	2,764	Healthcare and Pharmaceuticals	Denmark	B2	B2	100.9	3.99%	4.10%	6.3
Issuer 13	1	115	1,800	Telecommunications	Ireland	B1	B1	100.7	3.25%	3.25%	6.5
Issuer 14	3	109	2,617	Banking, Finance, Insurance and Real Estate	Luxembourg	B2	B1	99.5	3.34%	3.49%	5.2
Issuer 15	2	104	2,402	Services Business	Sweden	B2	B1	100.2	3.09%	3.09%	2.9
Issuer 16	2	101	1,285	Hotels, Gaming and Leisure	Luxembourg	B2	B2	100.3	3.78%	3.78%	3.0
Issuer 17	2	100	2,687	High Tech Industries	United States	B2	B2	96.4	4.50%	5.84%	3.2
Issuer 18	1	98	2,700	Telecommunications	Denmark	B1	Ba3	100.7	2.75%	2.75%	5.6
Issuer 19	2	98	2,962	Construction and Building	United States	B2	B2	99.5	3.94%	3.94%	6.4
Issuer 20	1	92	1,125	Hotels, Gaming and Leisure	United Kingdom	Ba2	Ba2	100.8	2.50%	2.50%	4.4
Issuers 21-678	866	15,150	702,929	Various	Various	B2	B1	98.2	3.52%	4.81%	5.0
<b>Total (698 Issuers)</b>	<b>914</b>	<b>17,769</b>	<b>773,412</b>					<b>98.4</b>	<b>3.53%</b>	<b>4.71%</b>	<b>5.0</b>

Portfolio data by presented using the gross par amount of assets held directly and indirectly by BGCF. The total par amount of all assets held within each CLO and CLO warehouses are included on a fully consolidated basis and added to those assets held directly by BGCF. CLO Note investments are excluded from all figures. Data within the table is calculated by GSO using internal data. The portfolio reflected in this presentation is as of a certain date, and there is no guarantee that the future investments made by the Fund will continue to be identical to the make-up of the current portfolio. Moreover, the future investments to be made by the Fund may differ substantially from the investments included in the current portfolio. Therefore, subject to any relevant investment limitations, the current portfolio parameters, concentration, spread distribution and other factors related to the current portfolio could all be materially different than those of the future portfolio acquired by the Fund. **Past performance is not necessarily indicative of future results, and there can be no assurance that a fund will continue to achieve comparable results or that a fund will be able to implement its investment strategy or achieve its investment objectives or avoid substantial losses. Please refer to the "Important Disclosure Information" section of this Presentation for further information.**

## CLO Securitisations Detail

CCC and defaulted asset balances are currently low within the portfolio

	Investing Entity	Closing Date	Refinancing / Reset Date (Closing)	Refinancing Eligible Date	Remaining RI Period (Yrs)	Deal Size (mm)	Equity Tranche (mm)	BGCF Position (mm)	BGCF Cost (mm)	Investment as % of Tranche	Valuation as % of BGCF NAV	Annualised Cash-on-Cash Distributions <sup>(1)</sup>	Cumulative Cash-on-Cash Distributions <sup>(1)</sup>	Wt. Avg. Cost of Liabilities <sup>(1)</sup>	Gross Coupon <sup>(1)</sup>	Net Interest Margin	NIM 3 Months Prior	Interest Diversion Cushion <sup>(1)</sup>	Highest of Caa / CCC / CCC Balance <sup>(1)</sup>	Defaulted Assets % of CLO NAV <sup>(1)</sup>	
<b>EUR CLO Income Notes</b>																					
	Phoenix Park	BGCF	Jul-14	Oct-18	Oct-20	3.6	€ 418.1	€ 45.3	€ 23.3	€ 22.1	51.4%	1.4%	15.2%	76.3%	1.77%	3.72%	1.95%	1.94%	4.33%	2.82%	0.00%
	Sorrento Park	BGCF	Oct-14	May-17	Nov-16	0.0	€ 472.2	€ 57.0	€ 29.5	€ 28.0	51.8%	1.4%	17.0%	82.1%	1.45%	3.64%	2.19%	2.19%	2.95%	1.52%	0.46%
	Castle Park	BGCF	Dec-14	Mar-17	Jan-17	0.0	€ 396.6	€ 46.0	€ 37.0	€ 33.8	80.4%	2.2%	17.1%	78.1%	1.52%	3.60%	2.08%	2.11%	4.47%	1.71%	0.18%
	Dartry Park	BGCF	Mar-15	Jul-17	Apr-17	0.0	€ 411.1	€ 44.6	€ 22.8	€ 21.5	51.1%	1.3%	15.1%	66.0%	1.63%	3.61%	1.99%	2.06%	2.26%	2.31%	0.43%
	Orwell Park	BGCF	Jun-15	Aug-17	Jul-17	0.0	€ 415.0	€ 47.5	€ 24.2	€ 22.3	51.0%	1.6%	16.4%	67.7%	1.44%	3.70%	2.27%	2.35%	4.10%	1.88%	0.00%
	Tymon Park	BGCF	Dec-15	Jan-18	Jan-18	0.3	€ 414.0	€ 44.5	€ 22.7	€ 20.6	51.0%	1.7%	15.9%	57.3%	1.31%	3.67%	2.36%	2.40%	4.77%	1.82%	0.00%
	Elm Park	BGCF	May-16	Apr-18	Apr-18	0.5	€ 558.2	€ 56.9	€ 31.9	€ 31.9	56.1%	2.7%	13.2%	41.5%	1.37%	3.70%	2.32%	2.37%	4.06%	2.47%	0.00%
	Griffith Park	BGCF	Sep-16	Nov-18	Nov-20	3.6	€ 457.8	€ 48.7	€ 29.0	€ 25.8	59.5%	1.8%	10.5%	31.1%	1.82%	3.70%	1.88%	1.92%	4.22%	2.45%	0.00%
	Clarinda Park	BGCF	Nov-16	May-19	Nov-19	1.1	€ 415.1	€ 45.1	€ 23.1	€ 19.5	51.2%	1.4%	10.7%	29.5%	1.81%	3.73%	1.92%	1.96%	4.27%	2.29%	0.00%
	Palmerston Park	BGCF	Apr-17	n/a	Apr-19	1.5	€ 414.5	€ 45.0	€ 28.0	€ 25.1	62.2%	1.7%	14.4%	32.8%	1.74%	3.75%	2.00%	2.03%	3.99%	2.55%	0.00%
	Clontarf Park	BGCF	Jul-17	n/a	Aug-19	1.8	€ 413.6	€ 43.3	€ 29.0	€ 26.2	66.9%	1.9%	15.4%	31.7%	1.59%	3.64%	2.05%	2.10%	4.07%	3.29%	0.00%
	Willow Park	BGCF	Nov-17	n/a	Jan-20	2.8	€ 412.4	€ 38.4	€ 23.4	€ 21.0	60.9%	1.8%	18.2%	29.6%	1.58%	3.66%	2.08%	2.11%	4.51%	2.06%	0.00%
	Marlay Park	BGCF	Mar-18	n/a	Apr-20	2.5	€ 413.0	€ 41.0	€ 24.6	€ 20.7	60.0%	1.9%	19.5%	25.3%	1.40%	3.66%	2.26%	2.29%	4.30%	2.61%	0.00%
	Milltown Park	BGCF	Jun-18	n/a	Jul-20	2.8	€ 410.0	€ 37.1	€ 24.1	€ 21.4	65.0%	2.0%	18.0%	19.6%	1.49%	3.68%	2.19%	2.24%	4.49%	1.93%	0.00%
	Richmond Park	BGCF	Jul-18	n/a	Jul-20	1.8	€ 549.0	€ 67.6	€ 46.2	€ 26.2	68.3%	2.4%	18.5%	18.4%	1.53%	3.70%	2.17%	2.19%	4.43%	2.39%	0.26%
	Sutton Park	BGCF	Oct-18	n/a	Nov-20	3.6	€ 409.1	€ 36.0	€ 25.0	€ 22.3	69.4%	2.0%	17.7%	14.6%	1.72%	3.67%	1.96%	1.97%	4.21%	0.97%	0.00%
	Crosthwaite Park	BGCF	Feb-19	n/a	Mar-21	4.0	€ 513.0	€ 51.0	€ 34.0	€ 27.7	66.7%	2.5%	11.8%	6.4%	2.00%	3.69%	1.69%	1.69%	4.13%	0.56%	0.00%
	Dunedin Park	BGCF	Sep-19	n/a	Sep-21	4.6	€ 409.8	€ 47.8	€ 25.3	€ 22.1	52.9%	2.0%	n/a	n/a	1.77%	3.96%	2.19%	n/a	4.00%	n/a	0.00%
	<b>EUR CLO Income Note Total</b>					<b>1.9</b>	<b>€ 7,902</b>		<b>€ 503.0</b>	<b>€ 438.2</b>	<b>59.8%</b>	<b>33.7%</b>	<b>15.6%</b>	<b>40.8%</b>	<b>1.61%</b>	<b>3.69%</b>	<b>2.08%</b>	<b>2.11%</b>	<b>4.10%</b>	<b>2.08%</b>	<b>0.08%</b>
<b>US CLO Income Notes</b>																					
	Dorchester Park	BGCF	Feb-15	Jun-18	Apr-19	0.6	\$533.4	\$66.4	\$ 48.5	\$ 38.2	73.0%	2.2%	16.7%	73.4%	3.70%	5.60%	1.91%	1.85%	4.61%	4.60%	0.10%
	Grippen Park	BGUCF	Mar-17	n/a	Apr-19	2.6	\$611.4	\$59.4	\$ 35.6	\$ 31.6	60.0%	2.0%	13.8%	32.4%	4.01%	5.60%	1.59%	1.56%	4.09%	3.90%	0.00%
	Thayer Park	BGUCF	May-17	n/a	Apr-19	2.6	\$514.6	\$54.6	\$ 29.8	\$ 25.3	54.6%	1.6%	17.3%	37.7%	4.04%	5.62%	1.58%	1.55%	3.61%	3.40%	0.00%
	Catskill Park	BGUCF	May-17	n/a	Apr-19	2.6	\$1,028.5	\$108.5	\$ 65.1	\$ 57.1	60.0%	3.5%	16.5%	35.7%	4.00%	5.59%	1.59%	1.57%	3.56%	3.90%	0.00%
	Dewolf Park	BGUCF	Aug-17	n/a	Oct-19	3.0	\$613.5	\$61.5	\$ 36.9	\$ 32.8	60.0%	2.2%	16.7%	31.4%	4.02%	5.69%	1.66%	1.64%	4.23%	4.30%	0.00%
	Gilbert Park	BGUCF	Oct-17	n/a	Oct-19	3.0	\$1,022.0	\$102.0	\$ 60.2	\$ 54.6	59.0%	3.7%	16.9%	29.2%	3.98%	5.68%	1.69%	1.67%	4.13%	4.30%	0.00%
	Long Point Park	BGUCF	Dec-17	n/a	Jan-20	3.3	\$610.8	\$58.8	\$ 33.4	\$ 30.3	56.9%	2.1%	23.9%	37.1%	3.73%	5.63%	1.90%	1.94%	3.81%	3.80%	0.00%
	Stewart Park	BGUCF	Jan-18	n/a	Jan-20	3.3	\$876.6	\$183.9	\$126.9	\$ 38.4	69.0%	3.0%	16.4%	24.5%	3.77%	5.59%	1.82%	1.83%	3.36%	4.20%	0.17%
	Greenwood Park	BGUCF	Mar-18	n/a	Apr-20	3.5	\$1,074.7	\$107.6	\$ 63.6	\$ 56.3	59.1%	4.0%	20.6%	28.0%	3.68%	5.67%	1.99%	1.97%	4.32%	4.20%	0.00%
	Cook Park	BGUCF	Apr-18	n/a	Apr-20	3.5	\$1,025.0	\$107.0	\$ 60.0	\$ 55.1	56.1%	3.9%	20.4%	25.9%	3.65%	5.61%	1.96%	1.94%	4.05%	4.30%	0.00%
	Fillmore Park	BGCF	Jul-18	n/a	Jul-20	3.8	\$560.8	\$55.6	\$ 30.2	\$ 27.5	54.3%	2.3%	15.3%	14.6%	3.83%	5.62%	1.79%	1.77%	3.96%	1.30%	0.00%
	Myers Park	BGCF	Sep-18	n/a	Oct-20	4.1	\$509.6	\$52.6	\$ 26.8	\$ 23.7	51.0%	2.0%	17.7%	14.7%	3.86%	5.65%	1.79%	1.76%	4.05%	1.60%	0.00%
	Harbor Park	BGCF	Dec-18	n/a	Jan-21	4.3	\$716.1	\$79.3	\$ 43.6	\$ 37.7	55.0%	3.3%	20.6%	12.0%	3.90%	5.65%	1.75%	1.59%	3.79%	2.00%	0.00%
	Buckhorn Park	BGCF	Mar-19	n/a	Jan-21	4.6	\$502.1	\$48.3	\$ 29.0	\$ 25.2	60.0%	2.3%	n/a	n/a	4.51%	5.69%	1.18%	1.48%	4.34%	2.20%	0.00%
	Niagara Park	BGCF	Jun-19	n/a	Jul-21	4.8	\$453.2	\$44.1	\$ 26.5	\$ 23.9	60.0%	2.1%	n/a	n/a	4.09%	5.70%	1.61%	1.71%	n/a	1.20%	0.00%
	Southwick Park	BGCM	Aug-19	n/a	Jul-21	4.8	\$503.5	\$43.5	\$ 26.1	\$ 22.3	59.9%	1.9%	n/a	n/a	3.99%	5.70%	1.71%	n/a	n/a	n/a	0.00%
	<b>US CLO Income Note Total</b>					<b>3.3</b>	<b>\$ 11,156</b>		<b>\$ 742.2</b>	<b>\$ 580.0</b>	<b>59.2%</b>	<b>42.3%</b>	<b>17.8%</b>	<b>30.5%</b>	<b>3.88%</b>	<b>5.63%</b>	<b>1.75%</b>	<b>1.75%</b>	<b>3.92%</b>	<b>3.61%</b>	<b>0.04%</b>
	<b>Global CLO Income Note Total</b>					<b>2.7</b>	<b>€ 18,138</b>		<b>€ 1,183.9</b>	<b>€ 970.4</b>	<b>59.5%</b>	<b>75.9%</b>	<b>16.8%</b>	<b>35.0%</b>	<b>2.91%</b>	<b>4.81%</b>	<b>1.89%</b>	<b>1.90%</b>	<b>4.00%</b>	<b>2.97%</b>	<b>0.06%</b>

