

**G S O**

**CAPITAL PARTNERS**

HIGHLY CONFIDENTIAL & TRADE SECRET

# **Blackstone / GSO Loan Financing Limited**

**AS OF 30 JUNE 2020**

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# **I. BGLF Overview**

# Focus on senior secured corporate loans with a goal of providing stable and growing income returns

## Strategy Overview

- Exposure to European and US 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 issuance of CLOs to lever its portfolio of senior secured loans

## Fund Snapshot

Ticker LN	BGLF	BGLP
Share Price <sup>(1)</sup>	€0.6700	£0.6000
NAV per share <sup>(2)</sup>	€0.8179	£0.7409
Premium / Discount	-18.08%	-19.02%
Distribution Yield <sup>(3)</sup>	8.96%	9.06%
Net Assets	€393.0M	
Market Capitalisation <sup>(1)</sup>	€321.9M	
Shares Outstanding	480.5M	
Inception Date	24/07/14	

As of 30 June 2020.

(1) Bloomberg, as of 30 June 2020.

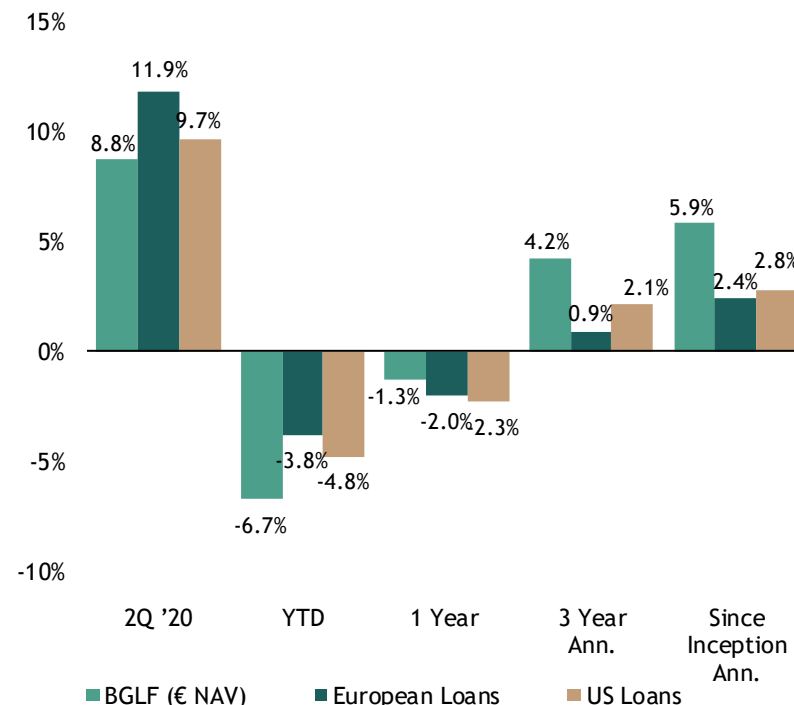
(2) As calculated by BGLF's Administrator in accordance with the provisions of the BGLF Prospectus. Per share data based on final number of shares in the period.

(3) Distribution Yield presented as €0.06 per annum and the share price as of 30 June 2020. Please see the BGLF announcement on 23 April 2020 for more information.

**BGCF EUR:** Blackstone / GSO Corporate Funding EUR Fund; **BGCF:** Blackstone / GSO Corporate Funding DAC; **BGUCF:** Blackstone / GSO US Corporate Funding Ltd.

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 important information about performance results and the potential impacts of COVID-19.

## BGLF € NAV Total Returns



Benefits of GSO  
CLO Platform

- Provides access to a market-leading loan and CLO management platform, including CLO warehouse investment opportunities<sup>(1)</sup>
- Cost effective levered exposure to senior secured loans through term financing on balance sheet and through CLOs
- Deep and experienced team with 22 years of experience investing across multiple cycles<sup>(2)</sup>

Multiple Ways to  
Access Strategy

- BGLF: publicly listed shares of a closed-end investment company incorporated in Jersey traded on the LSE with a NAV of €393 million<sup>(3)</sup>
- BGCF EUR: privately placed units in an open-end Irish unit trust with a NAV of €667 million<sup>(3)</sup>
- Both BGLF and BGCF EUR own interests in BGCF and have access to the same portfolio of assets

Stable NAV  
& Performance

- Changes in NAV primarily driven by credit loss and changes in NIM<sup>(4)</sup>, which is impacted by credit spread movements and can result in increased cash flows to the fund as credit spreads widen
- Fund NAVs should remain resilient throughout varying interest rate environments
- Hold to maturity retention requirement on CLO securities has contributed to a more stable NAV, given model valuation approach based on expected future cash flows (versus mark-to-market)

Strategic Partnership  
& Alignment of Interests

- Strategic partnership with GSO's CLO platform providing wholesale access (no fund level management fee) to European and US CLO equity
- Blackstone owns 43 million shares of BGLF (9% of BGLF)<sup>(5)</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 June 2020.

(2) Please see the "Important Disclosure Information and Risk Factors" for important information regarding team history.

(3) As of 30 June 2020.

(4) NIM: Net Interest Margin.

(5) 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 important information about performance results and the potential impacts of COVID-19.

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>	€393.0 million		€649.3 million	€17.7 million
Shares / Units Outstanding	480.5 million		8.8 million	0.2 million
Market Capitalisation <sup>(2)</sup>	€321.9 million		N/A	N/A
Undrawn Commitments	N/A	N/A	€0.0 million	
NAV per Share / Unit <sup>(2)</sup>	€0.8179	£0.7409	€73.3947	€75.3404
Price per Share <sup>(2)</sup>	€0.6700	£0.6000	N/A	N/A
Premium / Discount	-18.08%	-19.02%	N/A	N/A
Distribution Yield <sup>(3)</sup>	8.96%	9.06%	14.91%	14.91%
Distribution Policy	Target dividend of €0.06-€0.07 per annum per share <sup>(3)</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>

(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 June 2020.

(3) Public Shares: distribution yield presented as €0.06 per annum and the share price as of 30 June 2020. Please see the BGLF announcement on 23 April 2020 for more information. **The target dividend is a target only and not a profit forecast. It should not be taken as an indication of BGLF's expected future performance or results.** There is no guarantee that the target dividend can or will be achieved or can be continued if achieved. There may be other additional risks, uncertainties and factors that could cause the returns generated by BGLF to be materially lower than the target dividend. Accordingly, investors should not place any reliance on such target. 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) Subject to fund redemption terms.

## **II. BGCF Overview**

**9.42%**ROI<sup>(1)</sup>**9.74%**ROA<sup>(2)</sup>**1.63%**NIM<sup>(3)</sup>**8.0x**debt-to-equity<sup>(4)</sup>**+€78M**2Q '20 BGCF change in  
net assets**€1,072M**

BGCF net assets

**€393M**

BGLF net assets

**€667M**

BGCF EUR net assets

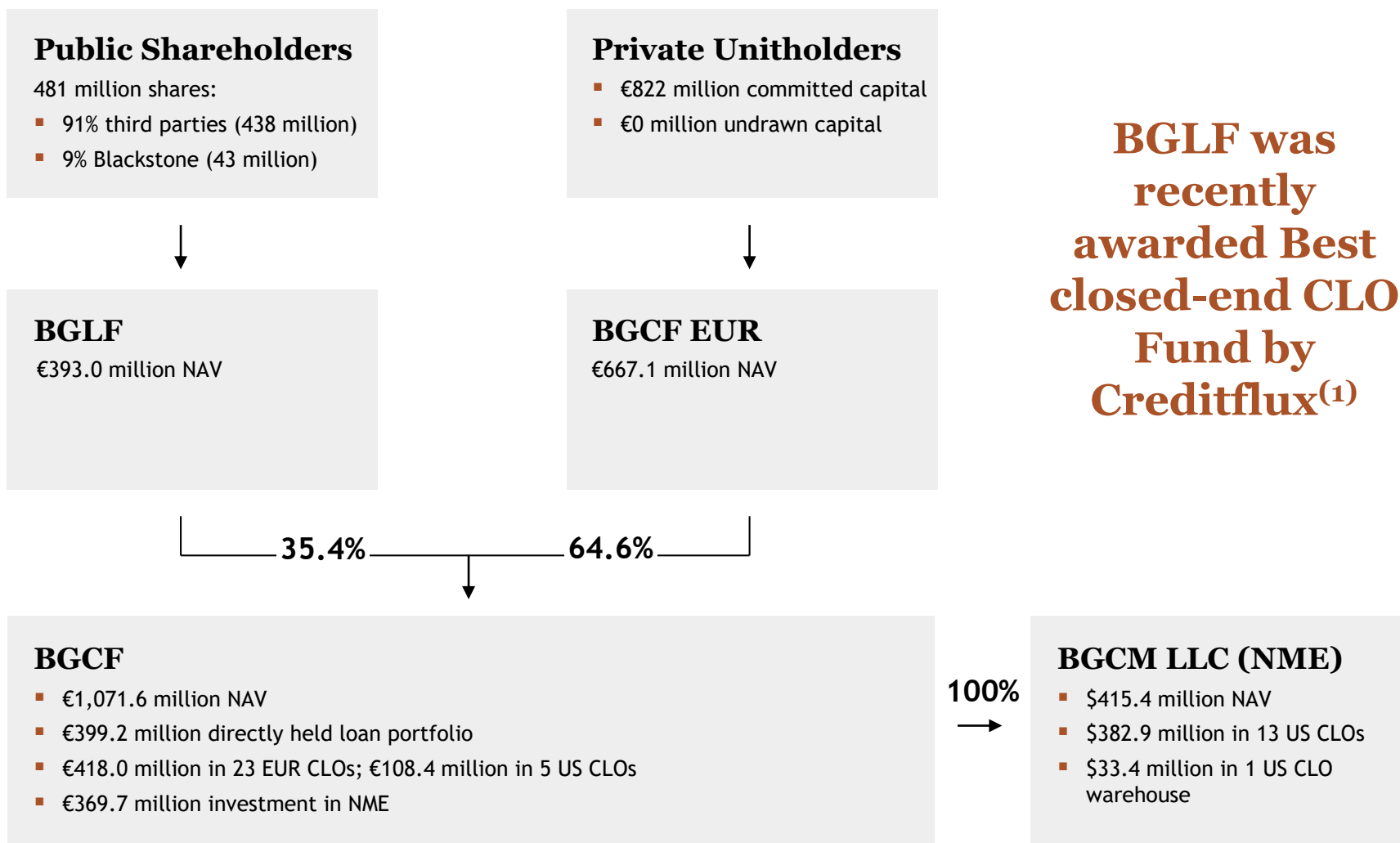
Net Assets as of 30 June 2020.

(1) BGCF Return on Investment ("ROI"): calculated as the BGCF net total return for the period 1 March 2020 through 30 June 2020.

(2) BGCF Return on Assets ("ROA"): calculated as the BGCF gross total return before the cost of leverage and BGCF expenses for the period 1 March 2020 through 30 June 2020.

(3) Portfolio Net Interest Margin ("NIM"): Data for EUR and US CLOs calculated based on data available on Intex as of 1 July 2020. 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) Debt-to-Equity Ratio: 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 10 July 2020.



Data as of 30 June 2020, except for BGCM LLC, which is pro forma for the merger of BGUCF (the MOA) into BGCM LLC on 1 July 2020. Structure is subject to change based on legal, tax and regulatory considerations.

