

**BGLF’s 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 Income Notes. The Company will seek to achieve its investment objective solely through exposure to the Originator.<sup>1</sup>

**BGLF’s Total Return**

**Total Returns** <sup>2,4</sup> **30-April-15** **YTD** **SINCE INCEPTION**  
**As at 30/04/15**

	30-April-15	YTD	SINCE INCEPTION
BGLF Euro NAV	0.87%	3.86%	3.11%

**BGLF Monthly Commentary**<sup>8</sup>

- The total return for March was 0.87%. Net Income was +0.67% with +0.20% from net portfolio movements. The weighted average mark-to-market of the CLO Income Notes in the portfolio was 95.18% as at 30 April 2015.
- The sporadic nature of European loan issuance continued in April with €3.5bn in volume, which was below the €9.1bn issued in March. Strong demand and a lack of supply continues to fuel secondary levels. S&P’s LCD flow-name composite closed April at a 55 week high of 100.6 and is now 122bps above 2014’s close. Repayments also surged during April to a record high of €9.5bn, adding to the already skewed supply/demand imbalance in the market.
- With technicals firmly in the favour of the sell-side, leveraged loan yields compressed to 5.07% from 5.35% in the first quarter. European Loans and High Yield posted positive monthly returns of 0.66% and 0.70% respectively, as investors’ appetite for yield has continued to support credit markets.
- European CLO issuance has been strong, with €5.73bn from 14 deals versus €4.06bn from 9 deals during the same period last year. Since the date of the last report there has been significant tightening in the discount margins (“DMs”) of European CLOs. B rated tranches have tightened from Euribor+815bps to Euribor+675bps and BB rated have tightened from Euribor+615bps to Euribor+510bps.
- Year to date U.S. CLO issuance grew to \$44.55bn from 83 deals, versus \$42.59bn from 81 deals during the same period last year. The latest US CLO to price achieved AAA pricing of Libor+139bps – a low for 2015.
- As mentioned in the last report, the Originator mandated BNP Paribas to arrange its sixth CLO transaction, a €400m CLO transaction called Orwell Park CLO Limited (“Orwell”). Orwell priced on 13 May and achieved tight pricing across the capital structure with a weighted average coupon of 191bps on the debt securities, significantly tighter than previous Originator CLOs. Orwell is targeted to close on 4 June and the Originator will purchase approximately €24m of Orwell’s subordinated notes. The Originator is expected to sell approximately €240m from its loan portfolio to Orwell at the closing of the CLO. A fee rebate of 8% of the amount invested in Orwell’s subordinated notes will be paid by the arranger to the Originator at closing. The expected IRR for Orwell is approximately 13% to 14% using ‘base case’ assumptions.
- As previously announced <sup>10</sup>, BGLF raised additional capital during April. 30,119,700 new ordinary shares were placed at an issue price of 102.0 EUR cents per share. The placing closed on 24 April and was fully invested by the end of April, purchasing loans with a par amount of approximately EUR 90m financed by the new equity and the 3 year non mark to market revolving credit facility.
- As announced in the February report, the Originator has been reviewing the possibility of becoming compliant under the new U.S. Retention Rules. The Company’s advisors are progressing this with a view to BGLF being in a position to finance retention compliant CLOs both in Europe and the U.S.

**BGLF Key Facts**

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
Monthly NAV: <sup>9</sup>	-1.14%
NAV per share: <sup>3</sup>	€0.9840
Share Price: <sup>5</sup>	€1.0100
Premium/Discount:	2.65%
Latest Dividend:	€0.0200
Latest Dividend Yield:	8.00%
Originator Gross Assets:	€673.9m
BGLF Net Assets:	€326.0m
Market Capitalisation: <sup>5</sup>	€334.6m
Shares Outstanding:	331.3m

**Top 10 Holdings** <sup>6,7</sup>

Eircom	2.17%
Ineos	1.59%
Springer	1.55%
IDCsalud	1.50%
Delek Group	1.44%
Amaya	1.35%
Aenova	1.24%
Chryso Group	1.21%
Northgate	1.15%
Materis Paints	1.10%

**Top 10 Industries** <sup>6,7</sup>

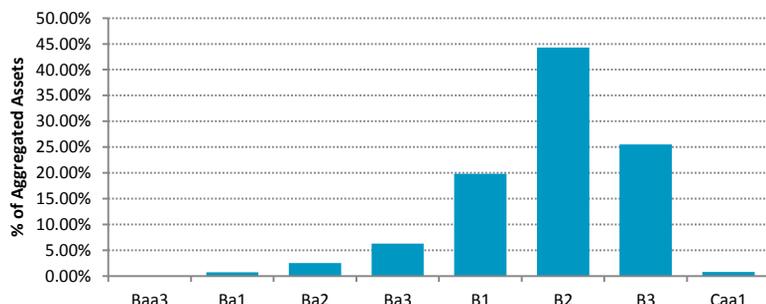
Healthcare & Pharma	14.42%
Business Services	8.35%
Chemical Plastics & Rubber	7.06%
Construction & Building	6.65%
Hotel, Gaming & Leisure	6.25%
High Tech Industries	6.19%
Broadcast & Subscription	6.08%
Capital Equipment	5.61%
Telecommunications	5.45%
Banking Finance Insurance	5.39%

