

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.¹

BGLF’s Total Return

Total Returns^{2, 4}
As at 27/02/15

27-Feb-15

YTD

SINCE
INCEPTION¹⁰

BGLF Euro NAV

0.82%

2.17%

1.43%

BGLF Monthly Commentary⁸

- The total return for February was 0.82%. Net Income was +0.98%. The CLO Income Note portfolio had a -0.77% mark-to-market impact on NAV, mitigated by a +0.61% mark-to-market gain from the directly held loan portfolio. The weighted average mark-to-market of the CLO Income Notes in the portfolio was 95.28% as at 27 February.
- European loan market new issue loan volume was €2.3bn in February, with €1.1bn financing the buyout of Constantia Flexibles. The year-to-date volume of €11.1bn is the highest for any comparable period since 2007. Secondary markets continue to be well supported by an abundance of cash due to loan prepayments and new inflows, combined with low primary issuance.
- In the U.S., loan market technicals strengthened throughout February, as outflows from loan mutual funds slowed to an 11 month low of \$525m and CLO formation picked up speed. Limited new-issue supply added to the markets technical strength and loans continued to rally in the secondary. Indeed, new-issue institutional volume in first two month of the year was down 58% versus the comparable period in 2014.
- Global CLO new issue volume is \$23.4 billion as of March 16, which includes 5 European CLOs for €2.1 billion. Global CLO issuance is approximately \$6.3 billion higher than the same period last year. U.S. AAA spreads are tightening versus Europe.
- Dorchester Park CLO Limited (“Dorchester”), a \$509.4m CLO established by the Originator, and backed by broadly syndicated U.S. senior secured loans, closed on 26 February. Dorchester takes advantage of strong relative value in U.S. loans, and adds diversity to the Originator’s portfolio. The Originator’s commitment to retain a minimum 5% economic interest in the CLO led to strong demand from European investors. This resulted in comparatively tight pricing for a CLO backed by U.S. loans. Dorchester’s most senior notes priced at L+140bps, the tightest U.S. dollar print since August 2014. This compares to L+160bps for comparable CLOs distributed in the U.S. at that time. Dorchester’s weighted average coupon of rated notes is L+209bps. Dorchester is invested across 154 individual obligors with a weighted average spread of 4.6%. The estimated IRR for Dorchester CLO Income Notes is approximately 12.4% to 13.7% using ‘base case’ assumptions. Dorchester issued \$45.94 million of CLO Income Notes and the Originator acquired the majority. Dorchester’s first payment date is 20 July 2015, and quarterly thereafter.
- Dartry Park CLO Limited (“Dartry”), a €411.1m CLO backed by broadly syndicated European senior secured loans, closed on 16 March. Dartry’s weighted average coupon on rated notes is E+204 bps. Dartry is the fifth CLO established by the Originator. The estimated IRR for Dartry CLO Income Notes is 12.8% to 13.8% using ‘base case’ assumptions (please see Footnote 8 for further details on base case assumptions). Dartry’s first payment date is 28 October 2015, and quarterly thereafter. The Originator is committed to holding a 5% economic interest in Dartry and purchased €22.8m of Dartry’s CLO Income Notes.
- As previously indicated, the Company believes that the Originator is well positioned to originate loans both in the U.S. and European loan markets and take advantage of attractive CLO pricing through its structural advantage as the retention provider. The CLO market remains an attractive financing source for the Originator. The Originator is reviewing the possibility to become compliant under the new U.S. Retention Rules before they become effective.