(1) As awarded by Creditflux on 15 July 2020 based on 2019 performance. The award referenced herein granted by Creditflux was based upon a formula developed by Creditflux and/or other performance-based and non-performance-based subjective criteria. Please refer to "Important Disclosure Information" for further information about awards.

# **III. Second Quarter 2020 Results**

BGLF Earnings & Distributions	<ul style="list-style-type: none"> <li>■ BGLF Distribution yield of 9.0%, as of 30 June 2020<sup>(1)</sup></li> <li>■ BGLF's net distributable earnings exceeded its declared dividends by 61% over the last twelve months, with any retained net earnings being available for smoothing dividends going forwards during uncertain markets<sup>(2)</sup></li> </ul>
BGCF Investment Activity	<ul style="list-style-type: none"> <li>■ Focused on maintaining the overall quality of the portfolio, reducing risk and declining primary issues where we view structure and documentation to be weak</li> <li>■ €1.5 billion of assets purchased, €0.2 billion net portfolio investments<sup>(3)</sup></li> </ul>
BGCF Portfolio Composition	<ul style="list-style-type: none"> <li>■ Diversified portfolio of loans to 674 companies across multiple sectors, geographies, and vintages</li> <li>■ Portfolio comprised of 99.5% senior secured and 97.8% floating rate assets<sup>(4)</sup></li> <li>■ Quarterly default loss of 0.03% versus 0.06% / 0.54% for European / US loans<sup>(5)</sup></li> </ul>
BGCF Capitalisation	<ul style="list-style-type: none"> <li>■ €25.0 million of capital called and invested (BGCF EUR) in 2Q '20</li> <li>■ Debt-to-Equity ratio of 8.0x through financing structures<sup>(5)</sup></li> </ul>
BGCF Interest & Margins	<ul style="list-style-type: none"> <li>■ Average WAC on US CLOs and US CLO warehouses declined due to falling Libor</li> <li>■ Remaining CLO reinvestment period average of 2.3 years provide an opportunity to continue optimising the portfolio and to improve weighted average spread ("WAS")</li> </ul>

(1) Calculated at €0.06 per annum and the share price as of 30 June 2020. Please see BGLF's announcement on 23 April 2020 for more information.

(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 and paydown activity for assets held directly and indirectly by BGCF, including gross assets purchased, sold, or repaid within EUR / USD CLOs and USD CLO warehouses. Data calculated by GSO on 15 July 2020.

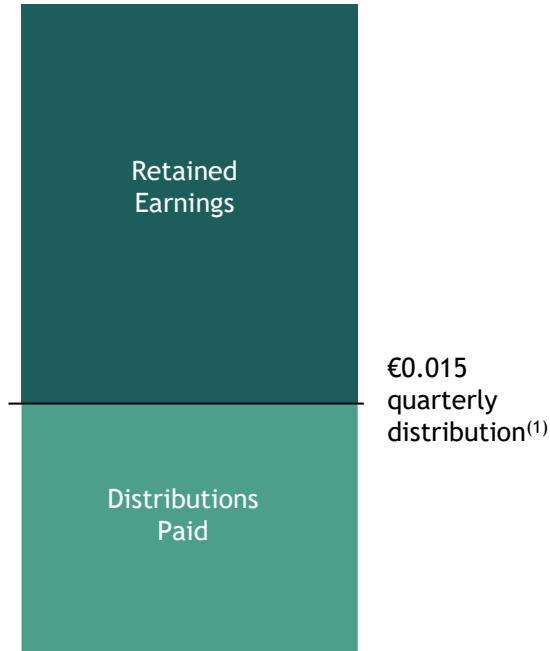
(4) Portfolio data presented using the gross par amount of assets held directly and indirectly by BGCF. The total par amount of all assets held within each CLO and CLO warehouses are included on a fully consolidated basis and added to those assets held directly by BGCF. Subject to change and not a recommendation to buy or sell any security. Data calculated by GSO on 15 July 2020.

(5) As of 30 June 2020. Source: GSO (BGCF, calculated on a look through basis for the period 31 March 2020 through 30 June 2020) and Credit Suisse (US / European loans, calculated using a pro-rated trailing twelve month default loss rate (LTM default loss rate divided by four)). BGCF defaults defined as (a) missed a payment, (b) filed bankruptcy, or (c) were downgraded by Moody's, Fitch, or S&P to D. Please see slide 25 and the BGCF Loan Default Track Record in the "Important Disclosure Information" section of this Presentation for further information on the default track record.

(6) Calculated based on a look through basis for BGCF's portfolio. Please see slide 14 for more details.

- BGLF Distribution yield of 9.0%, as of 31 March 2020<sup>(1)</sup>
- BGLF's net distributable earnings exceeded its declared dividends by 61% over the last 12 months, with any retained net earnings being available for smoothing dividends going forward during uncertain markets

## LTM Distributions

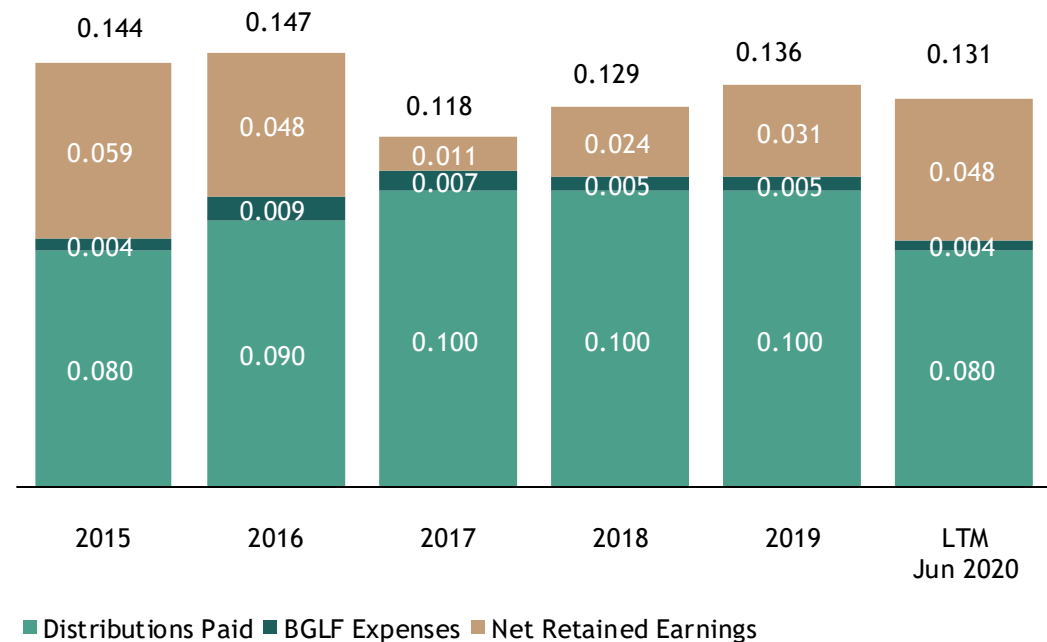


# 61%

LTM net distributable earnings excess<sup>(2)</sup>

## Stable Distribution, Growing Retained Earnings

(per BGLF share, €)



(1) Calculated at €0.06 per annum and the share price as of 30 June 2020. Please see BGLF's announcement on 23 April 2020 for more information.

(2) Calculated as net income received from BGCF PPNs received less BGLF expenses divided by distributions paid, each other the last 12 months.

- Focused on maintaining the overall quality of the portfolio, reducing risk and declining primary issues where we view documentation to be weak
- In the second quarter, €1.5 billion of assets purchased, €0.2 billion net portfolio investments<sup>(1)</sup>

## 2Q '20 Portfolio Activity Highlights<sup>(2)</sup>

Added 14 new issuers,  
sold 25 issuers

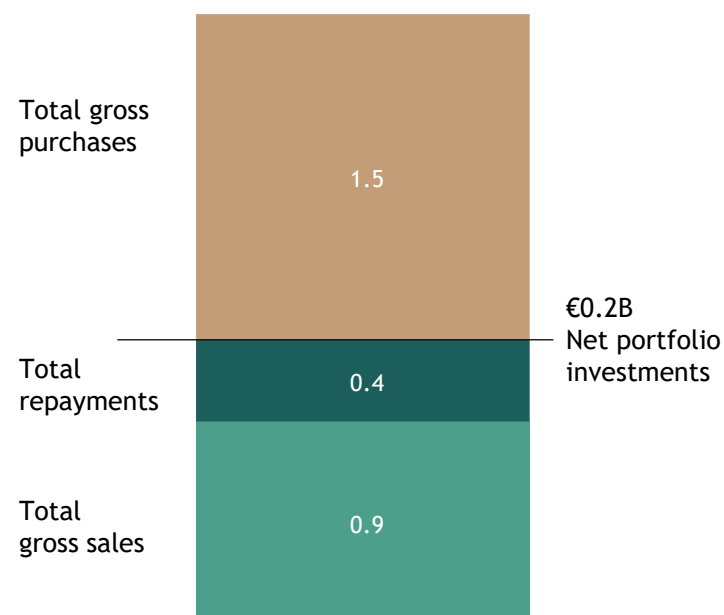
WA spread generally  
flat at 3.46%

B2 average  
facility rating

Diversification among  
sectors and geographies

## 2Q '20 Portfolio Activity<sup>(1)</sup>

(€ in billions)



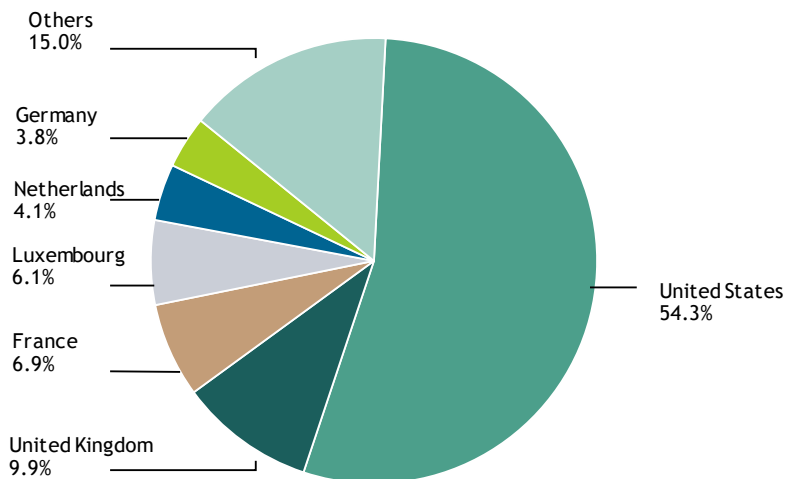
(1) Includes the total gross trading and paydown activity for assets held directly and indirectly by BGCF, including gross assets purchased, sold, or repaid within EUR and USD CLOs and USD CLO warehouses. Data calculated by GSO on 15 July 2020.

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

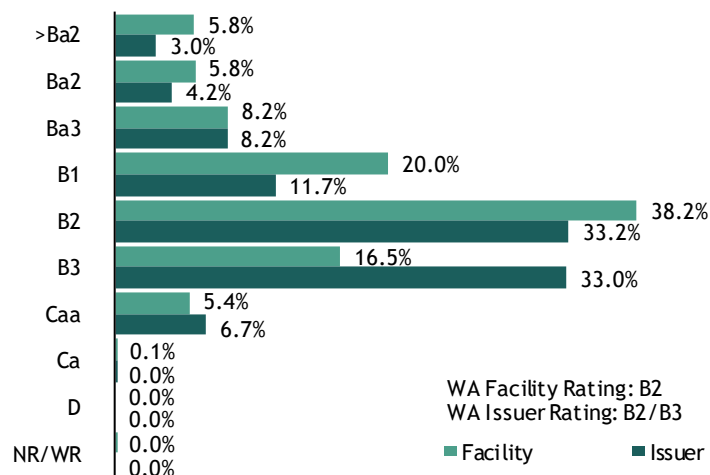
Note: Portfolio data by presented using the gross par amount of assets held directly and indirectly by BGCF. The total par amount of all assets held within each CLO and CLO warehouses are included on a fully consolidated basis and added to those assets held directly by BGCF. Subject to change and not a recommendation to buy or sell any security. CLO Note investments are excluded from all figures. Data calculated by GSO on 15 July 2020.