Data as of 30 September 2019.

(1) Source: Intex. Cash-on cash distributions presented based on cost. Wtd. Avg. Cost of Liabilities represents the weighted average all-in rate of each liability tranche. Gross Coupon, as calculated by Intex as the all-in rate, not available for deals that are not yet included in Intex. Highest of Caa / CCC / CCC Balance shown based on the highest of Moody's, S&P, and/or Fitch ratings.

BGCM: Blackstone/ GSO CLO Management LLC

## Securitisations Detail: 3Q '19 Activity Details

- ▶ Invested €20.2 million (\$22.3 million) into Southwick Park CLO (USD) and €22.1 million into Dunedin Park CLO (EUR)
- ▶ Funded \$20.8 million into existing USD CLO warehouses

### New CLO Securitisations

	Size (€/S)	Investing Entity	Closing Date	Reinvestment Period End	Non-Call Period	AAA Spread	Invested Capital (€/S)	Position as a % of Tranche	Expected % Ramp at Closing
<b>Southwick Park</b>	\$503.5m	BGCM	Aug-19	Jul-24	Jul-21	130bp	\$22.3m	59.9%	90.0%
<b>Dunedin Park</b>	€409.8m	BGCF	Sep-19	Apr-24	Sep-21	107bp	€22.1m	52.9%	90.0%

### USD CLO Warehouses

	Initial Investment Date	Closing Date / [Expected Closing Date]	Investment (\$)	Sep-19 Loan Exposure (\$)	Warehouse Return	WA Moody's Facility Rating	WA Maturity (Years)
<b>Southwick Park</b>	Dec-18	Aug-19	\$46.0m	\$0.0m	19.1%	n/a	n/a
<b>Beechwood Park</b>	Mar-19	[Dec-19]	\$17.5m	\$109.7m	n/a	B1	6.2
<b>Allegany Park</b>	Jul-19	[4Q 2019]	\$33.3m	\$171.5m	n/a	B1/B2	5.5
<b>Watkins Park</b>	Aug-19	Nov-19	\$20.0m	\$106.2m	14.4%	B1	6.0

### CLO Refinancing / Reset

- ▶ There were no reset or refinancing activities in the portfolio during 3Q '19

Source: GSO. Warehouse returns are calculated using the capital contributed by the warehouse first loss provider from the date of contribution and the cash proceeds received by such investor on the warehouse termination date. Past performance is not necessarily indicative of future results, and there can be no assurance that such returns will be achieved, that a Fund will achieve comparable results or that a Fund will be able to implement its investment strategy or achieve its investment objectives. For more information regarding the performance information presented herein please see the "Important Disclosure Information" section.

## Market and Portfolio Outlook

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► Over the near term, we expect:

- CLO demand to continue, resulting in 2019 issuance of approximately \$115-\$125 billion in the US and €30 billion in Europe, which is just 7% shy of 2018's record issuance in the US and represents record issuance in Europe. We expect CLO liability spreads to remain generally flat
  - The portfolio may benefit from new CLO issuance resulting in further vintage diversification; it may also benefit from refinance/reset activity in existing CLOs, depending on the cost/benefit at the time
- Diminished loan supply and a seasonally slow new issue loan calendar has resulted in recent total return outperformance of single B versus BB loans. We expect this dynamic to continue through the early part of the first quarter, absent exogenous events
  - However, loan spreads for higher quality issuers have compressed year to date with a flight to quality. We expect the stabilisation of this trend to benefit portfolio performance
- Default rates in the broad loan market to remain well below their long term averages. JP Morgan forecasts 2019 loan default rates of 1.50% in Europe and 1.75%, including distressed exchanges, in the US
  - The continued benign default environment should help support the portfolio's performance

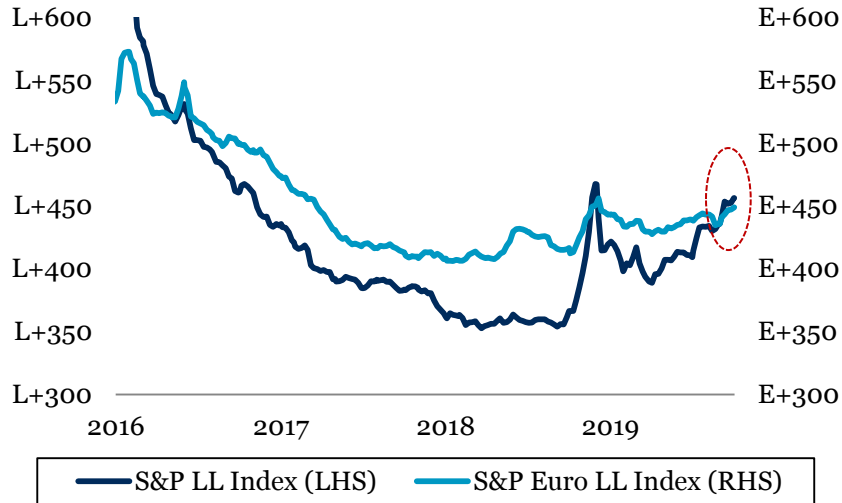
# Market Overview

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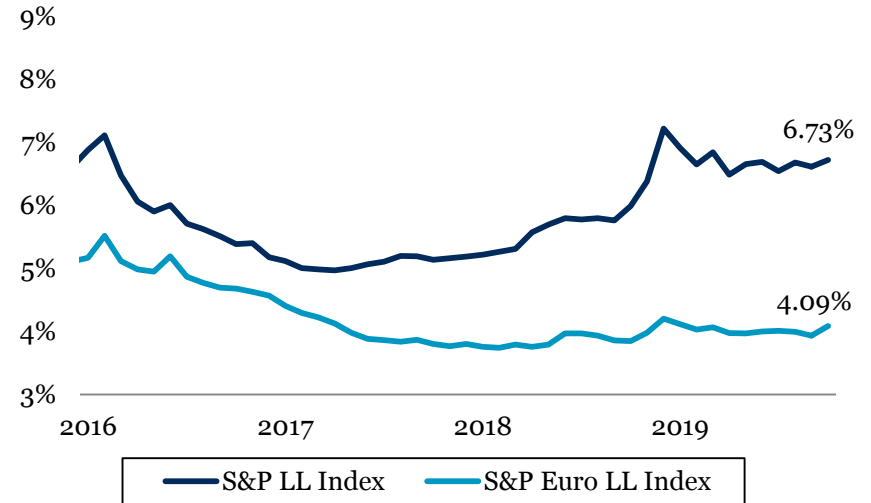
**CAPITAL PARTNERS**

