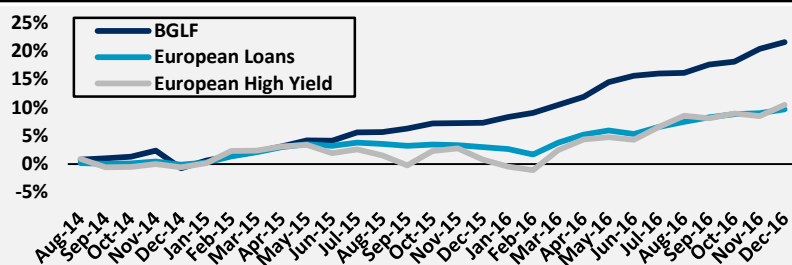


## Objective

- BGLF’s (the “Company”) investment objective is to provide shareholders with stable and growing income returns, and to grow the capital value of its investment portfolio by exposure predominantly to floating rate senior secured loans, both directly and indirectly. The Company achieves its investment objective solely through its investment in Blackstone / GSO Corporate Funding (“BGCF”), which is an investor in floating rate senior secured loans.
- BGCF funds its investment in loans using a variety of funding sources, including equity capital, its 3-year syndicated financing facility, notes issued to the Company, and non-recourse leverage obtained from retaining Income Notes in collateralised loan obligations (“CLOs”) that BGCF has established.

## Total Return

Total Returns <sup>2, 3</sup> As at 30/12/16	Dec-16	YTD	LTM	Ann. Since Inception	Cum. Since Inception
BGLF Euro NAV	0.97%	13.28%	13.28%	8.34%	21.58%



## Monthly Commentary

- The Company’s total return for December was 0.97%, which included total net portfolio income of 0.85% and net portfolio movements of 0.12%. BGLF has returned 13.28% for the year, which compares well to European loans at 6.52% and European high yield at 9.63%.<sup>10</sup>
- As announced on 20 January, the Board of the Company has declared a dividend of €0.025 per share, which equates to 10.0% annualised on the initial IPO price, for the period from 1 October 2016 to 31 December 2016. The dividend is payable on 24 February to shareholders on the register as at 3 February. Declared dividends in 2016 totalled €0.09 per share, or 9.0% based on the initial IPO price.
- Phoenix Park, BGCF’s first Retained CLO Income Note Investment, was refinanced on 18 January- 18 months prior to the end of its reinvestment period. Through the refinancing, the weighted average cost of debt was reduced 21bp, from E+207bp to E+186bp.
- There was no shortage of unexpected market events during 2016 (Brexit, US Presidential election, Italy’s rejected constitutional reform and PM resignation). Despite this macro environment uncertainty, the continuance of the ECB’s bond purchases program and strong CLO issuance has ensured elevated bid prices.
- US loans ended the year strong with the second best year of performance since their inception after a rocky start to 2016. The rally extended to European credit, as European loans returned 0.63% and high yield returned 1.82%, reversing last month’s loss. Lower-rated loans significantly outperformed the rest of the loan market, returning 6.32% in December and 37.57% for the year, supported by no shortage of investors hunting for yield in a low rate environment.<sup>10</sup>
- The European loan market issuance in December was surprisingly strong for what is usually a quiet period, with just over €4bn issued helping to make Q4 the busiest quarter of the year. Strong market technicals continued to support the market into the end of the year with issuers continuing to reprice and refinance.
- CLO issuance had a relatively strong finish to 2016 with December volume totalling €1.3 billion through three European CLOs and \$7.2 billion through 15 US CLOs. Full year issuance totalled €16.8 billion / 41 transactions in Europe and \$72.3 billion / 156 transactions in the US.<sup>10</sup> CLO refinancing and reset activity increased month-over-month, totalling \$13.2 billion through 31 CLOs, including nine European deals.<sup>12</sup>

## Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: <sup>4</sup>	€1.0238
Share Price: <sup>5</sup>	€1.0125
Premium/Discount:	-1.10%
Latest Dividend:	€0.0250
Target Dividend Yield: <sup>6</sup>	10.00%
BGCF Gross Assets: <sup>7</sup>	€484.8m
BGLF Net Assets:	€332.3m
Market Capitalisation: <sup>5</sup>	€328.7m
Shares Outstanding:	324.6m

## Top 10 Holdings <sup>8, 9</sup>

Eircom	1.9%
Numericable Finance	1.9%
Euro Garages	1.7%
Ziggo Finance BV	1.6%
Capio Sanidad S.L.	1.5%
Ineos	1.4%
Verallia	1.4%
Concordia International	1.4%
Wind Acquisition	1.3%
Labco / Synlab	1.3%