- Diversified portfolio of 674 issuers invested across multiple sectors, geographies, and vintages
- Portfolio of 99.5% senior secured and 97.8% floating rate assets

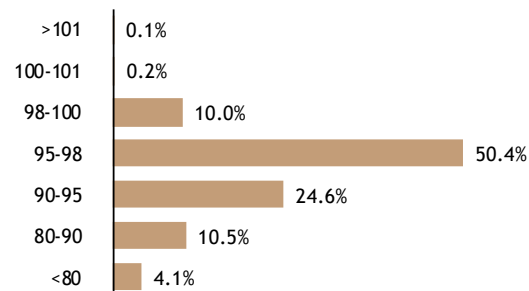
## Country Allocations



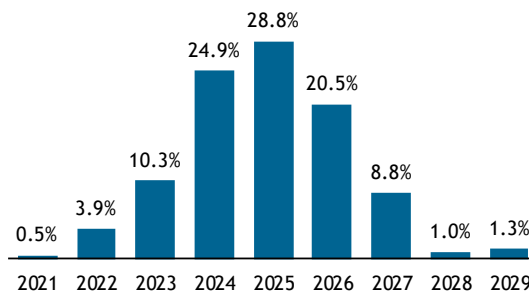
## Moody's Rating Distribution



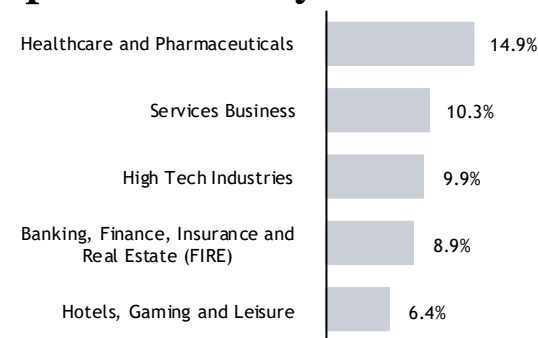
## Price Bands



## Maturities



## Top Five Industry Allocations



Note: 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 on 15 July 2020.

- €25.0 million of capital called and invested (BGCF EUR) in 2Q '20
- Debt-to-equity ratio of 8.0x through financing structures<sup>(1)</sup>

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

(€ in millions)

Assets		Liabilities	
Directly Held Assets	€418	Credit Facility (Directly Held Assets)	€238
Indirect Assets	12,016	Indirect Liabilities	10,813
EUR CLO Assets	5,714	EUR CLO Debt Outstanding	5,044
USD CLO Assets	6,207	USD CLO Debt Outstanding	5,702
USD CLO Warehouse Assets	95	USD CLO Warehouse Facilities	67
<b>Total Par Assets</b>	<b>€12,434</b>	<b>Total Par Liabilities</b>	<b>€11,051</b>
		<b>Total Par Equity Value</b>	<b>€1,383</b>

# 8.0x

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 represent 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 10 July 2020.

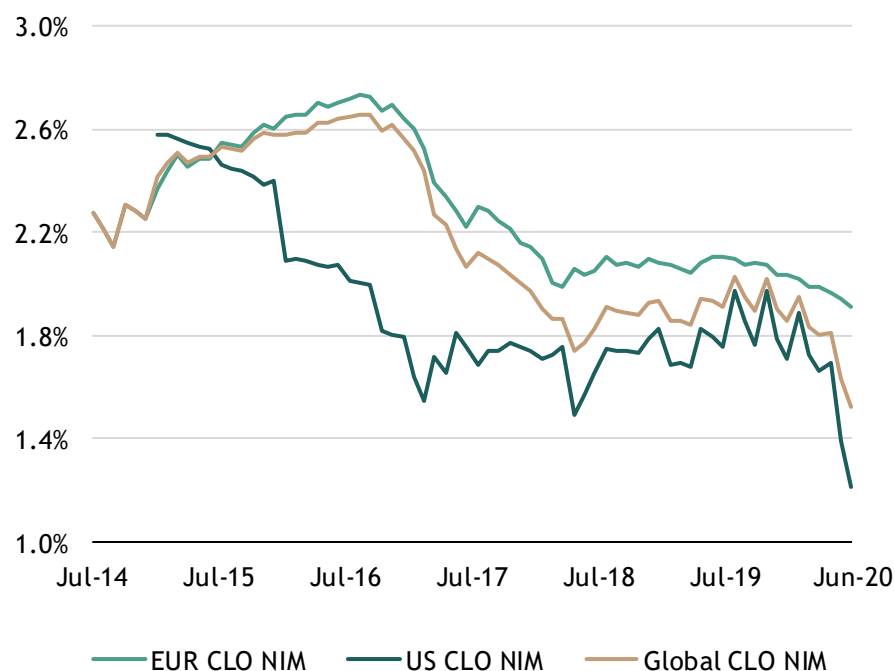
- Average WAC on US CLOs and US CLO warehouses declined due to falling Libor
- Remaining CLO reinvestment period average of 2.3 years provide an opportunity to continue optimising the portfolio and to improve weighted average spread (“WAS”)

## Portfolio Financing Cost

Weighted Average Cost (“WAC”) of Liabilities	3Q '19	4Q '19	1Q '20	2Q '20
EUR CLOs	1.61%	1.64%	1.66%	1.73%
US CLOs	3.88%	3.60%	3.44%	2.85%
US CLO Warehouses	3.24%	3.01%	2.55%	1.40%
Directly Held Loans	1.45%	1.45%	1.45%	1.45%
<b>Total Portfolio</b>	<b>2.59%</b>	<b>2.47%</b>	<b>2.43%</b>	<b>2.17%</b>

## CLO Net Interest Margins (“NIM”)

(rolling 3 month)



Note: Data for EUR and US CLOs calculated based on data available on Intex as of 10 July 2020. 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.

# **IV. Fund Overview**

Portfolio trading activity during 2Q '20 continued to focus on risk mitigation and rotation, with an emphasis on collateral coverage ratios

- The global loan market rebounded strongly over the course of the quarter, with index prices recovering ~75% of the March decline due to the COVID-19 selloff
- We continue to be opportunistic around reducing risk into market strength with a goal of maintaining sufficient CLO overcollateralisation (“OC”) cushions and protecting trading flexibility

Loan downgrades persisted, albeit they ended the quarter at a slower pace than recent months

- 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, document scoring, and watch list processes are geared towards identifying trades to mitigate potential losses and maintain portfolio quality

US loan coupons, or all-in rates, have experienced significant tightening of ~23% YTD given the decline in LIBOR<sup>(1)</sup>

- Though only 40% of US loans held within CLOs had a LIBOR floor greater than 0%, the percentage of new issue loans with a floor of 1% has already seen an increase in 2020 versus 2019<sup>(2)</sup>

As at 30 June, the weighted average coupon of the Fund’s underlying portfolio decreased to 3.79% from 4.16% as at 31 March. The quarter-over-quarter changes in the weighted average asset coupons by sub portfolio were:

- EUR CLOs: generally flat at 3.64% from 3.66%
- US CLOs: decreased to 3.92% from 4.57%
- Directly held assets: decreased slightly to 3.50% from 3.57%
- US CLO warehouses: decreased to 3.53% from 4.31%

Similar to last quarter, we have refreshed our bottom-up review of our global portfolio to determine the probability of each borrower’s default and/or downgrade to CCC over the near term (3, 6, and 12 months), which were used to project future cash flows and performance on BGCF’s CLO portfolio

Source: GSO, unless otherwise stated. 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 on 15 July 2020.

(1) Calculated based on the coupon of the Credit Suisse Leveraged Loan Index, which was 5.51% at 31 December 2019 and 4.26% at 30 June 2020.

(2) Nomura Global Markets Research, CLO Special Topics, 10 July 2020.

Maintaining investment flexibility to participate in the primary loan market and the ability to take advantage of secondary loan market dislocations is a key focus for BGCF's adviser. As such, an important part of the Fund's strategy is to extend its remaining reinvestment periods when accretive to do so either through increased primary CLO issuance or through resetting and extending existing CLOs

- The remaining reinvestment period for the CLO portfolio ended June at a weighted average of 2.3 years versus 2.5 years at 31 March 2020
- While the portfolio's most recent CLO investments have shorter reinvestment periods, the overall portfolio reinvestment period average has benefitted from the addition of these newer vintage CLOs
- There were also fewer opportunities to improve on existing CLOs and refinancing and resetting activity slowed relative to prior years

While refinancing activity has been quiet so far in 2020, the benefit from the prior years' refinancings and extensions of CLO liabilities remains evident in the strong cash flows generated by older vintage CLOs that have recently exited or are near exiting their reinvestment periods

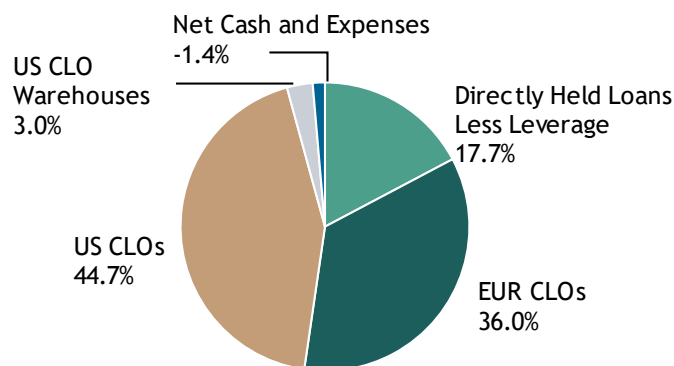
- Since 2017, refinancings and resets of the portfolio's CLO liabilities have resulted in cost savings of 0.46%, the CLO equity valuations improved 12.0% on average in the month immediately following the transaction, and annualised distributions improved 26.8% on average on the next payment date<sup>(1)</sup>
- While we recognise that the cash flows in CLOs that exit their reinvestment periods are expected to diminish, we are actively considering alternatives of refinancing, resetting, or redeeming those transactions as and when opportune to do so

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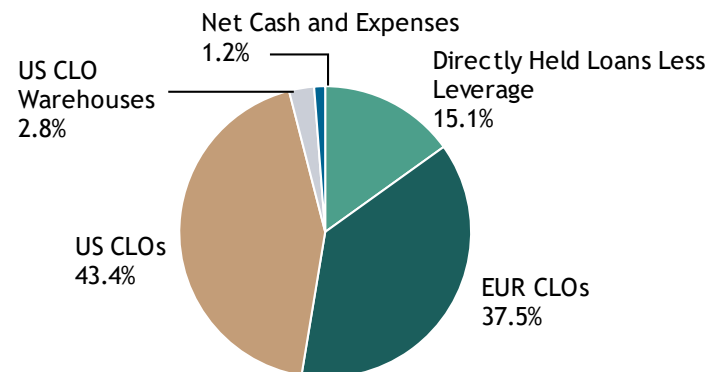
Source: GSO.