## US and European Loan Yields and Spreads Have Increased in Recent Months

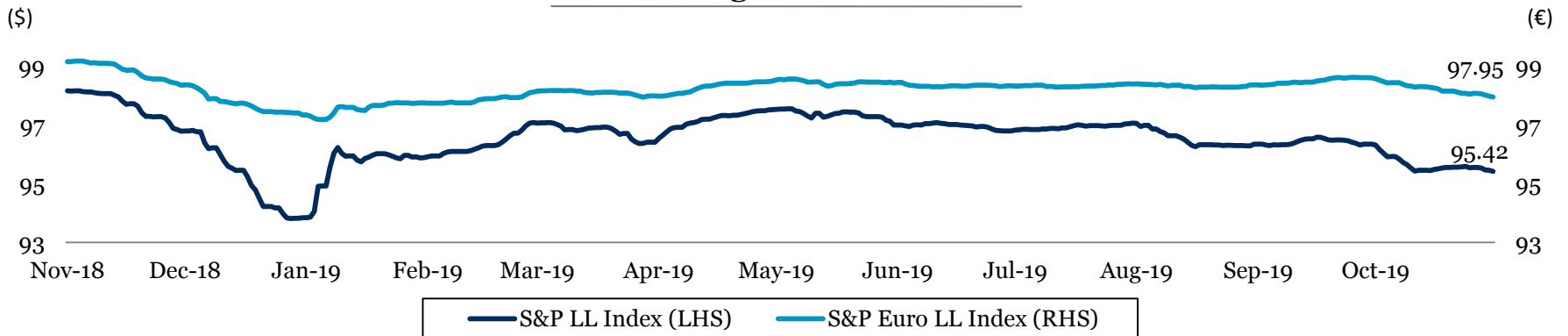
### Spread to Maturity



### Yield to Maturity



### Average Bid Price



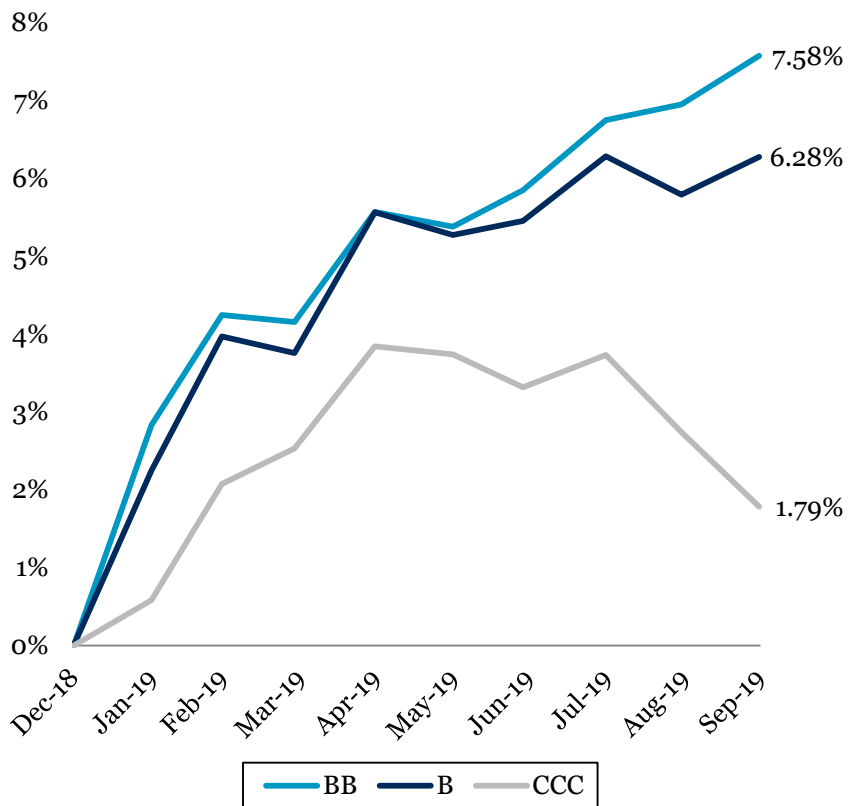
Source: LCD, as of 31 October 2019.

## Higher Quality Loans Have Outperformed Lower Quality Loans

After the 4Q '18 selloff, higher quality loans have rebounded faster than lower quality

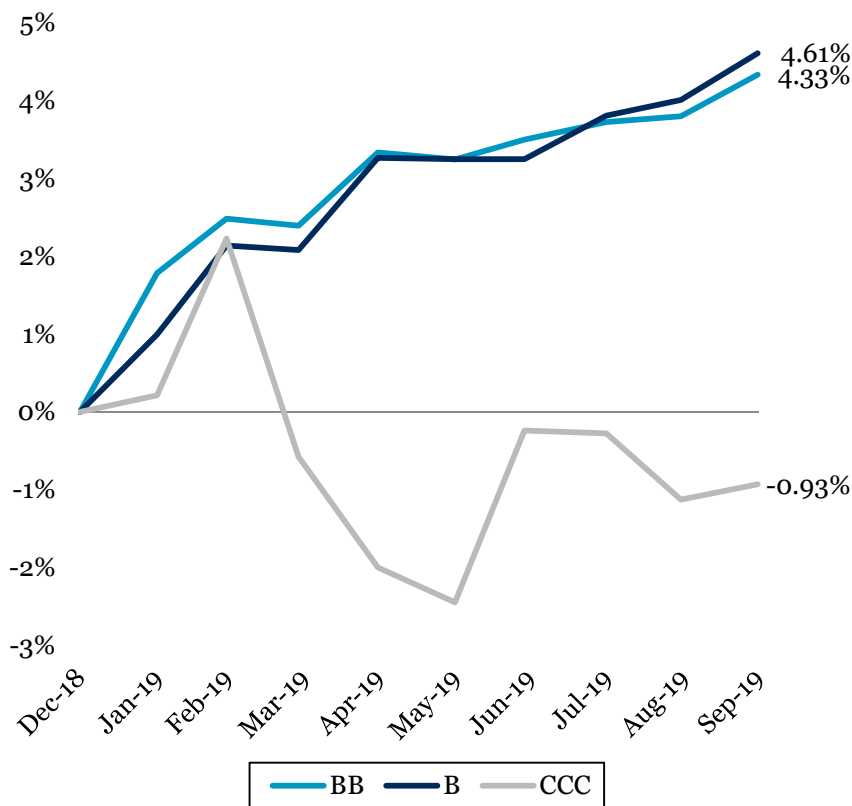
### U.S. Loan Returns by Quality

(%)



### European Loan Returns by Quality

(%)

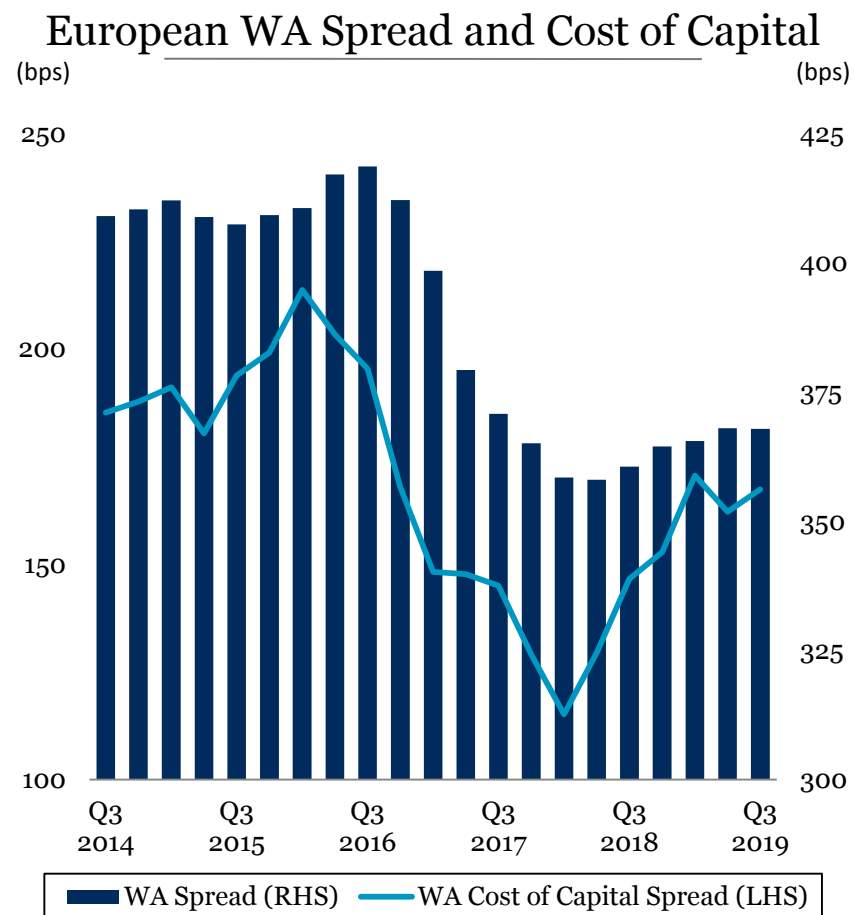
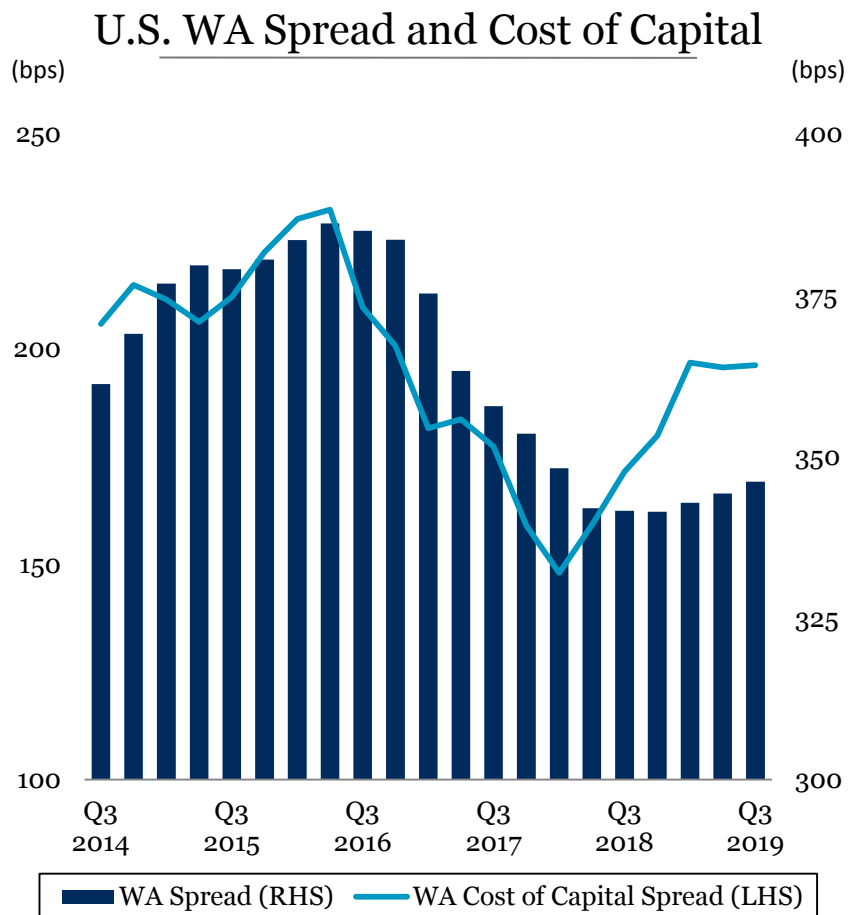