# Blackstone / GSO Loan Financing Limited

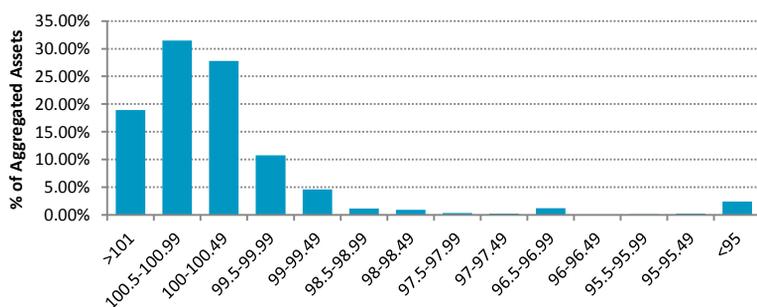
## Top 10 Countries <sup>6,7</sup>

USA	35.22%
France	15.18%
Great Britain	11.81%
Germany	11.00%
Luxembourg	6.41%
Netherlands	6.07%
Spain	3.99%
Ireland	1.55%
Italy	1.55%
Canada	1.31%

## Moody's Rating Distribution <sup>6,7</sup>



## Asset MTM Bands <sup>6,7</sup>



## Asset Breakdown <sup>7</sup>

	Originator Direct Loan Portfolio	Originator Indirect Loans/CLO Portfolio
<b>Originator Net Assets:</b>	<b>€181.77m</b>	<b>€144.23m</b>
<b>% of BGLF NAV:</b>	<b>55.76%</b>	<b>44.24%</b>
Number of Issuers:	142	297
Senior Secured Loans/Notes:	100.0%	100.0%
Floating Rate:	100.0%	100.0%
Weighted Average Asset Spread (including impact of floors):	4.58%	4.73%
Weighted Average Loan MTM:	100.18%	100.10%
Weighted Average Cost of Liabilities:	0.80% undrawn/ 1.80% drawn	2.10%

## Other Information:

BGLF charges no management or performance fees. The Adviser earns a management and performance fee on CLOs it manages in which the Originator invests. CLO management fees are typically 0.5% per annum on the CLO assets. The Adviser rebates 20% of the CLO management fees it receives to the Originator, pro-rata to CLO Income Notes held by the Originator. Capitalised terms used but not defined herein have the meanings assigned to them in the Company's Prospectus dated 10 July 2014.

## Contacts:

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## Footnotes:

- The Originator is Blackstone / GSO Corporate Funding Limited, a company incorporated in Ireland on 16 April 2014.
- Past performance is not necessarily indicative of future results, and there can be no assurance that BGLF will achieve comparable results, will meet its target returns, achieve its investment objectives or be able to implement its investment strategy. Please refer to the "Important Disclosure Information" section of this document for important information, including information about performance results.
- 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.
- YTD and Monthly performance are non-annualised. Dividends are assumed to be reinvested at the NAV.
- Source: Bloomberg as at 30 April 2015.
- 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 the Originator. Indirect asset holdings are held within CLOs the Originator 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 the Originator. Data provided by Virtus Partners.
- 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 Par Margin 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 Par Margin 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 provided by Virtus Partners.
- Source: For loan and CLO market data: S&P Capital IQ as at 21 May 2015.
- Monthly NAV: 0.87% before and -1.14% after the payment of the dividend.
- Please see RNS released on 24 April 2015.

# Blackstone / GSO Loan Financing Limited

## IMPORTANT DISCLOSURE INFORMATION

**Any reference herein to future returns or distributions is a target and not a forecast and there can be no guarantee or assurance that it will be achieved.**

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

Any forecasts and estimates contained herein are based upon certain assumptions that the Company considers reasonable. Forecasts and estimates are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the forecasts and estimates will not materialize and/or that actual events and consequences thereof will vary significantly from the assumptions upon which forecasts and estimates contained herein have been based. The inclusion of forecasts and estimates herein should not be regarded as a representation or guarantee regarding the reliability, accuracy or completeness of the information contained herein, the Company is under no obligation to update or keep current such information. Unless otherwise indicated, the information provided herein is based on matters as they exist as of the date of preparation and not as of any future date. Recipients of this document are encouraged to contact the Company's representatives to discuss the procedures and methodologies used to make the forecasts and estimates and other information provided herein.

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