(1) Data as of 30 June 2020. MoM Increase in Valuation provides the month-over-month change as of the respective month before and after the CLO's refinancing. Orwell Park's refinancing priced on 31 July 2017, and as such, MoM % Valuation Increase compares July 2017 and August 2017 month end valuations. 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 important information about performance results and the potential impacts of COVID-19.

- Portfolio positioning between EUR and USD exposure remains largely unchanged versus 1Q '20
- Remaining reinvestment periods decrease slightly since last quarter due to a measured investment pace, though vintage diversification continues to be a focus

**BGCF Portfolio: March 2020<sup>(1)</sup>**

	WA Asset Coupon	WA Liability Cost	WA Net Interest Margin	WA Remaining CLO Reinvestment Periods
EUR CLOs	3.65%	3.65%	1.99%	1.9 Years
USD CLOs	5.10%	3.44%	1.66%	2.9 Years
USD CLO Warehouses	4.35%	2.55%	1.80%	N/A
Directly Held Loans	3.57%	1.45%	2.12%	N/A
<b>Total Portfolio</b>	<b>4.29%</b>	<b>2.43%</b>	<b>1.86%</b>	<b>2.5 Years</b>

**BGCF Portfolio: June 2020<sup>(1)</sup>**

	WA Asset Coupon	WA Liability Cost	WA Net Interest Margin	WA Remaining CLO Reinvestment Periods
EUR CLOs	3.63%	3.63%	1.90%	1.8 Years
USD CLOs	4.06%	2.85%	1.21%	2.7 Years
USD CLO Warehouses	3.58%	1.40%	2.18%	N/A
Directly Held Loans	3.50%	1.45%	2.05%	N/A
<b>Total Portfolio</b>	<b>3.80%</b>	<b>2.17%</b>	<b>1.63%</b>	<b>2.3 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. Portfolio allocation and weighting for each weighted average are based on the percentage of BGCF's net asset value as of 31 March 2020. Data for EUR and US CLOs calculated based on data available on Intex as of 10 July 2020.

BGCF Look-through Portfolio	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20
# Issuers / Facilities	687 / 903	705 / 933	699 / 917	687 / 900	685 / 907	674 / 899
Total Gross Par Exposure (€M)	16,991	17,521	18,584	18,995	20,181	20,435
WA Spread	3.51%	3.52%	3.52%	3.55%	3.49%	3.46%
WA Base Rate	1.46%	1.39%	1.21%	1.09%	0.67%	0.31%
WA Coupon (All-In Rate)	4.91%	4.86%	4.71%	4.61%	4.16%	3.79%
WA Price	97.9	98.3	98.4	98.8	85.6	93.8
WA Maturity (years)	5.3	5.2	5.1	5.0	5.0	4.9
Floating Rate Assets %	98.00%	97.90%	98.60%	98.70%	98.00%	97.80%
Senior Secured Assets %	99.96%	99.74%	99.92%	99.82%	99.61%	99.53%
WA Moody Issuer Rating Value	2,749	2,738	2,759	2,788	2,819	2,922
WA Moody Facility Rating Value	2,469	2,473	2,484	2,503	2,542	2,642
Avg Issuer Exposure	0.15%	0.14%	0.14%	0.15%	0.15%	0.15%
Exposure to Largest Issuer	1.10%	1.10%	1.11%	1.10%	1.17%	1.08%
Exposure to 10 Largest Issuers	8.87%	8.92%	8.80%	8.82%	8.30%	8.20%
WA Interest Coverage <sup>(1)</sup>	4.8x	4.0x	4.1x	4.2x	4.6x	4.6x
WA Net Total Leverage <sup>(1)</sup>	5.6x	5.6x	5.6x	5.5x	5.5x	5.4x

Data calculated by GSO using internal data as of 15 July 2020.

(1) Data may be restated for prior quarters as additional companies report quarterly financials. Some outliers have been intentionally excluded from the data set. 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 important information about performance results and the potential impacts of COVID-19.

	# Facilities	Portfolio Par (€M)	Total Par Outstanding (€M)	Moody's Industry	Country	Moody's Corporate Rating	Moody's Facility Rating	WA Price	WA Spread	WA Coupon (All-In Rate)	WA Maturity (Years)
Issuer 1	4	221	2,104	Banking, Finance, Insurance and Real Estate (FIRE)	United Kingdom	B2	B2	94.3	4.24%	4.73%	4.8
Issuer 2	2	198	8,119	Services Business	United States	B2	B1	98.1	3.25%	3.31%	5.3
Issuer 3	5	185	4,977	Retail	United Kingdom	B2	B2	94.1	4.03%	4.19%	4.6
Issuer 4	2	166	5,654	Chemicals, Plastics and Rubber	Netherlands	B2	Ba3	95.7	3.14%	3.22%	5.3
Issuer 5	2	165	2,733	Healthcare and Pharmaceuticals	Denmark	B2	B2	91.5	3.96%	4.01%	5.7
Issuer 6	2	164	3,235	High Tech Industries	United States	B1	B1	97.9	3.62%	3.70%	4.3
Issuer 7	4	159	5,324	Media Broadcasting and Subscription	France	B2	B2	95.7	3.10%	3.16%	5.4
Issuer 8	2	150	4,498	Media Broadcasting and Subscription	Netherlands	B1	B1	96.3	2.87%	2.92%	8.4
Issuer 9	2	145	3,114	Banking, Finance, Insurance and Real Estate (FIRE)	Ireland	B2	B2	96.7	3.44%	4.46%	4.4
Issuer 10	4	121	3,297	Healthcare and Pharmaceuticals	United States	Ba1	Ba1	98.2	1.91%	2.01%	4.3
Issuer 11	4	120	5,020	Beverage, Food and Tobacco	United Kingdom	B1	B1	95.8	2.58%	2.65%	6.6
Issuer 12	2	120	2,634	High Tech Industries	United States	B2	B2	94.2	4.50%	5.50%	2.6
Issuer 13	2	119	3,868	High Tech Industries	United States	B2	B2	97.0	4.64%	4.70%	5.3
Issuer 14	2	116	3,750	Telecommunications	Denmark	B2	B1	97.4	3.37%	3.37%	4.8
Issuer 15	2	111	3,688	Media Broadcasting and Subscription	United Kingdom	Ba2	Ba2	96.6	2.50%	2.58%	8.2
Issuer 16	3	109	2,593	Banking, Finance, Insurance and Real Estate (FIRE)	Luxembourg	B2	Ba3	96.6	3.36%	3.39%	4.6
Issuer 17	5	107	4,306	High Tech Industries	United States	B1	B1	96.7	3.39%	3.54%	4.4
Issuer 18	2	104	2,402	Services Business	Sweden	B2	B1	97.7	3.06%	3.06%	2.3
Issuer 19	2	100	2,962	Construction and Building	United States	B2	B2	94.0	3.95%	3.95%	5.8
Issuer 20	2	97	1,285	Hotels, Gaming and Leisure	Luxembourg	B2	B2	97.0	3.54%	3.54%	2.4
Issuers 21-654	844	17,657	709,274	Various	Various	B2	B1	93.4	3.46%	3.81%	4.8
<b>Total (674 Issuers)</b>	<b>899</b>	<b>€20,435</b>	<b>€784,837</b>					<b>93.8</b>	<b>3.46%</b>	<b>3.79%</b>	<b>4.9</b>

Data calculated by GSO using internal data as of 15 July 2020. 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 important information about performance results and the potential impacts of COVID-19.

- Invested €23.8 million (\$29.2 million) into Harriman Park CLO (USD) and €17.4 million into Avondale Park CLO<sup>(1)</sup>
- No additional investments made into Tallman Park Warehouse, an existing USD CLO warehouse investment

## New CLO Securitisations

(€/ \$ in millions)

	Invested Capital	Investing Entity	CLO Size	Closing Date	Reinvestment Period End	Non-Call Period	AAA Spread	Position as a % of Tranche	Expected % Ramp at Closing
Harriman Park	\$29.2	BGCM	\$501.7	Apr-20	Apr-23	Apr-21	120bp	70.0%	95.0%
Avondale Park	€17.4	BGCF	€283.7	Jun-20	Jul-23	Jun-21	170bp	66.3%	100.0%

## USD CLO Warehouses

(\$ in millions)

	Invested Capital	Initial Investment	Closing Date / [Expected Closing Date]	Jun-20 Loan Exposure	Warehouse Return	WA Spread	WA All-In Rate	WA Moody's Facility Rating	WA Maturity (Years)
Tallman Park	\$32.2	Dec-19	[3Q 2020]	\$107.1	n/a	3.20%	3.58%	B1	6.0

## CLO Refinancing / Reset

- N/A

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 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 important information about performance results and the potential impacts of COVID-19.

(1) BGCM also intends to invest \$20.5 million into Cayuga Park CLO (USD), which priced on 29 June 2020 and is expected to close 11 August 2020.