Source: Credit Suisse Leveraged Loan Index and Western European Leveraged Loan Index (hedged to EUR), as of 30 September 2019. US Loan BB returns represented by the Upper Tier (Split BBB and BB), B returns represented by the Middle Tier (Split BB, B and Split B), and CCC returns represented by the Lower Tier (CCC/Split CCC and Default). European Loan CCC returns include Split CCC.



## Global Weighted Average Spread Has Remained Steady in Recent Periods

After recent tightening, the global CLO arbitrage has stabilised



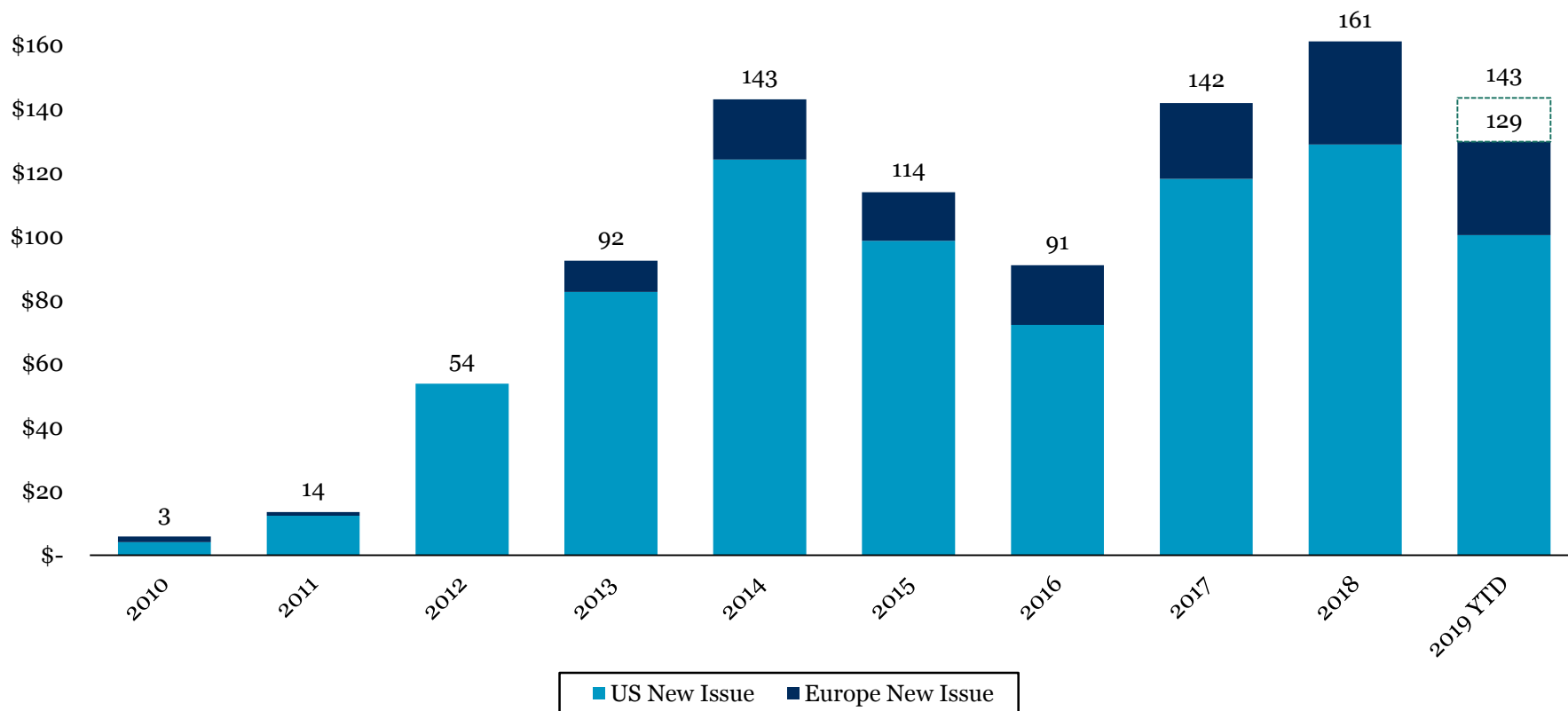
Source: Wells Fargo, as of 31 October 2019.

## Global CLO Issuance

Global CLO issuance lags slightly year to date after a record year of issuance in 2018

### CLO New Issuance

(\$ in billions)

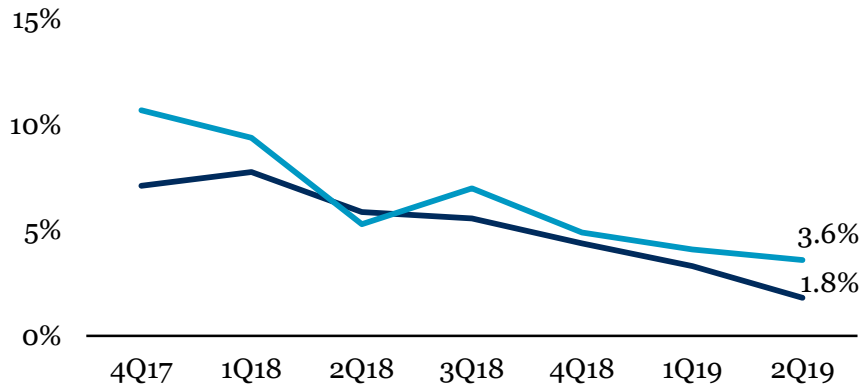


Source: S&P / LCD, as of 31 October 2019. Wells Fargo for 2019 CLO issuance estimate (new issuance only). New issuance stats do not include refinancings.

# Although Growth Has Slowed, Credit Fundamentals Remain Stable Across the Global Loan Issuers to Which We Lend

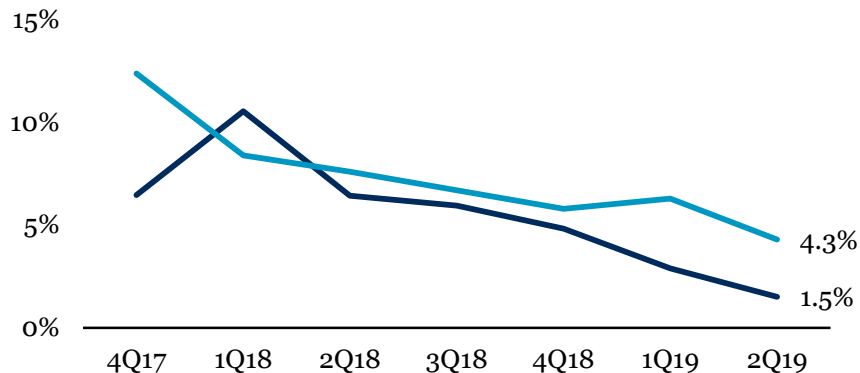
### YoY Revenue Growth

(%)



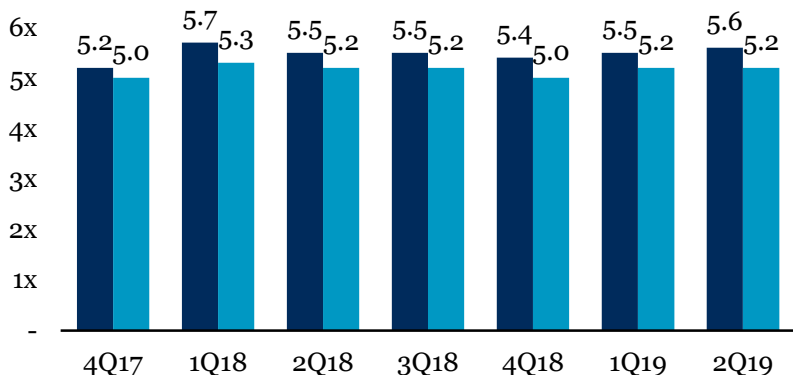
### YoY EBITDA Growth

(%)



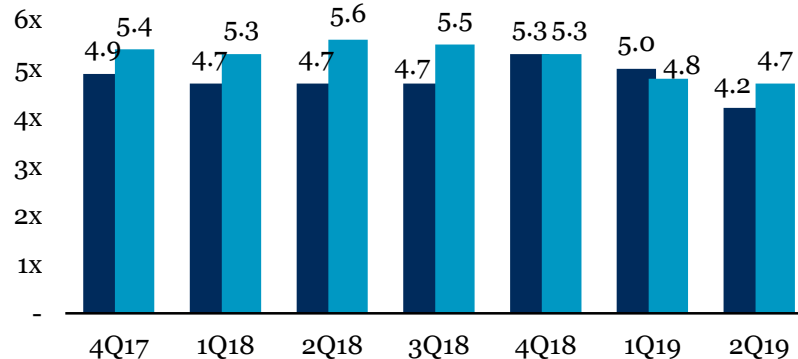
### Total Leverage

(Existing Deals)



### Interest Coverage

(Existing Deals)



■ US Issuers ■ EUR Issuers

Source: Axiom (GSO). Q2 figures sourced from 685 out of 800 U.S. issuers; 219 out of 238 European issuers. Data may be restated for prior quarters as additional companies report quarterly financials. Note that this data has been calculated using internal GSO data that may have been adjusted by the GSO credit analyst at their discretion through the course of their due diligence and analysis. Examples of this include adjustments for litigation expense, one-time gains or losses, asset write-downs, goodwill impairments, cash restructuring expenses, accounting changes and non-cash compensation.

