

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 30/9/14	30-Sep-14	YTD	SINCE INCEPTION
BGLF Euro NAV	+0.21%	+0.99%	+0.99%

BGLF Monthly Commentary

- The increase in NAV is +0.21%. Net Interest was +0.28%, with -0.07% from net portfolio movements.
- Sorrento Park CLO closed on 16 October and was upsized to €517m. At closing, Sorrento Park CLO was 71% invested, and the manager expects to invest the remaining 29% over the next six weeks.
- Progress on investing in CLO Income Notes has been faster than anticipated at the time of launch. The Originator has purchased senior secured loans/FRNs of €1.14 billion since it was established. It sold €681.9m, primarily to Phoenix Park CLO and Sorrento Park CLO, and has invested €57.8m in CLO Income Notes issued by those CLOs. Whilst the Originator does accrue interest on directly held loans, it accounts for interest on CLO Income Notes on a cashflow receipts basis.
- European loan market technicals remained strong, led by new and forthcoming CLOs ramping up their portfolios. European loan new issue volume is €65.1 billion⁸ cumulative to September 2014. This is almost as high as the €67.2 billion⁸ recorded for the full year 2013. July remains the stand-out month, accounting for 70% of primary activity in Q3. As primary market volumes have fallen from the July peak, CLOs have supported European loan prices in the secondary market. The technical position in Europe contrasts with that in the United States, where net outflows from loan mutual funds – driven by retail investors, have led to some loan price weakness in that market.
- European CLO issuance of over €10 billion⁸ in 2014 is well ahead of 2013's total of €7.4 billion⁸. This includes 5 CLOs for €2.1 billion in September. Several managers have issued 3 or more CLOs in 2014, including Alcentra, Blackstone/GSO, and Carlyle. Spreads for European CLO AAA notes have fallen to c. E+125-130bps on recently issued CLOs. The 2015 European CLO pipeline has now started to build. A reported 20 managers have mandated arrangers on new transactions.
- Notwithstanding the strong technical position in the European loan market, it is not immune to overall market weakness. In the final days of September, and in to October, weakness in other markets (primarily the US and European High Yield Bond market) had some impact on European loan prices. The average bid for European 'flow' names fell by an estimated 20bps in the last week of September. The Originator had partially hedged its portfolio exposure with a forward sale of a portfolio of loans to Sorrento Park CLO. The forward sale included loans with a notional of €356.4m. The forward sale hedged the NAV against a decline of circa 0.11% and became unconditional on closing of Sorrento Park CLO on 16 October.
- At 20 October 2014, the Originator's directly held loan portfolio is €457.2m in 58 issuers, with a weighted average margin of 4.02%, a weighted average spread of 4.45% (including impact of floors), a weighted average cost of 99.37% and weighted average mark to market of 99.02%. As a result of the completion of the forward sale to Sorrento Park on 16 October, the Originator has approximately €264m available to originate new loans in the primary and secondary market.

BGLF Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: ³	€1.01
Share Price: ⁵	€1.025
Premium/Discount:	+1.50%
Dividend:	n/a
Historic Dividend Yield:	n/a
Originator Gross Assets:	€794.9m
BGLF Net Assets:	€304.2m
Market Capitalisation: ⁵	€308.7m
Shares Outstanding:	301.2m

Top 10 Holdings^{6,7}

Amaya	2.97%
Materis Paints	2.90%
Chryso Group	2.81%
Springer Science Media	2.67%
Eircom	2.53%
Apollo 5	2.48%
Delek Europe Group	2.46%
IDC Salud	2.33%
Orion Engineering	2.28%
Penn Engineering	2.28%

Top 10 Industries^{6,7}

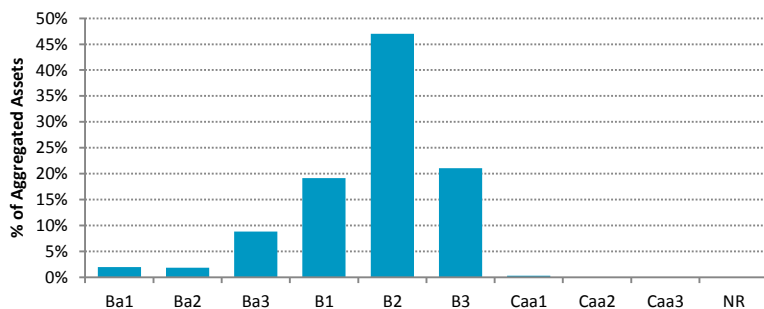
Healthcare & Pharma	17.78%
Business Services	9.38%
Construction & Building	8.16%
Hotel, Gaming & Leisure	7.11%
High Tech Industries	6.84%
Chemical, Plastic & Rubber	6.69%
Capital Equipment	5.95%
Beverage, Food & Tobacco	5.75%
Broadcast & Subscription	5.62%
Telecommunications	5.27%

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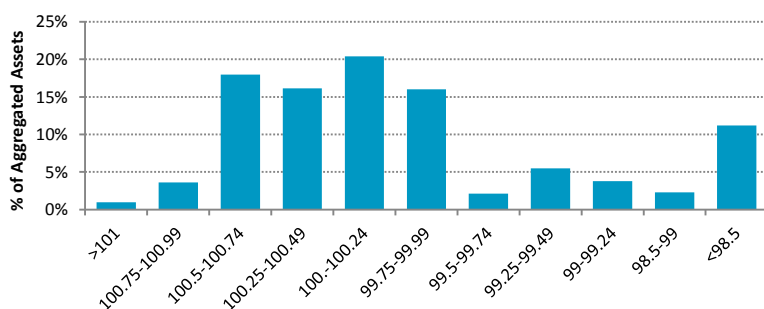
Top 10 Countries ^{6,7}

France	20.18%
USA	17.15%
Netherlands	13.82%
Germany	12.83%
Luxembourg	8.88%
Great Britain	7.64%
Spain	5.30%
Ireland	4.03%
Canada	3.20%
Italy	1.54%

Moody's Rating Distribution ^{6,7}



Asset MTM Bands ^{6,7}



Asset Breakdown ⁷

	Originator Direct Loan Portfolio	Originator Indirect Loans/ CLO Portfolio
% of BGLF NAV:	80.88%	19.12%
Gross Par of Assets ('A'):	€737.2m	€400.8m
Gross Par of Drawn Liabilities ('B'):	€0.0m	€368.0m
Net Par of Assets: ('A')-('B')	€737.2m	€32.8m
Number of Issuers:	70	78
Senior Secured Loans/Notes:	99.5%	99.5%
Floating Rate:	100.0%	100.0%
Weighted Average Asset Par Margin:	4.04%	4.45%
Weighted Average Loan MTM:	99.73%	99.38%
Weighted Average Cost of Liabilities:	0.80% undrawn/ 1.80% drawn	2.07%

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. Gross Par of Assets means, for the Direct Loan Portfolio, the total par value of loans and other assets and for the Indirect Loans/CLO Portfolio the look-through gross par amount of loans and other assets. Gross Par of Drawn Liabilities means, for the Direct Loan Portfolio the drawn leverage and for the Indirect Loans/CLO Portfolio the gross par amount of CLO rated note liabilities. 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: S&P Capital IQ

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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.