■ Defaulted asset balances are currently low within the portfolio

	Closing Date	Refi / Reset Date (Closing)	Remaining RI Period (Yrs)	Deal Size (m)	BGCF Position (m)	BGCF Cost (m)	Position as % of Tranche	Valuation as % of BGCF NAV	Ann. Cash-on-Cash <sup>(1)</sup>	Cum. Cash-on-Cash <sup>(1)</sup>	WA Cost of Debt <sup>(1)</sup>	Gross Coupon <sup>(1)</sup>	NIM	Interest Diversion Cushion <sup>(1)</sup>	Highest of Caa / CCC / CCC Balance <sup>(1)</sup>	Defaulted Assets % of CLO NAV <sup>(1)</sup>
EUR CLO Income Notes																
Phoenix Park	Jul-14	Oct-18	2.8	€ 417.5	€ 23.3	€ 22.1	51.4%	1.4%	14.6%	84.4%	1.78%	3.67%	1.89%	3.68%	7.36%	0.27%
Sorrento Park	Oct-14	May-17	0.0	€ 358.8	€ 29.5	€ 28.0	51.8%	0.8%	16.1%	89.9%	1.91%	3.67%	1.76%	4.30%	12.18%	0.00%
Castle Park	Dec-14	Mar-17	0.0	€ 273.0	€ 37.0	€ 33.8	80.4%	1.4%	16.1%	85.7%	2.03%	3.63%	1.61%	7.87%	11.91%	0.00%
Dartry Park	Mar-15	Jul-17	0.0	€ 376.3	€ 22.8	€ 21.5	51.1%	0.9%	14.6%	74.7%	1.71%	3.64%	1.93%	3.11%	8.69%	0.00%
Orwell Park	Jun-15	Aug-17	0.0	€ 387.8	€ 24.2	€ 22.3	51.0%	1.2%	16.1%	78.3%	1.49%	3.62%	2.13%	4.65%	9.56%	0.00%
Tymon Park	Dec-15	Jan-18	0.0	€ 405.7	€ 22.7	€ 20.6	51.0%	1.2%	16.1%	70.0%	1.33%	3.65%	2.32%	4.54%	9.19%	0.00%
Elm Park	May-16	Apr-18	0.0	€ 558.2	€ 31.9	€ 31.9	56.1%	2.0%	13.7%	53.4%	1.37%	3.66%	2.29%	3.82%	6.64%	0.00%
Griffith Park	Sep-16	Nov-18	2.9	€ 456.7	€ 29.0	€ 25.8	59.5%	1.8%	10.3%	38.2%	1.83%	3.67%	1.84%	4.11%	7.36%	0.39%
Clarinda Park	Nov-16	May-19	0.4	€ 415.1	€ 23.1	€ 19.5	51.2%	1.3%	11.1%	38.7%	1.81%	3.66%	1.84%	3.88%	8.60%	0.00%
Palmerston Park	Apr-17	Nov-19	0.8	€ 414.5	€ 28.0	€ 25.1	62.2%	1.6%	13.7%	41.3%	1.55%	3.67%	2.12%	3.79%	8.23%	0.27%
Clontarf Park	Jul-17	n/a	1.1	€ 413.6	€ 29.0	€ 26.2	66.9%	2.0%	15.3%	43.2%	1.59%	3.59%	2.00%	3.16%	9.70%	0.00%
Willow Park	Nov-17	n/a	2.0	€ 412.4	€ 23.4	€ 21.0	60.9%	1.7%	18.2%	43.2%	1.58%	3.60%	2.02%	4.31%	7.08%	0.27%
Marlay Park	Mar-18	n/a	1.8	€ 413.0	€ 24.6	€ 20.7	60.0%	1.8%	19.8%	40.5%	1.40%	3.63%	2.23%	3.94%	7.96%	0.33%
Milltown Park	Jun-18	n/a	2.0	€ 409.1	€ 24.1	€ 21.4	65.0%	2.0%	17.4%	32.0%	1.50%	3.65%	2.15%	4.61%	5.84%	0.00%
Richmond Park	Jul-18	n/a	1.0	€ 548.2	€ 46.2	€ 26.2	68.3%	2.2%	18.1%	31.6%	1.54%	3.63%	2.09%	3.08%	7.90%	0.21%
Sutton Park	Oct-18	n/a	2.9	€ 408.5	€ 25.0	€ 22.3	69.4%	2.0%	16.3%	25.7%	1.72%	3.61%	1.89%	4.65%	6.67%	0.00%
Crosthwaite Park	Feb-19	n/a	3.2	€ 513.0	€ 34.0	€ 27.7	66.7%	2.3%	12.6%	16.3%	2.00%	3.64%	1.63%	4.41%	5.95%	0.00%
Dunedin Park	Sep-19	n/a	3.8	€ 409.3	€ 25.3	€ 22.1	52.9%	1.8%	10.2%	6.1%	1.77%	3.69%	1.91%	4.50%	5.79%	0.00%
Seapoint Park	Nov-19	n/a	3.9	€ 406.4	€ 22.6	€ 22.4	73.8%	2.0%	n/a	n/a	1.84%	3.67%	1.83%	4.50%	4.67%	0.00%
Holland Park	Nov-19	n/a	3.9	€ 429.3	€ 39.1	€ 23.4	72.1%	1.9%	19.6%	4.9%	1.91%	3.60%	1.69%	3.66%	7.24%	0.00%
Vesey Park	Apr-20	n/a	4.4	€ 404.5	€ 24.5	€ 22.8	80.3%	2.3%	n/a	n/a	1.96%	3.54%	1.78%	6.74%	4.68%	0.00%
Avondale Park	Jun-20	n/a	3.1	€ 283.7	€ 19.7	€ 17.4	66.3%	1.7%	n/a	n/a	2.52%	3.52%	1.00%	5.01%	n/a	n/a
EUR CLO Income Note Total			1.8	€ 9,114	€ 988	€ 609	62.2%	75.2%	15.4%	45.9%	1.73%	3.63%	1.91%	4.37%	7.86%	0.08%
US CLO Income Note Total			2.7	\$ 12,969	\$ 850	\$ 669	60.3%	43.4%	17.5%	40.2%	2.85%	4.06%	1.21%	2.53%	8.26%	0.39%
Global CLO Income Note Total			2.3	€ 20,658	€ 1,366	€ 1,120	61.3%	80.6%	16.6%	42.8%	2.35%	3.87%	1.52%	3.35%	8.08%	0.26%

Data as of 30 June 2020. Note that a CLO's definition of a defaulted asset may differ from that of BGCF. For example, as asset rated "SD" (Selective Default) is considered a defaulted asset within certain CLOs but is not considered a defaulted asset by BGCF and the Manager.

(1) Source: Intex. Cash-on-cash distributions presented based on cost. WA Cost of Debt (weighted average cost of liabilities) represents the weighted average all-in rate (coupon) 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.

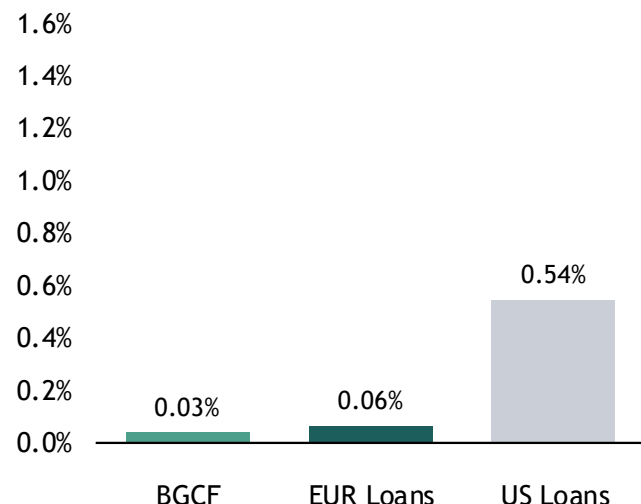
■ Defaulted asset balances are currently low within the portfolio

	Closing Date	Refi / Reset Date (Closing)	Remaining RI Period (Yrs)	Deal Size (m)	BGCF Position (m)	BGCF Cost (m)	Position as % of Tranche	Valuation as % of BGCF NAV	Ann. Cash-on-Cash <sup>(1)</sup>	Cum. Cash-on-Cash <sup>(1)</sup>	WA Cost of Debt <sup>(1)</sup>	Gross Coupon <sup>(1)</sup>	NIM	Interest Diversion Cushion <sup>(1)</sup>	Highest of Caa / CCC / CCC Balance <sup>(1)</sup>	Defaulted Assets % of CLO NAV <sup>(1)</sup>
US CLO Income Notes																
Dorchester Park	Feb-15	Jun-18	0.0	\$533.4	\$ 48.5	\$ 32.8	73.0%	1.5%	16.9%	87.0%	2.55%	4.11%	1.55%	1.75%	11.90%	0.59%
Grippen Park	Mar-17	n/a	1.8	\$611.4	\$ 35.6	\$ 31.6	60.0%	1.9%	14.5%	44.9%	2.87%	4.09%	1.23%	2.29%	9.40%	0.00%
Thayer Park	May-17	n/a	1.8	\$514.6	\$ 29.8	\$ 25.3	54.6%	1.3%	17.0%	49.7%	2.90%	4.03%	1.14%	1.12%	10.10%	0.23%
Catskill Park	May-17	n/a	1.8	\$1,028.5	\$ 65.1	\$ 57.1	60.0%	2.6%	16.3%	47.7%	2.86%	4.03%	1.17%	0.88%	8.90%	1.04%
Dewolf Park	Aug-17	n/a	2.3	\$613.5	\$ 36.9	\$ 32.8	60.0%	1.9%	16.6%	43.6%	2.94%	4.10%	1.16%	3.68%	9.69%	0.00%
Gilbert Park	Oct-17	n/a	2.3	\$1,022.0	\$ 60.2	\$ 54.6	59.0%	3.2%	16.7%	41.4%	2.90%	4.09%	1.19%	2.67%	6.90%	0.00%
Long Point Park	Dec-17	n/a	2.5	\$610.8	\$ 33.4	\$ 30.3	56.9%	1.8%	22.6%	52.0%	2.56%	4.07%	1.51%	1.17%	10.10%	0.96%
Stewart Park	Jan-18	n/a	2.5	\$873.8	\$ 126.9	\$ 38.4	69.0%	2.7%	16.0%	35.9%	2.69%	4.02%	1.34%	1.54%	8.10%	0.66%
Greenwood Park	Mar-18	n/a	2.8	\$1,074.7	\$ 63.6	\$ 56.3	59.1%	3.7%	20.4%	43.0%	2.59%	4.10%	1.50%	2.95%	6.70%	0.00%
Cook Park	Apr-18	n/a	2.8	\$1,025.0	\$ 60.0	\$ 55.1	56.1%	3.3%	19.4%	39.1%	2.48%	3.97%	1.50%	1.53%	10.50%	0.44%
Fillmore Park	Jul-18	n/a	3.0	\$560.8	\$ 30.2	\$ 27.5	54.3%	2.0%	16.4%	28.0%	2.77%	3.99%	1.21%	3.33%	7.90%	0.28%
Myers Park	Sep-18	n/a	3.3	\$509.6	\$ 26.8	\$ 23.7	51.0%	1.7%	17.9%	28.3%	2.76%	4.02%	1.26%	2.67%	10.20%	0.28%
Harbor Park	Dec-18	n/a	3.6	\$715.8	\$ 43.6	\$ 37.7	55.0%	2.7%	18.3%	24.4%	2.80%	4.02%	1.22%	2.94%	8.50%	0.26%
Buckhorn Park	Mar-19	n/a	3.8	\$502.1	\$ 29.0	\$ 25.2	60.0%	1.8%	19.2%	20.8%	3.05%	4.06%	1.01%	3.48%	7.10%	0.75%
Niagara Park	Jun-19	n/a	4.0	\$453.2	\$ 26.5	\$ 23.9	60.0%	1.9%	16.9%	13.6%	2.90%	4.09%	1.19%	3.95%	7.00%	0.29%
Southwick Park	Aug-19	n/a	4.1	\$503.5	\$ 26.1	\$ 22.3	59.9%	1.8%	18.1%	12.0%	3.03%	4.16%	1.13%	3.56%	7.10%	0.45%
Beechwood Park	Dec-19	n/a	4.6	\$810.4	\$ 48.9	\$ 42.0	61.1%	3.4%	n/a	n/a	3.76%	4.17%	0.41%	4.16%	6.00%	0.12%
Allegany Park	Jan-20	n/a	4.5	\$504.6	\$ 30.2	\$ 26.2	66.2%	2.0%	n/a	n/a	3.68%	4.19%	0.51%	3.90%	5.90%	0.28%
Harriman Park	Apr-20	n/a	2.8	\$501.7	\$ 29.2	\$ 26.0	70.0%	2.2%	n/a	n/a	2.89%	3.93%	1.04%	5.69%	3.60%	0.18%
US CLO Income Note Total			2.7	\$ 12,969	\$ 850	\$ 669	60.3%	43.4%	17.5%	40.2%	2.85%	4.06%	1.21%	2.53%	8.26%	0.39%
EUR CLO Income Note Total			1.8	€ 9,114	€ 988	€ 609	62.2%	75.2%	15.4%	45.9%	1.73%	3.63%	1.91%	4.37%	7.86%	0.08%
Global CLO Income Note Total			2.3	€ 20,658	€ 1,366	€ 1,120	61.3%	80.6%	16.6%	42.8%	2.35%	3.87%	1.52%	3.35%	8.08%	0.26%

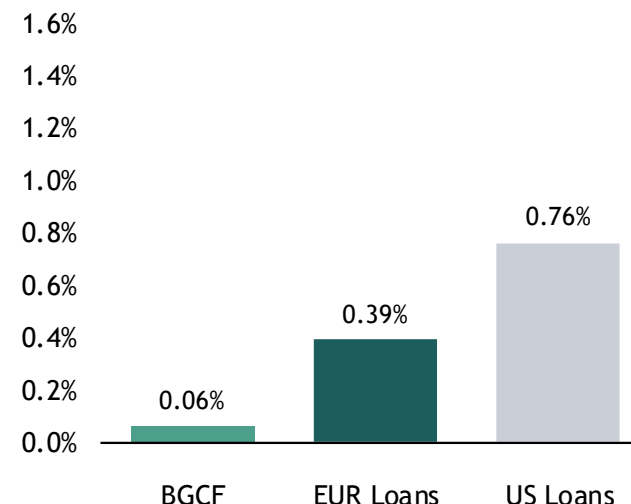
Data as of 30 June 2020. Note that a CLO's definition of a defaulted asset may differ from that of BGCF. For example, as asset rated "SD" (Selective Default) is considered a defaulted asset within certain CLOs but is not considered a defaulted asset by BGCF and the Manager.