# Historical Performance

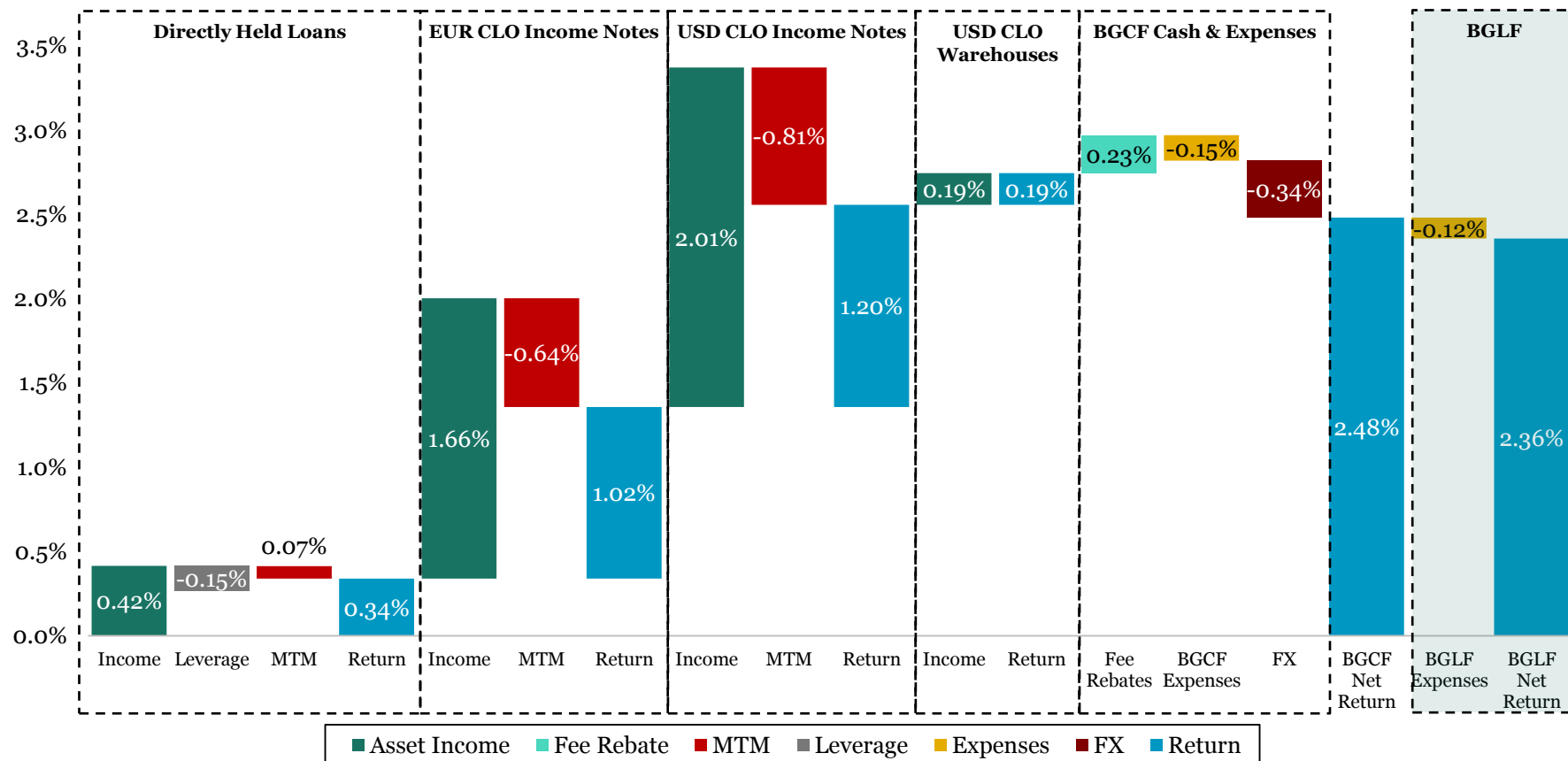
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## 3Q '19 Return Analysis

BGLF's total net (NAV) return for 3Q '19 was 2.36%

### Contributors to Total Return



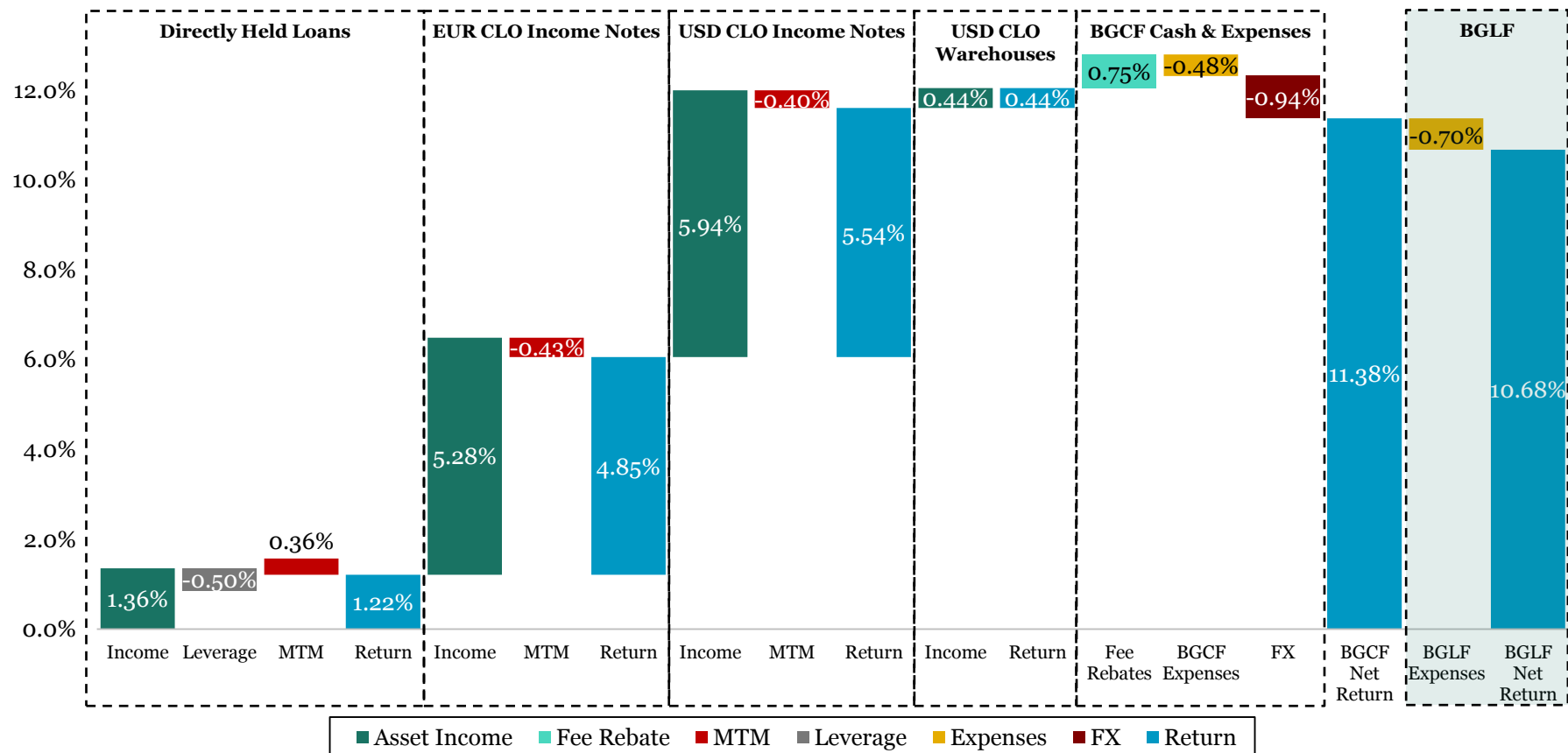
Source: GSO. Represents BGCF and BGLF cumulative asset and net returns from 1 July 2019 to 30 September 2019. MTM refers to mark to model for EUR and US CLOs and mark to market for Directly Held Loans. CLO Income Notes are valued by Refinitiv using their CLO Intrinsic Calculation Methodology, loan asset valuations are based on the average of broker quotes received from Markit and bonds prices are provided by IDC. Further details of BGCF's valuation policy can be found in BGLF's annual accounts. External warehouse investments are held at their cost (investment amount) until the warehouse is converted into a CLO, at which point net income earned, as well as net settled gains/losses on the warehouse assets, are realised by BGCF.

Note: The illustration is not indicative of future results, and there can be no assurance that the Fund will achieve these results. There is no guarantee that the future investments made by the Fund will continue to be identical to the make-up of such current portfolio. Moreover, future investments to be made by the Fund may differ substantially from the investments included in the current portfolio of the Fund. Additionally, there is no guarantee that the Fund will be able to implement its investment strategy or achieve its investment objectives.