## Top 5 Industries <sup>8, 9</sup>

Healthcare & Pharma	13.8%
Hotels, Gaming & Leisure	8.7%
Services Business	8.3%
Media, Broadcasting & Sub	6.9%
Chemicals, Plastics & Rubber	6.7%

## Top 5 Countries <sup>8, 9</sup>

United States of America	25.1%
United Kingdom	15.6%
France	12.8%
Germany	9.8%
Netherlands	7.8%

# Blackstone / GSO Loan Financing Limited

## Asset Breakdown <sup>9</sup>

	BGCF Directly Held Loans	BGCF Indirect Loans / CLO Portfolio
Net Assets:	€118.3m	€214.0m
% of BGLF NAV:	35.60%	64.40%
Number of Issuers:	64	439
Senior Secured Loans/Notes:	100.0%	99.5%
Floating Rate:	95.9%	97.8%
Weighted Average Asset Spread (including impact of floors):	4.38%	4.53%
Weighted Average Loan MTM:	100.0%	99.5%
Average Cost of Liabilities:	0.8% undrawn / 1.8% drawn	2.1%

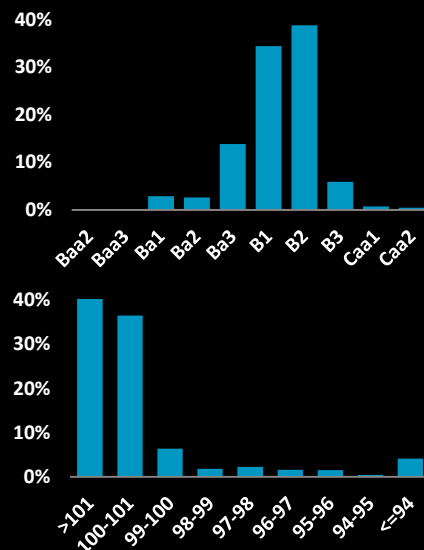
## Retained CLO Income Note Investments <sup>9</sup>

	Closing Date	Currency	Deal Size	BGCF Position (% of Tranche)	Distributions Through Last Payment Date	
					Ann.	Cum.
Phoenix Park	Jul 14	EUR	€413m	51.4%	17.2%	39.0%
Sorrento Park	Oct 14	EUR	€517m	51.8%	18.8%	39.2%
Castle Park	Dec 14	EUR	€415m	100.0%	17.0%	31.1%
Dorchester Park	Feb 15	USD	\$509m	60.9%	21.0%	34.6%
Dartry Park	Mar 15	EUR	€411m	51.1%	17.6%	28.5%
Orwell Park	Jun 15	EUR	€415m	51.0%	18.1%	24.9%
Tymon Park	Dec 15	EUR	€414m	51.0%	18.3%	15.5%
Elm Park	May 16	EUR	€558m	82.4%	17.3%	6.8%
Griffith Park	Sep 16	EUR	€454m	59.5%	n/a	n/a
Clarinda Park	Nov 16	EUR	€415m	51.2%	n/a	n/a

## Historical Performance <sup>2, 10</sup>

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
BGLF	0.95%	0.67%	1.32%	1.28%	2.31%	0.98%	0.34%	0.13%	1.28%	0.37%	1.96%	0.97%	13.28%
European Loans	-0.32%	-0.93%	2.06%	1.35%	0.74%	-0.60%	1.16%	0.88%	0.74%	0.50%	0.18%	0.63%	6.52%
European High Yield	-1.24%	-0.60%	3.59%	1.85%	0.36%	-0.46%	2.21%	1.86%	-0.42%	0.78%	-0.40%	1.82%	9.63%
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%
2014	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%

## Moody's Rating Distribution and Asset MTM Bands <sup>8,9</sup>



## Other Information:

BGLF does not pay any management or performance fees. The Adviser earns a management and performance fee on CLOs it manages in which BGCF invests. CLO management fees are typically 0.5% per annum on the CLO assets. The Adviser rebates 20% of the CLO management fees it receives to BGCF, pro-rata to CLO Income Notes held by BGCF. Capitalised terms used but not defined herein have the meanings assigned to them in the Company's Prospectus dated 31 March 2016.