(1) Source: Intex. Cash-on-cash distributions presented based on cost. WA Cost of Debt (weighted average cost of liabilities) represents the weighted average all-in rate (coupon) 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.

## 2Q '20 Default Loss Rate



## Since Inception Default Loss Rate



## Annual Default and Recovery Rates

		2014	2015	2016	2017	2018	2019	Jun '20	Since Inception
BGCF NAV (in €mm)		€ 299	€ 312	€ 389	€ 565	€ 778	€ 1,008	€ 1,106	
Default Rate	BGCF	0.00%	0.00%	0.33%	0.42%	0.05%	0.02%	0.11%	0.12%
	EUR Loans	1.71%	0.60%	0.50%	2.60%	0.10%	0.00%	0.30%	0.83%
	US Loans	1.51%	1.60%	1.25%	2.10%	1.60%	1.20%	1.95%	1.60%
Recovery Rate	BGCF	0.00%	0.00%	27.71%	96.72%	89.11%	41.73%	56.48%	53.69%
	EUR Loans	52.70%	74.25%	55.13%	75.70%	56.30%	0.00%	58.80%	53.27%
	US Loans	56.41%	58.14%	52.01%	53.20%	48.90%	55.40%	44.40%	52.64%
Default Loss Rate	BGCF	0.00%	0.00%	0.24%	0.01%	0.01%	0.01%	0.05%	0.06%
	EUR Loans	0.81%	0.15%	0.22%	0.63%	0.04%	0.00%	0.12%	0.39%
	US Loans	0.66%	0.67%	0.60%	0.98%	0.82%	0.54%	1.08%	0.76%

As of 30 June 2020. Sources: GSO for BGCF calculated on a look through basis and Credit Suisse for US / European loans (2Q '20 and 2020 YTD calculated using a pro-rated trailing twelve month default loss rate (LTM default loss rate divided by four (quarterly) or two (YTD)). BGCF defaults defined as (a) missed a payment, (b) filed bankruptcy, or (c) were downgraded by Moody's, Fitch, or S&P to D. Please see the BGCF Loan Default Track Record in the "Important Disclosure Information" section of this Presentation for further information on the default track record. 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 important information about performance results and the potential impacts of COVID-19.

Global credit markets rebounded from March lows, buoyed by the effects of continued stimulus from central banks and governments despite a bout of volatility toward the end of the month as investors reacted to a spike in COVID-19 cases in the US. Loan new issuance in Europe surged, while remaining limited in the US

- The new issue pipeline for loans globally continues to look light, which may further support loan secondary prices
- CLO issuance restarted globally after the 3-week hiatus due to COVID-19, though year-to-date issuance lags 2019 in both markets. CLO warehouses formed pre-COVID-19 have proven largely resilient but, in order to exit the initial funding stage of CLO formation, some CLO managers have issued new US and European CLOs with shorter reinvestment periods
- Spreads on new issue CLOs tightened over the quarter along with the overall market reduction of risk premia which we would expect to continue at least for some tranches.

Rating agencies slowed their pace of loan downgrades later in the quarter; however, incremental downgrades and defaults, particularly in US loans, have put further pressure on CLO Overcollateralisation and Interest Diversion Tests

- While partially offset by the rally in CCC rated US and European loan prices, negative rating watch actions turned into downgrades for 139 US and European CLO tranches in 2Q '20 as the rating agencies finalised these reviews
- Within BGCF's CLO portfolio, ratings on 16 CLOs, primarily BBB-B tranches, have been placed on negative watch<sup>(1)</sup>
- None of BGCF's CLOs have experienced a breach in either their Overcollateralisation or Interest Diversion tests

As companies report 2Q earnings in July and August, we will closely monitor the depth of damage done and outlook, which will drive potential idiosyncratic volatility

- In the US, we expect defaults to continue to increase, and JP Morgan forecasts 2020 loan and high yield bond default rates of 5% and 8%, respectively, with a decline to 3.5% and 5%, respectively, for 2021, predicated on economic recovery during the second half of 2020
- Unlike in the US, few European companies have filed for bankruptcy this year, braced by significant fiscal support in the form of revolver facilities and government-guaranteed loan schemes. Fitch is currently forecasting a 2020 full year default rate of 4% and 4.5% for European loans and high yield, respectively

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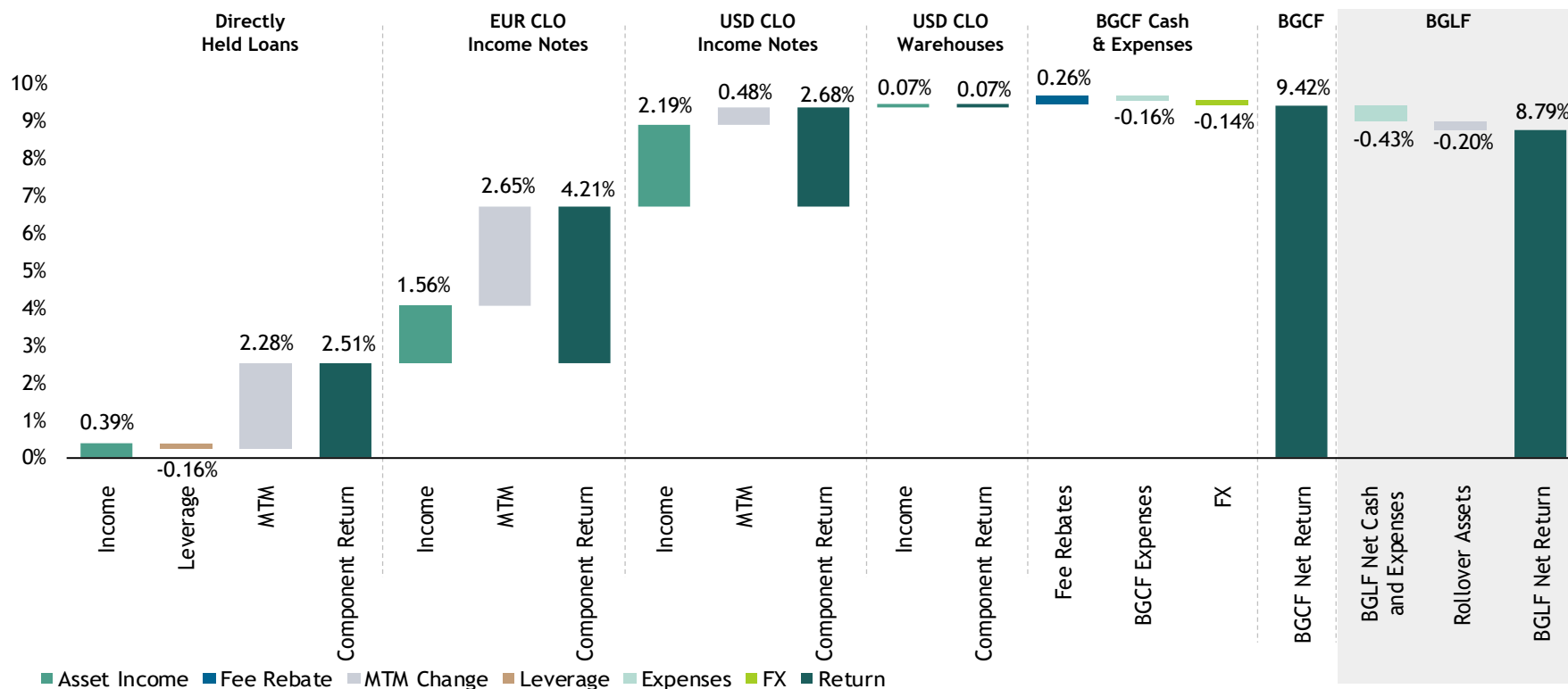
Source: GSO.

(1) As of 30 June 2020. After month end, one of BGCF's CLOs, Holland Park, experienced a downgrade on its Class D Notes (from BB to BB-).

# V. Performance

# BGLF's total net (NAV) return for 2Q '20 was 8.79%

## Contributors to Total Return

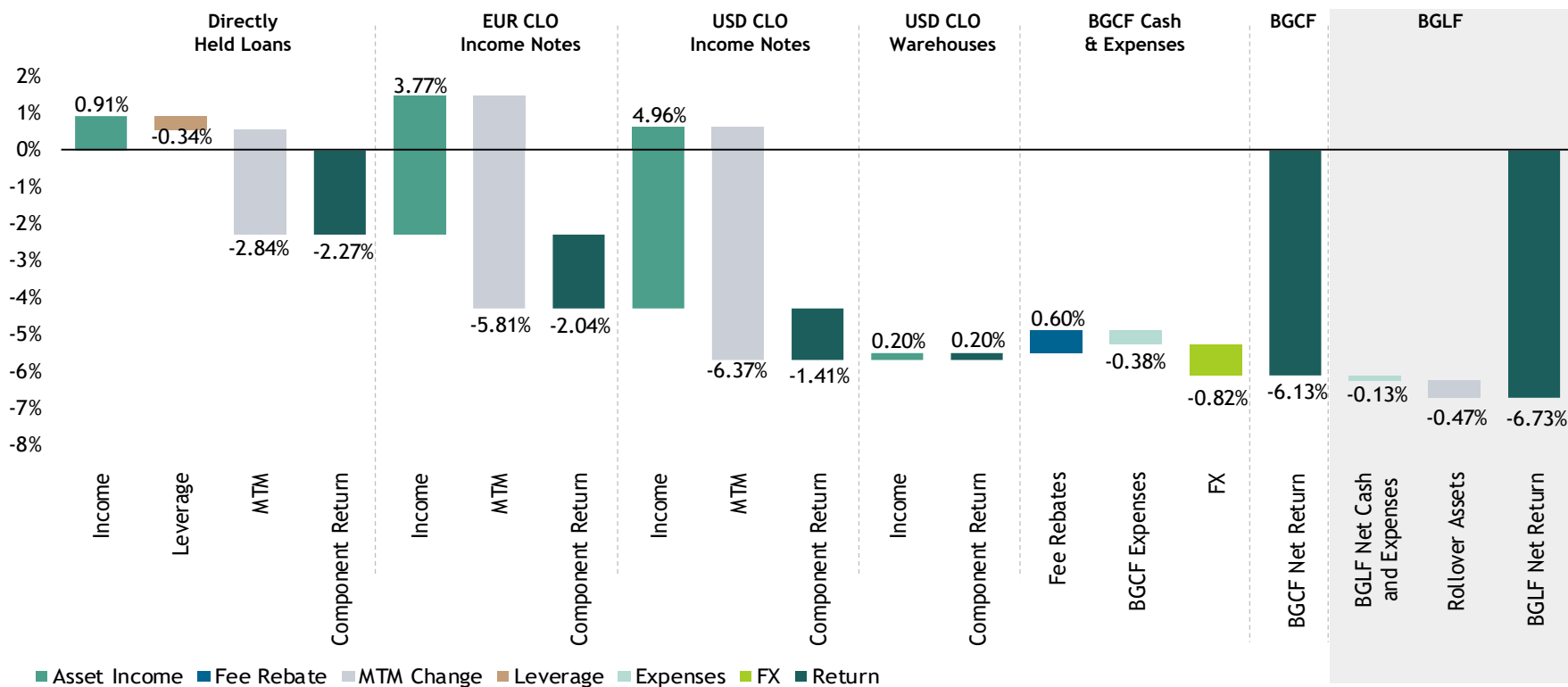


Source: GSO. Represents BGCf and BGLF cumulative asset and net returns from 31 March 2020 to 30 June 2020. MTM refers to mark to model for EUR and US CLOs and mark to market for Directly Held Loans. CLO Income Notes are valued by Refinitiv using their CLO Intrinsic Calculation Methodology, loan asset 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. 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 important information about performance results and the potential impacts of COVID-19.