## 2019 Return Analysis Year to Date Through September

Stable-to-increasing net interest margin levels, combined with outperformance of assumed defaulted assets, has led to relatively strong performance year to date versus market indices

### Contributors to Total Return



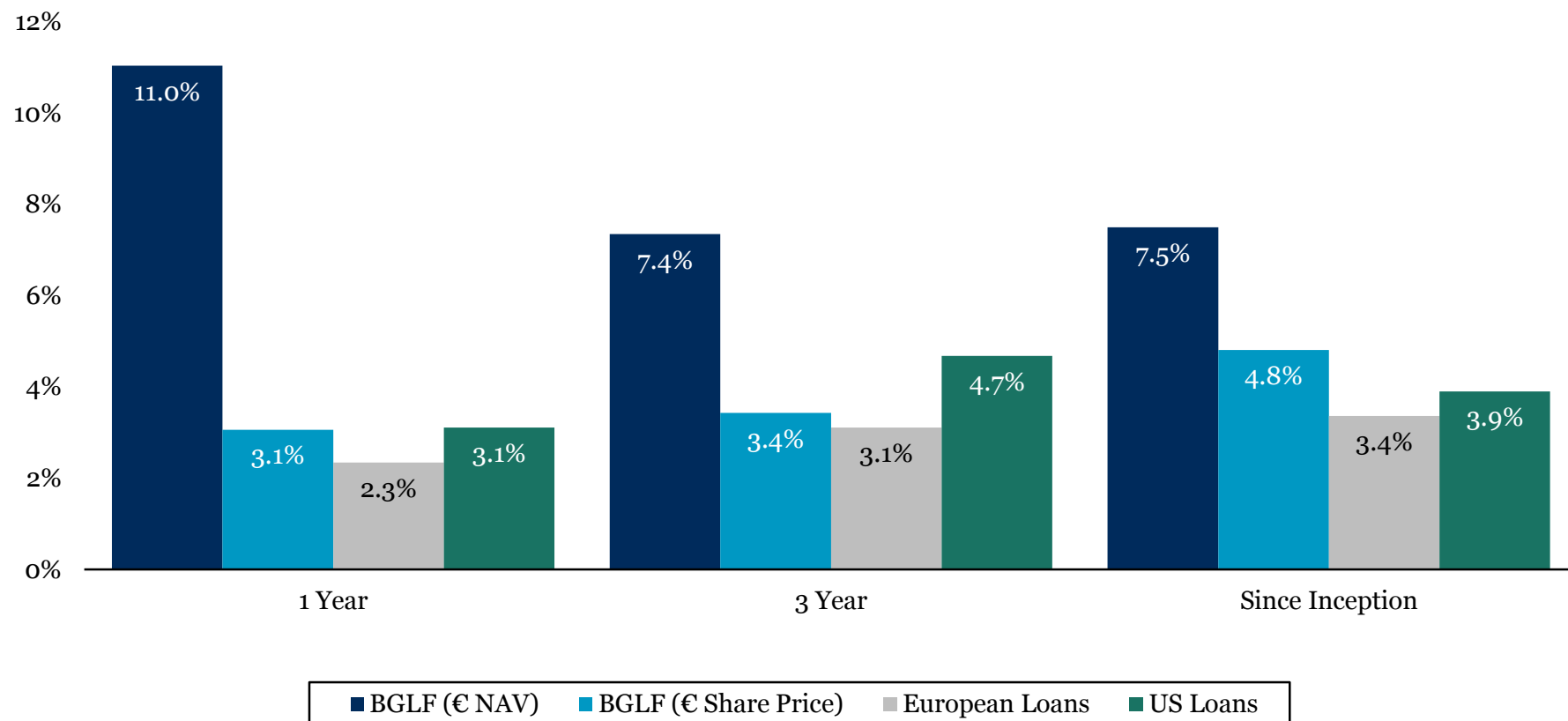
Source: GSO. Represents BGCFF and BGLF cumulative asset and net returns from 1 January 2019 to 30 September 2019. MTM refers to mark to model for EUR and US CLOs and mark to market for Directly Held Loans. CLO Income Notes are valued by Refinitiv using their CLO Intrinsic Calculation Methodology, loan asset valuations are based on the average of broker quotes received from Markit and bonds prices are provided by IDC. Further details of BGCFF's valuation policy can be found in BGLF's annual accounts. External warehouse investments are held at their cost (investment amount) until the warehouse is converted into a CLO, at which point net income earned, as well as net settled gains/losses on the warehouse assets, are realised by BGCFF.

Note: The illustration is not indicative of future results, and there can be no assurance that the Fund will achieve these results. There is no guarantee that the future investments made by the Fund will continue to be identical to the make-up of such current portfolio. Moreover, future investments to be made by the Fund may differ substantially from the investments included in the current portfolio of the Fund. Additionally, there is no guarantee that the Fund will be able to implement its investment strategy or achieve its investment objectives.

## BGLF Total Returns Since Inception

42.2% NAV and 30.6% share price cumulative total return since inception versus 17.5% and 20.9% for European loans and US loans, respectively

### Annualised Net Total Return



Source: Credit Suisse, Western European Leveraged Loan Index, Hedged to EUR, and US Leveraged Loan Index, as of 30 September 2019. BGLF €NAV calculated by BGLF's Administrator in accordance with the provisions of the BGLF Prospectus.

Past performance is not necessarily indicative of future results, and there can be no assurance that a fund will continue to achieve comparable results or that a fund will be able to implement its investment strategy or achieve its investment objectives or avoid substantial losses. Please refer to the "Important Disclosure Information" section of this Presentation for further information.

## BGLF Monthly € NAV Total Return Performance

2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep				YTD
<b>BGLF € NAV</b>	1.25%	1.90%	1.21%	1.26%	0.67%	1.59%	1.13%	-0.19%	1.41%				<b>10.68%</b>
<b>European Loans</b>	1.15%	0.93%	-0.07%	0.98%	-0.04%	0.13%	0.44%	0.05%	0.56%				<b>4.19%</b>
<b>U.S. Loans</b>	2.30%	1.57%	-0.12%	1.59%	-0.23%	0.22%	0.05%	-0.28%	0.42%				<b>6.39%</b>
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>BGLF € NAV</b>	0.52%	-0.21%	-1.23%	0.40%	0.08%	1.50%	1.89%	1.46%	1.81%	0.53%	-0.06%	-0.14%	<b>6.70%</b>
<b>European Loans</b>	0.66%	0.13%	0.10%	0.47%	0.03%	-0.49%	0.51%	0.36%	0.57%	0.20%	-0.72%	-1.26%	<b>0.55%</b>
<b>U.S. Loans</b>	1.08%	0.18%	0.32%	0.49%	0.19%	0.10%	0.83%	0.41%	0.68%	0.01%	-0.82%	-2.29%	<b>1.14%</b>
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>BGLF € NAV</b>	0.14%	0.76%	-0.53%	0.01%	0.95%	0.63%	0.44%	-1.01%	-0.02%	0.65%	-0.46%	-0.18%	<b>1.38%</b>
<b>European Loans</b>	1.00%	0.46%	-0.29%	0.29%	0.52%	0.03%	0.48%	-0.02%	0.34%	0.33%	0.07%	0.00%	<b>3.30%</b>
<b>U.S. Loans</b>	0.53%	0.59%	0.08%	0.44%	0.38%	-0.06%	0.78%	-0.14%	0.41%	0.66%	0.12%	0.39%	<b>4.25%</b>
2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>BGLF € NAV</b>	0.95%	0.67%	1.32%	1.28%	2.31%	0.98%	0.34%	0.13%	1.28%	0.37%	1.96%	0.97%	<b>13.28%</b>
<b>European Loans</b>	-0.32%	-0.93%	2.06%	1.35%	0.74%	-0.60%	1.16%	0.88%	0.74%	0.50%	0.18%	0.63%	<b>6.52%</b>
<b>U.S. Loans</b>	-0.73%	-0.56%	2.64%	1.90%	0.91%	0.03%	1.41%	0.79%	0.87%	0.77%	0.32%	1.15%	<b>9.88%</b>
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>BGLF € NAV</b>	1.36%	0.82%	0.76%	0.86%	1.05%	-0.07%	1.42%	0.09%	0.57%	0.83%	0.07%	0.07%	<b>8.11%</b>
<b>European Loans</b>	0.42%	1.06%	0.73%	0.88%	0.50%	-0.23%	0.50%	-0.17%	-0.33%	0.18%	-0.11%	-0.32%	<b>3.14%</b>
<b>U.S. Loans</b>	0.26%	1.41%	0.39%	0.90%	0.20%	-0.31%	0.09%	-0.65%	-0.67%	-0.14%	-0.89%	-0.95%	<b>-0.38%</b>
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>BGLF € NAV</b>								0.78%	0.21%	0.26%	1.12%	-3.05%	<b>-0.73%</b>
<b>European Loans</b>								0.13%	-0.07%	0.03%	0.37%	-0.61%	<b>-0.16%</b>
<b>U.S. Loans</b>								0.23%	-0.52%	0.29%	0.46%	-1.10%	<b>-0.65%</b>

Source: Credit Suisse, Western European Leveraged Loan Index, Hedged to EUR, and US Leveraged Loan Index, as of 30 September 2019. BGLF €NAV calculated by BGLF's Administrator in accordance with the provisions of the BGLF Prospectus.

Past performance is not necessarily indicative of future results, and there can be no assurance that a fund will continue to achieve comparable results or that a fund will be able to implement its investment strategy or achieve its investment objectives or avoid substantial losses. Please refer to the "Important Disclosure Information" section of this Presentation for further information.



## CLO Securitisation Performance by Vintage

CLO securitisations continue to generate positive cashflow, with the weighted average annualised distribution rate increasing quarter over quarter

### WA Annualised Cash on Cash Distribution Rates

CLO Vintage	European CLO Income Notes				U.S. CLO Income Notes				Global	
	Par (€m)	# of CLOs	3Q '19 Annualised Distribution	Average Annualised Distribution	Par (\$m)	# of CLOs	3Q '19 Annualised Distribution	Average Annualised Distribution	3Q '19 Annualised Distribution	2Q '19 Annualised Distribution
2014	89.8	3	14.1%	16.6%	-	-	-	-	14.1%	14.2%
2015	69.7	3	16.3%	15.8%	48.5	1	15.8%	16.7%	16.1%	15.9%
2016	84.0	3	14.7%	11.6%	-	-	-	-	14.7%	11.4%
2017	80.4	3	16.4%	15.9%	261.0	6	17.0%	17.3%	16.9%	15.9%
2018	119.9	4	19.3%	18.4%	351.1	6	17.8%	18.4%	18.2%	16.4%
2019	59.3	2	11.8%	11.8%	81.5	3	n/a	n/a	11.8%	n/a
<b>Total / Wtd Avg</b>	<b>€ 503.0</b>	<b>18</b>	<b>16.0%</b>	<b>15.6%</b>	<b>\$ 742.2</b>	<b>16</b>	<b>17.4%</b>	<b>17.8%</b>	<b>16.8%</b>	<b>15.6%</b>