## Contacts:

### Company Secretary:

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

### Adviser:

Blackstone / GSO Debt Funds Management Europe Limited  
Alan Kerr +353 1 436 0107  
Alex Leonard +353 1 436 0113  
David Cunningham +353 1 436 0122

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

# Blackstone / GSO Loan Financing Limited

## Footnotes:

1. Blackstone / GSO Corporate Funding DAC ("BGCF") was incorporated in Ireland on 16 April 2014.
2. 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.
3. YTD and Monthly performance are non-annualised. Dividends are assumed to be reinvested at the NAV.
4. 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.
5. Source: Bloomberg, as at 30 December 2016.
6. Dividend Yield based on IPO issue price and last announced target dividend yield of €0.10 per share annualised (2 September 2016). The target dividend should not be taken as an indication of the Company's expected future performance or results. The target dividend is a target only and there is no guarantee that it 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 dividend.
7. BGLF's proportion of BGCF's gross assets.
8. Portfolio data by Issuer, Industry, Country, Rating and Loan Price Bands are presented using the gross par amount of assets held directly and indirectly by BGCF. Indirect asset holdings are held within CLOs BGCF has invested in. The total par amount of all assets held within each CLO are included on a fully consolidated basis and added to those assets held directly by BGCF. Data calculated by GSO.
9. 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 Directly Held 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. Directly Held Loan Portfolio holdings are reported on a trade date basis and liabilities will only be drawn on the relevant loan settlement date. CLO Note and CLO warehouse investments are excluded from all figures. Data calculated by GSO.
10. Credit Suisse Leveraged Loan Index, Credit Suisse (Western European Leveraged Loan Index (hedged to EUR), Western European High Yield Index (hedged to EUR), as of 30 December 2016.
11. S&P /LCD, as of 9 January 2017.
12. J.P. Morgan YTD CLO Issuance Package, 3 January 2017.

## 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.**

This document has been issued by Blackstone / GSO Loan Financing Limited (the "**Company**"), and should not be taken as an inducement to engage in any investment activity and is for the purpose of providing information about the Company. This document does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any share in the Company or securities in any other entity, in any jurisdiction, including the United States, Canada, Japan or South Africa nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any contract or investment decision whatsoever, in any jurisdiction.

This document, and the information contained therein, is not for viewing, release, distribution or publication in or into the United States, Canada, Japan, South Africa or any other jurisdiction where applicable laws prohibit its release, distribution or publication, and will not be made available to any national, resident or citizen of the United States, Canada, Japan or South Africa. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes must inform themselves about, and observe, any such restrictions. Any failure to comply with the restrictions may constitute a violation of the federal securities law of the United States and the laws of other jurisdictions.

The shares issued and to be issued by the Company (the "**Shares**") have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Shares may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States, or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act). No public offering of the Shares is being made in the United States.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "**Investment Company Act**") and, as such, holders of the Shares will not be entitled to the benefits of the Investment Company Act. No offer, sale, resale, pledge, delivery, distribution or transfer of the Shares may be made except under circumstances that will not result in the Company being required to register as an investment company under the Investment Company Act. Neither the U.S. Securities and Exchange Commission (the "**SEC**") nor any state securities commission has approved or disapproved of the Shares or passed upon or endorsed the merits of the offering of the Shares or the adequacy or accuracy of the Prospectus. Any representation to the contrary is a criminal offence in the United States. In addition, the 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 Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

This document is directed only at: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and persons who receive this document who do not fall within (i) or (ii) above should not rely on or act upon this document.

No liability whatsoever (whether in negligence or otherwise) arising directly or indirectly from the use of this document is accepted and no representation, warranty or undertaking, express or implied, is or will be made by the Company, or any of their respective directors, officers, employees, advisers, representatives or other agents ("**Agents**") for any information or any of the opinions contained herein or for any errors, omissions or misstatements. None of the Agents makes or has been authorised to make any representation or warranties (express or implied) in relation to the Company or as to the truth, accuracy or completeness of this document, or any other written or oral statement provided. In particular, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on any projections, targets, estimates or forecasts contained in this document and nothing in this document is or should be relied on as a promise or representation as to the future.

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

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

All investments are subject to risk, including the loss of the principal amount invested. Past performance is 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. All investments to be held by the Company involve a substantial degree of risk, including the risk of total loss. The value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. You should always seek expert legal, financial, tax and other professional advice before making any investment decision.

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

Copyright © 2016, S&P Capital IQ (and its affiliates, as applicable). This may contain information obtained from third parties, including ratings from credit ratings agencies such as Standard & Poor's. 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, including ratings, 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 NEGLIGENCES) IN CONNECTION WITH ANY USE OF THEIR CONTENT, INCLUDING RATINGS.** Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice. To the extent that this document contains third party data or information (including, without limitation S&P Credit Ratings) (collectively "Content"), neither Blackstone nor the applicable third party content provider(s) ("Blackstone Parties") guarantee the accuracy, completeness, timeliness or availability of any Content, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the access or use of such Content. In no event shall the Blackstone Parties be liable for any damages, costs, expenses, legal fees or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. Please read the complete disclaimer with respect to S&P Credit Ratings: [http://www.standardandpoors.com/en\\_US/web/guest/regulatory/legal-disclaimers](http://www.standardandpoors.com/en_US/web/guest/regulatory/legal-disclaimers).