# BGLF's YTD total net (NAV) return was -6.73%

## Contributors to Total Return



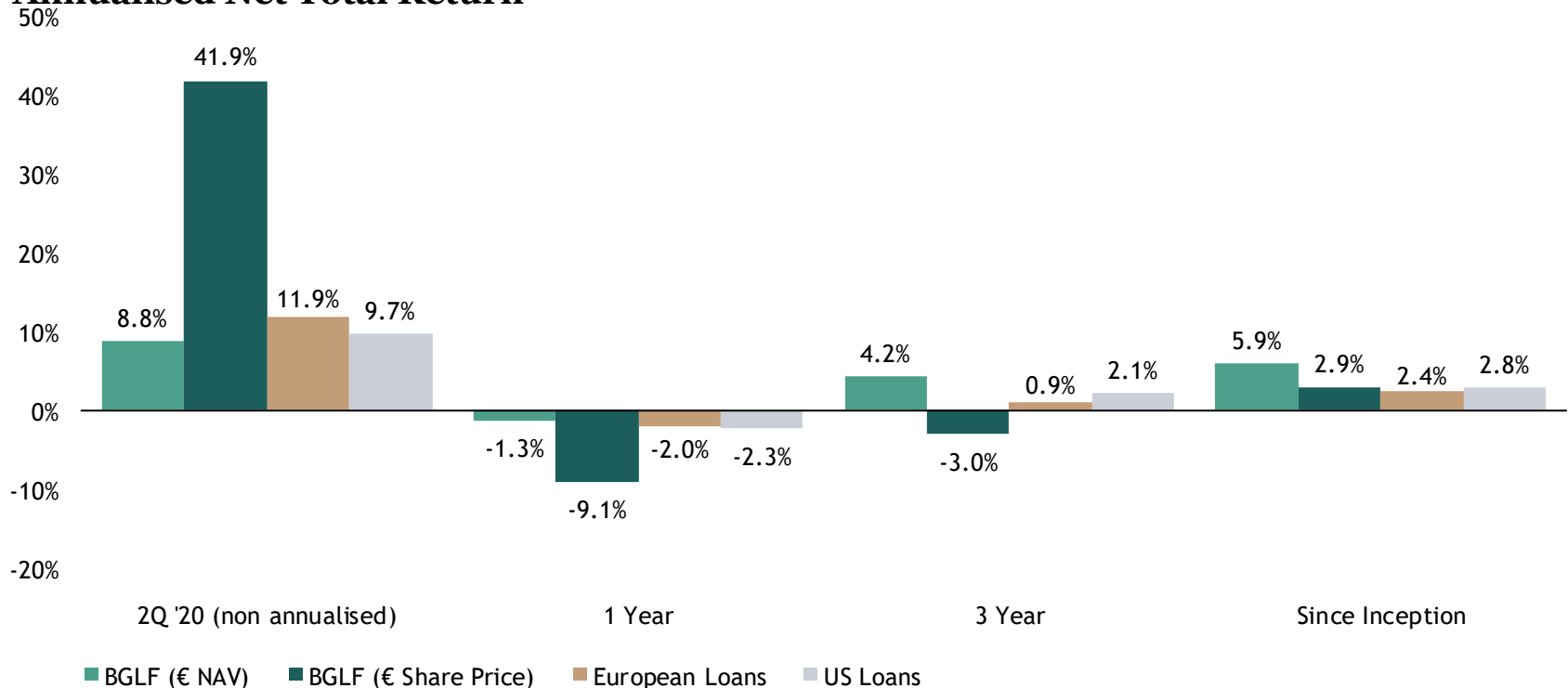
Source: GSO. Represents BGCF and BGLF cumulative asset and net returns from 1 January 2020 to 30 June 2020. MTM refers to mark to model for EUR and US CLOs and mark to market for Directly Held Loans. CLO Income Notes are valued by Refinitiv using their CLO Intrinsic Calculation Methodology, loan asset 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.

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# 40.4% NAV and 18.7% share price cumulative total return since inception

Versus 15.1% and 18.1% for European loans and US loans, respectively

## Annualised Net Total Return



Source: Credit Suisse: Western European Leveraged Loan Index, Hedged to EUR (European Loans), and US Leveraged Loan Index (US Loans), as of 30 June 2020. 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 important information about performance results and the potential impacts of COVID-19.

# BGLF MONTHLY € NAV TOTAL RETURN PERFORMANCE

HIGHLY CONFIDENTIAL & TRADE SECRET

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2020</b>													
BGLF € NAV	0.61%	-1.10%	-13.84%	3.91%	-0.77%	5.51%							-6.73%
European Loans	0.51%	-1.03%	-13.57%	6.66%	3.28%	1.57%							-3.80%
US Loans	0.53%	-1.35%	-12.46%	4.29%	3.80%	1.35%							-4.76%
<b>2019</b>													
BGLF € NAV	1.25%	1.90%	1.21%	1.26%	0.67%	1.59%	1.13%	-0.19%	1.41%	0.78%	0.77%	1.83%	14.46%
European Loans	1.15%	0.93%	-0.07%	0.98%	-0.04%	0.13%	0.44%	0.05%	0.56%	-0.35%	0.41%	0.75%	5.03%
US Loans	2.30%	1.57%	-0.12%	1.59%	-0.23%	0.22%	0.05%	-0.28%	0.42%	-0.49%	0.55%	1.61%	8.17%
<b>2018</b>													
BGLF € NAV	0.52%	-0.21%	-1.23%	0.40%	0.08%	1.50%	1.89%	1.46%	1.81%	0.53%	-0.06%	-0.14%	6.70%
European Loans	0.66%	0.13%	0.10%	0.47%	0.03%	-0.49%	0.51%	0.36%	0.57%	0.20%	-0.72%	-1.26%	0.55%
US Loans	1.08%	0.18%	0.32%	0.49%	0.19%	0.10%	0.83%	0.41%	0.68%	0.01%	-0.82%	-2.29%	1.14%
<b>2017</b>													
BGLF € NAV	0.14%	0.76%	-0.53%	0.01%	0.95%	0.63%	0.44%	-1.01%	-0.02%	0.65%	-0.46%	-0.18%	1.38%
European Loans	1.00%	0.46%	-0.29%	0.29%	0.52%	0.03%	0.48%	-0.02%	0.34%	0.33%	0.07%	0.00%	3.30%
US Loans	0.53%	0.59%	0.08%	0.44%	0.38%	-0.06%	0.78%	-0.14%	0.41%	0.66%	0.12%	0.39%	4.25%
<b>2016</b>													
BGLF € NAV	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%
US Loans	-0.73%	-0.56%	2.64%	1.90%	0.91%	0.03%	1.41%	0.79%	0.87%	0.77%	0.32%	1.15%	9.88%
<b>2015</b>													
BGLF € NAV	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%
US Loans	0.26%	1.41%	0.39%	0.90%	0.20%	-0.31%	0.09%	-0.65%	-0.67%	-0.14%	-0.89%	-0.95%	-0.38%
<b>2014</b>													
BGLF € NAV								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%
US Loans								0.23%	-0.52%	0.29%	0.46%	-1.10%	-0.65%

Source: Credit Suisse: Western European Leveraged Loan Index, Hedged to EUR (European Loans), and US Leveraged Loan Index (US Loans), as of 30 June 2020. 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 important information about performance results and the potential impacts of COVID-19.

# CLO securitisations continue to generate positive cashflow

## WA Annualised Cash on Cash Distribution Rates

CLO Vintage	European CLO Income Notes				US CLO Income Notes				Global	
	Par (€M)	# of CLOs	2Q '20 Annualised Distribution	Average Annualised Distribution	Par (\$M)	# of CLOs	2Q '20 Annualised Distribution	Average Annualised Distribution	2Q '20 Annualised Distribution	1Q '20 Annualised Distribution
2014	€89.8	3	8.5%	15.7%	\$ 0.0	-	-	-	8.5%	11.0%
2015	69.7	3	11.6%	15.6%	48.5	1	17.0%	16.9%	13.6%	16.5%
2016	84.0	3	10.7%	11.8%	0.0	-	-	-	10.7%	14.1%
2017	80.4	3	13.7%	15.6%	261.0	6	15.4%	17.1%	15.0%	15.9%
2018	119.9	4	15.8%	17.9%	351.1	6	16.4%	17.8%	16.2%	17.1%
2019	121.0	4	10.5%	14.8%	130.4	4	16.1%	18.1%	12.9%	16.5%
2020	44.2	2	n/a	n/a	59.4	1	n/a	n/a	n/a	n/a
<b>Total / Wtd Avg</b>	<b>€608.9</b>	<b>22</b>	<b>12.1%</b>	<b>15.4%</b>	<b>\$850.4</b>	<b>19</b>	<b>16.1%</b>	<b>17.5%</b>	<b>14.3%</b>	<b>16.0%</b>

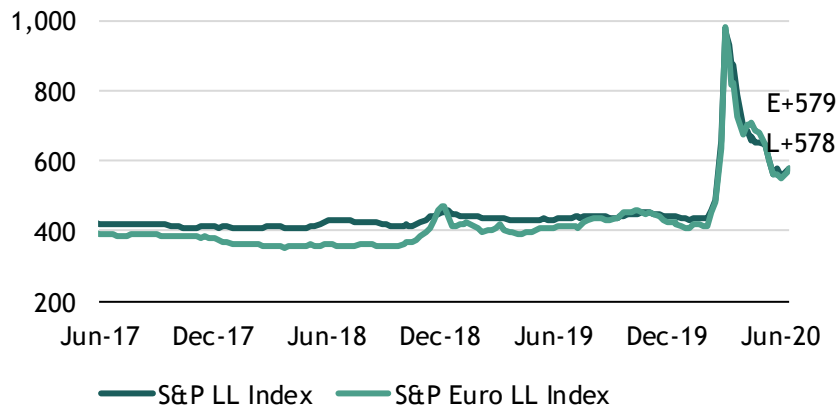
Annualised quarterly cash distribution based on cost for those CLOs that have paid a distribution. Calculated using Intex data as of 10 July 2020.

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 important information about performance results and the potential impacts of COVID-19.