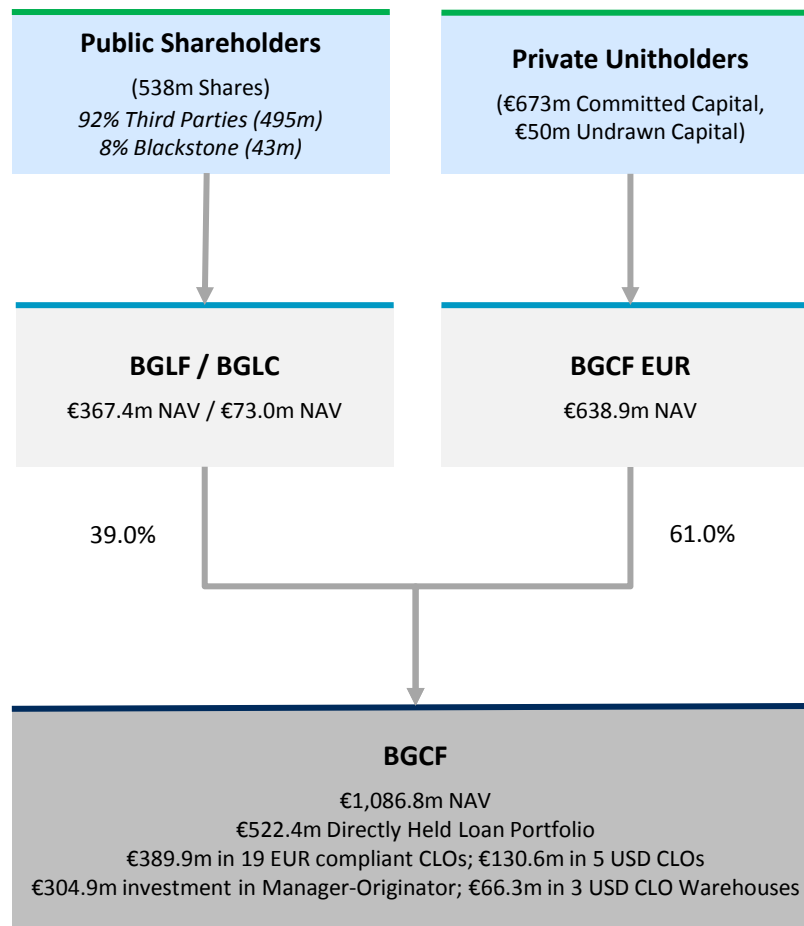
(1) Annualised quarterly cash distribution based on cost for those CLOs that have paid a distribution. Calculated using Intex data. Past performance is not necessarily indicative of future results, and there can be no assurance that a fund will continue to achieve comparable results or that a fund will be able to implement its investment strategy or achieve its investment objectives or avoid substantial losses. Please refer to the "Important Disclosure Information" section of this Presentation for further information.

## **Additional Information**

**G S O**

**CAPITAL PARTNERS**

## Blackstone / GSO Corporate Funding Structure



Information included in this presentation is as of or for the period ended 30 September 2019, unless otherwise indicated. Structure is subject to change based on legal, tax and regulatory considerations.

**BGLF:** Blackstone / GSO Loan Financing Limited  
**BGLC:** Blackstone / GSO Loan Financing Limited C Shares  
**BGCF EUR:** Blackstone / GSO Corporate Funding EUR Fund  
**BGCF:** Blackstone / GSO Corporate Funding DAC

## Ways To Invest

Ticker / Share Class	Public Shares		Private Units	
	BGLF LN	BGLP LN	Class A	Class C
Fund Name	Blackstone / GSO Loan Financing Ltd.		Blackstone / GSO Corporate Funding EUR Fund	
Description	Ordinary Shares		QIAIF Units	
Fund Jurisdiction	Jersey		Ireland	
Total NAV <sup>(1)</sup>	€367.4 million		€618.5 million	€20.5 million
Shares/Units Outstanding	402.3 million		7.3 million	0.2 million
Market Capitalisation <sup>(2)</sup>	€316.8 million		n/a	n/a
Undrawn Commitments	n/a	n/a	€50.1 million	
NAV per Share / Unit <sup>(1)</sup>	€0.9131	£0.8098	€84.6596	€86.9039
Price per Share <sup>(2)</sup>	€0.7875	£0.7100	n/a	n/a
Premium / Discount	(13.76%)	(12.33%)	n/a	n/a
Distribution Yield <sup>(3)</sup>	12.70%	12.49%	14.88%	14.88%
Distribution Policy	Targets a dividend of €0.025 a quarter per share <sup>(4)</sup>		Distributions of net investment income	
Payment Frequency	Quarterly	Quarterly	Quarterly	Quarterly
Denomination	EUR	GBP	EUR	EUR
Liquidity	Daily liquidity provided through LSE	Daily liquidity provided through LSE	Five years from issuance of unit <sup>(5)</sup>	Five years from issuance of unit <sup>(5)</sup>

Note: BGLC not included in the above figures, which represents a NAV of €73.0m, market capitalisation of €66.7m, and shares of 133.5m as of 30 September 2019.

- 1) Public Shares: as calculated by BGLF's Administrator in accordance with the provisions of the BGLF Prospectus. Per share data based on final number of shares in the period. Private Units: as calculated by BGCF EUR's Administrator in accordance with the provisions of the BGCF EUR Supplement. Per share data based on final number of units in the period.
- 2) Bloomberg, as of 30 September 2019.
- 3) Public Shares: distribution yield based on last four quarterly distributions declared and the share price as of 30 September 2019. Private Units: distribution yield is expressed as a percentage of NAV, annualised using the distributions declared over the past four quarters and the average NAV over the period.
- 4) The actual dividend generated by BGLF 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 BGLF and the risks highlighted in the "Risk Factors" section of this Prospectus.
- 5) Subject to fund redemption terms.

## CLOs Are Securitisations Backed by a Diversified Pool of Senior Secured Loans

- ▶ A CLO is a special purpose company that issues debt and equity and uses the proceeds to invest in a diversified portfolio of senior secured loans
- ▶ It distributes the cash flows from its portfolio to the holders of its various liabilities in prescribed ways that take into account the relative seniority of those liabilities
- ▶ Financing the portfolio with a tranching capital structure increases structural efficiency by enabling investors to customize their risk / return preferences
- ▶ A CLO tranche is simply a layer or slice of customised risk



## **Important Disclosure Information**

**G S O**

**CAPITAL PARTNERS**

## Important Disclosure Information

BGLF has engaged Blackstone / GSO Debt Funds Management Europe Limited to produce this report and BGLF (including its directors) has not been involved in the production of the report or verified the accuracy of its contents and therefore accepts no responsibility for the information herein.

This quarterly update presentation (“**Presentation**”) is being furnished to you on a confidential basis to provide preliminary summary information regarding an investment in the Fund, is for informational purposes only and it does not constitute an offer to sell, or a solicitation of an offer to buy, any investment in, or to participate in any trading strategy with Blackstone / GSO Debt Funds Management Europe Limited or Blackstone / GSO Debt Funds Management Europe II Limited (together, the “**Manager**”) or its affiliates in the credit-focused business unit of The Blackstone Group Inc. (“**Blackstone**”), including without limitation, GSO Capital Partners LP (together with the Manager and their affiliates in the credit-focused business unit of Blackstone, “**GSO**”). The offering is made only to qualifying investors through a separate subscription agreement for the Fund and the governing and operating documents for the Fund (together as may be amended or supplemented from time to time, the “**Operative Documents**”). The Operative Documents contain material information (including a discussion of potential conflicts of interest) not contained in this document, and supersede and qualify in its entirety the information set forth herein. Any decision to invest in, or withdraw from, the Fund should be made after reviewing the appropriate Operative Documents, conducting such investigations as the investor deems necessary and consulting the investor’s own legal, accounting, and tax advisors in order to make an independent determination of the suitability and consequences of the investment. Risks associated with investment in the Fund include, without limitation, illiquidity of an investment, risk of default of the underlying debt instrument, and risk of loss of principal.

Certain information contained herein has been obtained from published and non-published sources prepared by other parties, which in certain cases has not been updated through the date hereof. While such information is believed to be reliable for the purpose used herein, GSO does not assume any responsibility for the accuracy or completeness of such information and such information has not been independently verified by GSO. In particular, you should note that, since many of the investments described are unquoted, net asset value figures in relation to the Fund are based wholly or partly on estimates of the values of the Fund’s investments provided by the originating banks of those underlying investments or other market counterparties, which estimates may themselves have been subject to no verification or auditing process or may relate to a valuation at a date before the date of the relevant net asset valuation for the Fund, or which have otherwise been estimated by GSO. In addition, certain performance related information contained in this Presentation, including information sourced from third parties, may be based on data that was prepared and/or provided to the applicable sources by certain CLO market participants, and there can be no assurance that such data is inclusive or representative of comparable data for the entire CLO market. Reproduction and distribution of third party content in any form is prohibited except with the prior written permission of the related third party. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs or losses costs by negligence) in connection with any use of their content, including ratings.

Any comparisons herein of investment performance to a benchmark or an index are qualified as follows: (i) the volatility of such benchmark or index may be materially different from that of the performance of the Fund; (ii) such benchmark or index will employ different investment guidelines and criteria than the Fund and, therefore, the holdings in the Fund may differ significantly from the securities that comprise the index; and (iii) the performance of such benchmark or index has not necessarily been selected to represent an appropriate benchmark to compare to the performance of the Fund, but rather is disclosed to allow for comparison of the Fund’s performance (or the performance of assets held by the Fund) to that of a well-known benchmark or index. A summary of the investment guidelines for any such benchmark or index is available upon request.

**Past performance is not necessarily indicative of future results, and there can be no assurance that the Fund will achieve results comparable to its earlier results or those of any of GSO’s prior funds, special purpose investment vehicles, co-investment vehicles or non-fund relevant transactions, or that the Fund will be able to implement its investment strategy or achieve its investment objectives.** Information contained herein which relates to the net asset value performance of the Fund may not be indicative of how the Fund’s investments may perform in the future. Moreover the values of such investments may fluctuate considerably and the historic net asset values shown for such Fund take no account of the costs or practical difficulties of realising some or all of such investments. The value of investments mentioned herein may go down as well as up and investors may not get back the amount invested. No assurance can be given that the investment objective will be achieved. Information on past performance, where given, is not necessarily a guide to future performance. Changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Investments mentioned herein may not be suitable for all recipients and in each case potential investors are advised not to take any investment decision unless they have taken independent advice from an appropriately authorised advisor.