BGLF Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: ³	€0.9878
Share Price: ⁵	€0.9910
Premium/Discount:	0.32%
Latest Dividend:	€0.0265
Historic Dividend Yield:	6.00%
Originator Gross Assets:	€627.9m
BGLF Net Assets:	€297.5m
Market Capitalisation: ⁵	€298.5m
Shares Outstanding:	301.2m

Top 10 Holdings ^{6, 7}

Eircom	2.59%
IDC Salud	1.79%
Springer	1.74%
Delek Group	1.63%
Amaya	1.53%
Aenova	1.49%
Chryso Group	1.45%
Northgate	1.38%
ION	1.34%
Materis	1.31%

Top 10 Industries ^{6, 7}

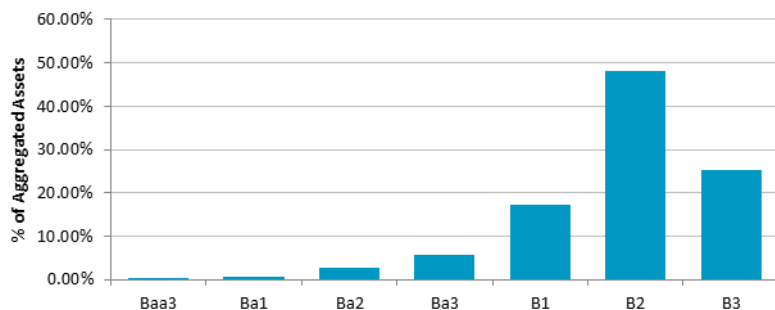
Healthcare & Pharma	14.46%
Business Services	8.04%
Chemical Plastics & Rubber	7.67%
Broadcast & Subscription	7.61%
High Tech Industries	6.63%
Capital Equipment	6.49%
Construction & Building	6.10%
Hotel, Gaming & Leisure	5.73%
Banking Finance Insurance	5.54%
Containers Packaging Glass	5.21%

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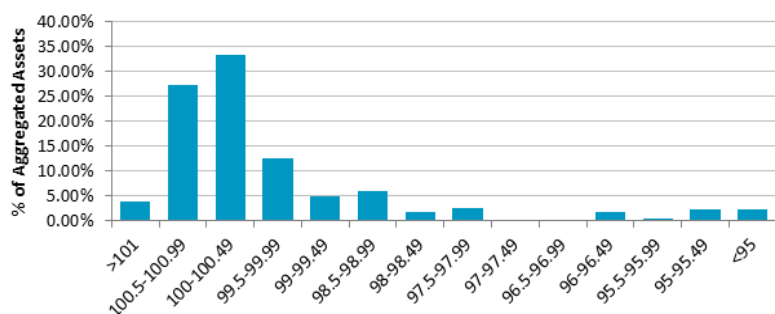
Top 10 Countries^{6,7}

USA	30.31%
France	15.92%
Germany	12.42%
Great Britain	11.01%
Luxembourg	7.29%
Netherlands	6.25%
Spain	4.16%
Ireland	4.08%
Italy	1.84%
Austria	1.26%

Moody's Rating Distribution^{6,7}



Asset MTM Bands^{6,7}



Asset Breakdown⁷

	Originator Direct Loan Portfolio	Originator Indirect Loans/CLO Portfolio ⁹
Originator Net Assets:	€150.27m	€147.26m
% of BGLF NAV:	50.51%	49.49%
Number of Issuers:	80	276
Senior Secured Loans/Notes:	100.0%	98.6%
Floating Rate:	100.0%	100.0%
Weighted Average Asset Spread (including impact of floors):	4.63%	4.70%
Weighted Average Loan MTM:	99.46%	99.64%
Weighted Average Cost of Liabilities:	0.80% undrawn/ 1.80% drawn	2.09%

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.

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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.
- 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 the month end.
- 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.
- 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.
- Source: For loan market data: S&P Capital IQ, Q4, 2014. For CLO pricing: Creditflux 'GSO Nails Tightest CLO AAA Print Since August', 29 January 2015. Base case IRR for Dartry assumes a purchase price of 100%, 6 year call and a 2% to 3% Constant Default Rate ("CDR"), with no default assumed during the first 12 months.
- Does not include the loans in Dartry Park, as it is not closed as of the report date.
- If the upfront costs were paid on the IPO date, the return since inception would be 3.53%.

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IMPORTANT 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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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.