Certain information contained in this document constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “target,” “intend,” “continue” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund described herein may differ materially from those reflected or contemplated in such forward-looking statements.

Any targets, forecasts, estimates, or similar returns set forth herein are based on GSO’s belief about the returns that may be achievable on investments that the Fund intends to pursue. Targets, forecasts, and estimates are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the targets, forecasts, and estimates will not materialize or will vary significantly from actual results. Such returns are based on GSO’s current view in relation to future events and financial performance of potential investments and various models, estimations and “base case” assumptions made by GSO, including estimations and assumptions about events that have not occurred. Among the assumptions to be made by GSO in performing its analysis are (i) the amount and frequency of current income from an investment, (ii) the holding period length, (iii) EBITDA growth and cost savings over time, (iv) the manner and timing of sale, (v) exit multiples reflecting long-term averages for the relevant asset type, (vi) customer growth and other business initiatives, (vii) availability of financing, (viii) potential investment opportunities GSO is currently or has recently reviewed and (ix) overall macroeconomic conditions such as GDP growth, unemployment and interest rate levels. While such “base case” assumptions are based on assumptions that GSO believes are reasonable under the circumstances, they are subject to uncertainties, and changes. Any such modification could be adverse to the actual overall returns. The inclusion of targets, forecasts and estimates herein should not be regarded as a representation or guarantee regarding the reliability, accuracy or completeness of the assumptions or information contained herein and neither GSO nor Blackstone is under any obligation to update or otherwise revise the target returns to reflect circumstances existing after the date when made to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the target returns are later shown to be incorrect. Actual events and conditions may differ materially from the assumptions used to establish returns and there is no guarantee that the assumptions will be applicable to the Fund’s investments. None of GSO, Blackstone, its affiliates or any of the respective directors, officers, employees, partners, shareholders, advisers and agents of any of the foregoing makes any assurance, representation or warranty as to the accuracy of such assumptions.

## Important Disclosure Information (cont'd)

This Presentation does not constitute a financial promotion, investment advice or an inducement or incitement to participate in any product, offering, or investment. It does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase any investment nor shall it or the fact of its distribution form the basis of, or be relied on in connection with, any contract. No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this Presentation by GSO, the Manager, Blackstone, the Fund, or any of their respective directors, officers, managers, shareholders, partners, members or employees and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions.

Prospective investors should be aware that an investment in the Fund involves a high degree of risk. There may be occasions when the management company of the Fund, the principals, GSO, Blackstone and their affiliates will encounter potential conflicts of interest in connection with the Fund's activities including, without limitation, the allocation of investment opportunities, relationships with GSO's and/or Blackstone's other activities, and the diverse interests of the Fund's limited partner group. In addition, GSO, Blackstone, and their affiliates engage in a broad spectrum of activities, which may include activities where the interests of certain divisions of GSO, Blackstone and their affiliates or the interests of their clients may conflict with the interest of the partners in the Fund. Because GSO, Blackstone, and their affiliates have many different asset management, advisory and other businesses, they are subject to a number of actual and potential conflicts of interest, greater regulatory oversight, and more legal and contractual restrictions than that to which they would otherwise be subject if they had just one line of business. In addressing these conflicts and regulatory, legal, and contractual requirements across various businesses, GSO, Blackstone, and their affiliates have implemented certain policies and procedures (e.g., information walls) that may reduce the positive synergies that the Fund expects to utilise for purposes of finding attractive investments. As a consequence, that information, which could be of benefit to the Fund, might become restricted to those other businesses and otherwise be unavailable to the Fund, and could also restrict the Fund's activities. There can be no assurance that any conflict of interest will be resolved in the manner most favourable to the Fund or any investor therein.

The use of this Presentation in certain jurisdictions may be restricted by law. The products mentioned in this document may not be eligible for sale in some states or countries, nor suitable for all types of investors; their value and the income they produce may fluctuate and/or be adversely affected by interest rates or other factors. Prospective investors should inform themselves as to the legal requirements and tax consequences of an investment in the Fund within the countries of their citizenship, residence, domicile, and place of business.

Although the current portfolio reflected in this Presentation (the "Current Portfolio") is consistent with the investment strategy of the Fund, there is no guarantee that the portfolio acquired will continue to be identical to the make-up of the Current Portfolio. Moreover, the future investments to be made by the Fund may differ substantially from the investments included in the Current Portfolio. Therefore, the Current Portfolio parameters, industry concentration, rating concentration, spread distribution and other factors related to the Current Portfolio could all be materially different than those of the future portfolio acquired by the Fund.

Blackstone / GSO Debt Funds Management Europe Limited and Blackstone / GSO Debt Funds Management Europe II Limited are authorised and regulated by the Central Bank of Ireland.

### United Kingdom

The Fund is an "AIF" as defined in regulation 3 of the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (the "AIFM Regulations") and a collective investment scheme as defined in part XVII of the United Kingdom Financial Services and Markets Act 2000, as amended ("FSMA"). The Fund is being marketed in the UK in accordance with regulation 59 of the AIFM regulations and has not been authorised, recognised or otherwise approved by the financial conduct authority in accordance with FSMA and, as an unregulated scheme, it cannot be promoted to the general public in the United Kingdom. Accordingly, this communication is made to persons in the United Kingdom only if they are professional investors (as defined in the AIFM regulations) and fall within the following categories of exempt persons under the Financial Services and Markets Act (financial promotion) Order 2005 (the "Order"): (1) persons who are investment professionals, as defined in article 19 of the order; (2) persons who are high net worth companies, unincorporated associations etc, as defined in article 49 of the order; or (3) persons to whom it may otherwise lawfully be communicated. By accepting and not immediately returning this document, recipients warrant that they qualify as professional investors and such exempt persons. Communication of this document to, or reliance by, any person who is not a professional investor and an exempt person is unauthorised and may contravene the AIFM regulations and FSMA and any such person should return this document immediately.

This is neither an offer to sell nor a solicitation of any offer to buy any securities in any fund managed by us. Any offering is made only pursuant to the relevant offering document, together with the current financial statements of the relevant fund, if available, and the relevant subscription application, all of which must be read in their entirety. No offer to purchase securities will be made or accepted prior to receipt by the offeree of these documents and the completion of all appropriate documentation.

This document is not an advertisement and is not intended for public use or distribution. It has not been approved under section 21 of the Financial Services and Markets Act 2000 (FSMA).

In the United Kingdom, this document is being distributed only to and is directed only at persons who satisfy both of the conditions set out in (A) and B): (A) persons who are professional clients or eligible counterparties for the purposes of the European Markets in Financial Instruments Directive (Directive 2004/39/EC); and (B) (i) persons who have professional experience in matters relating to investments falling within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the Financial Promotion Order); or (ii) high net worth entities and other persons to whom it may otherwise lawfully be communicated, falling within Article 49 of the Financial Promotion Order; all such persons together being referred to as "relevant persons".

Persons who are not relevant persons must not act on or rely on this document or any of its contents. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. Relevant persons in receipt of this document must not distribute, publish, reproduce, or disclose this document (in whole or in part) to any person who is not a relevant person.

A person acquiring any investment is placing their capital at risk and could lose some or all of the amount invested. Information on past or projected performance of funds or investments, where given, is not a reliable indicator of future results. No reliance should be made on this document for the purpose of engaging in any investment activity. Investors should seek independent advice from their investment advisers or further information concerning an interest and the suitability of making an investment in the context of the investor's individual circumstances. If a prospective investor has any doubt about the suitability of an investment, the investor should contact for advice a duly authorised independent financial adviser specialising in providing advice in relation to investments of the type described in this document. Levels and bases of taxation may change from time to time. Investors should consult their own tax advisers in order to understand any applicable tax consequences of an investment. Prospective investors should note that the tax treatment of each investor, and of any investment, depends on individual circumstances and may be subject to change in the future.



## Important Disclosure Information (cont'd)

### **Denmark**

This document does not constitute a prospectus under any Danish law and has not been filed with or approved by the Danish Financial Supervisory Authority as this document has not been prepared in the context of either (i) a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act or any Executive Orders issued pursuant thereto or (ii) an offering of a collective investment scheme comprised by the Danish Investment Association Act or any Executive Orders issued pursuant thereto. This document will only be directed to fewer than 150 natural or legal persons in Denmark, qualified investors as defined in section 2 of the Danish Prospectus Order no. 1257/2015 or Danish investors, who commit to acquire shares in the Fund for a total consideration of at least EUR 100,000 per investor for each single offer of shares in the Fund. This offering is subject to a minimum denomination of equivalent to at least EUR 100,000. Accordingly, this document may not be made available nor may the shares otherwise be marketed and offered for sale in Denmark other than in circumstances which are deemed not to be considered as marketing or an offer to the public in Denmark.

### **Finland**

The funds or securities may not be offered or sold, or this document be distributed, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, except pursuant to applicable Finnish laws and regulations. Specifically, the funds or securities may not be offered or sold, or this document be distributed, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, other than to (i) a limited number of pre-selected investors as defined under the Finnish Securities Market Act of 1989 and to (ii) an unlimited number of qualified investors as defined under the Finnish Securities Market Act of 1989. The funds or securities may not be offered or sold, or this document be distributed, directly or indirectly, to the public in the Republic of Finland as defined under the Finnish Securities Market Act of 1989.

### **Germany**

The units are neither registered for public distribution with the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) according to the German Investment Act (Investmentgesetz) nor listed on a German exchange. No sales prospectus pursuant to the German Securities Prospectus Act (Wertpapierprospektgesetz) or the German Investment Product Act (Vermögensanlagegesetz) has been filed with the BaFin. Consequently, the units must not be distributed in or into Germany by way of a public offer, public advertisement or in any similar manner, and this document and any other document relating to the fund, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the units to the public in Germany or any other means of public marketing. Any resale of the units in Germany must not be made by way of a public offer, public advertisement or in any similar manner and should also comply with the applicable exemptions of Section 3 para. 2 of the German Securities Prospectus Act, Section 2 para. 11 of the German Investment Act, Section 2 of the German Investment Product Act, as applicable, and any other laws applicable in Germany governing the sale and offering of the units.

Eine Kopie dieser Dokumente auf Deutsch ist auf Anfrage erhältlich.

### **Netherlands**

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## Important Disclosure Information (cont'd)

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