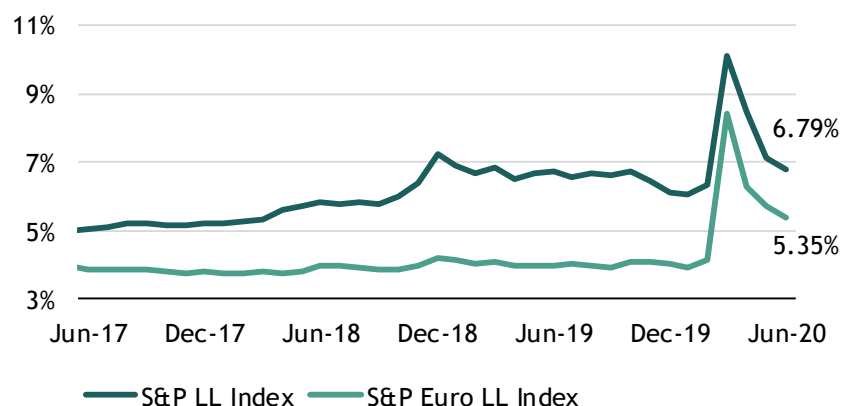
# **VI. Market Overview**

## Spread to Maturity

(L+ / E+)

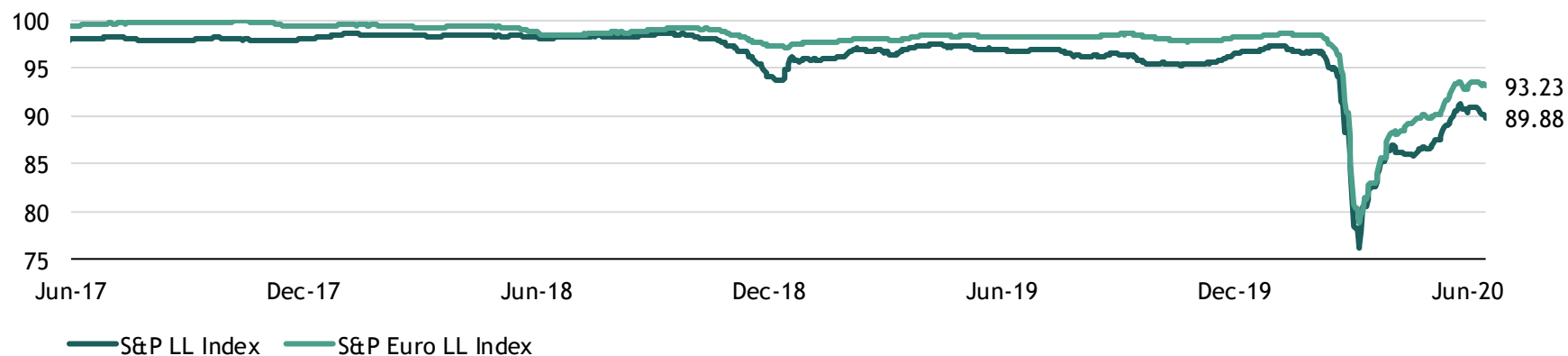


## Yield to Maturity



## Average Bid Price

(\$ / €)

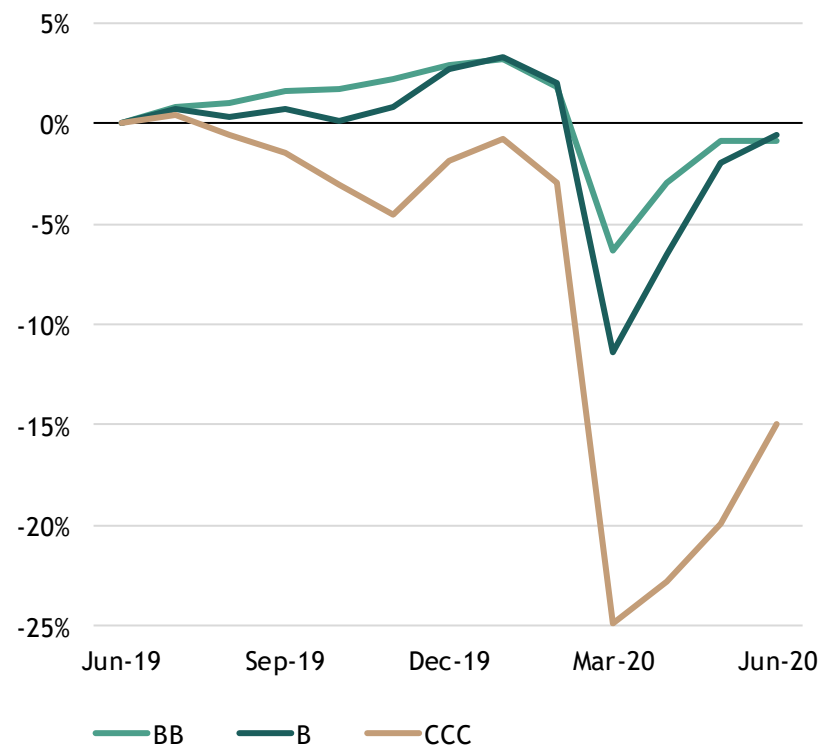


Source: LCD, as of 30 June 2020.

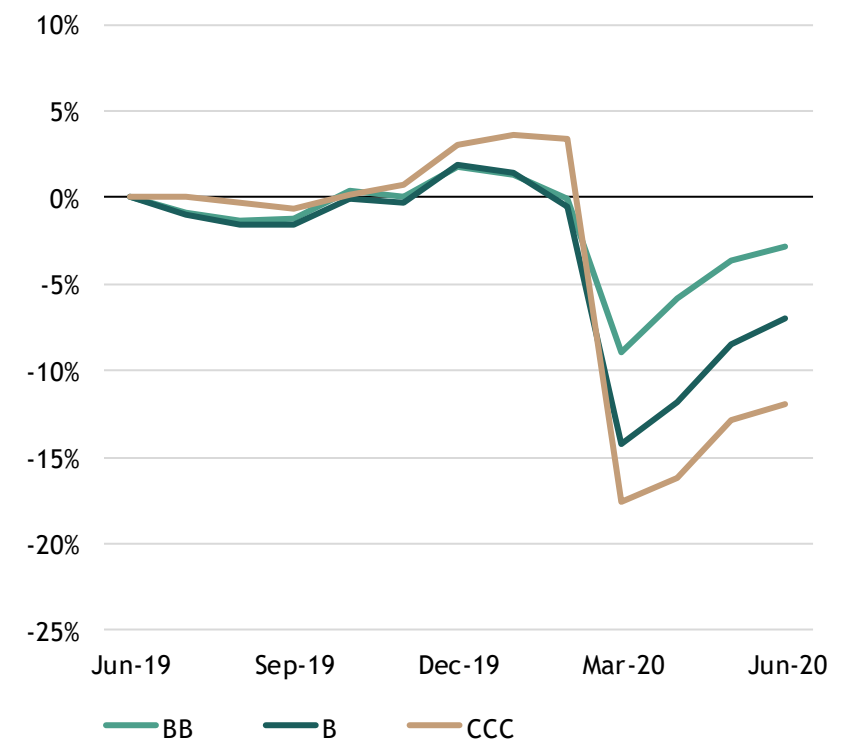
# Higher quality loans outperformed lower quality loans in the recent recovery<sup>(1)</sup>

Loan performance experienced a dispersion by rating that continued to favour higher-quality loans in 2Q

## US Loan Returns by Quality



## European Loan Returns by Quality

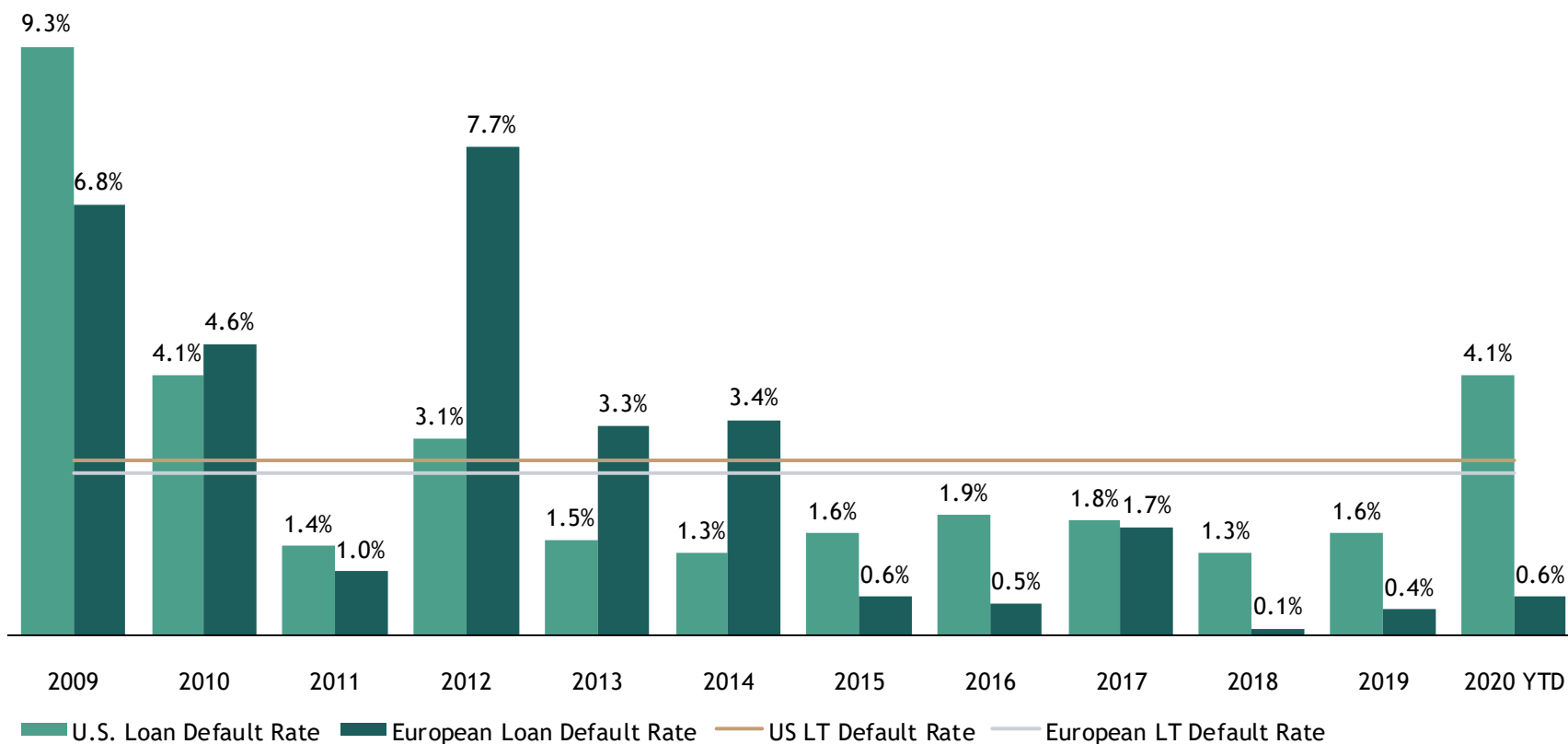


Source: Credit Suisse Leveraged Loan Index and Western European Leveraged Loan Index (hedged to EUR), as of 30 June 2020. US Loan BB returns represented by the Upper Tier (Split BBB and BB), B returns represented by the Middle Tier (Split BB, B and Split B), and CCC returns represented by the Lower Tier (CCC/Split CCC and Default). European Loan CCC returns include Split CCC.

(1) Higher quality loans considered those with higher ratings, and lower quality loans considered those with lower ratings.

# Social distancing measures and the oil-price war have led to elevated defaults in US loans, particularly in the energy and retail sectors

## Trailing 12-month Issuer Default Rate



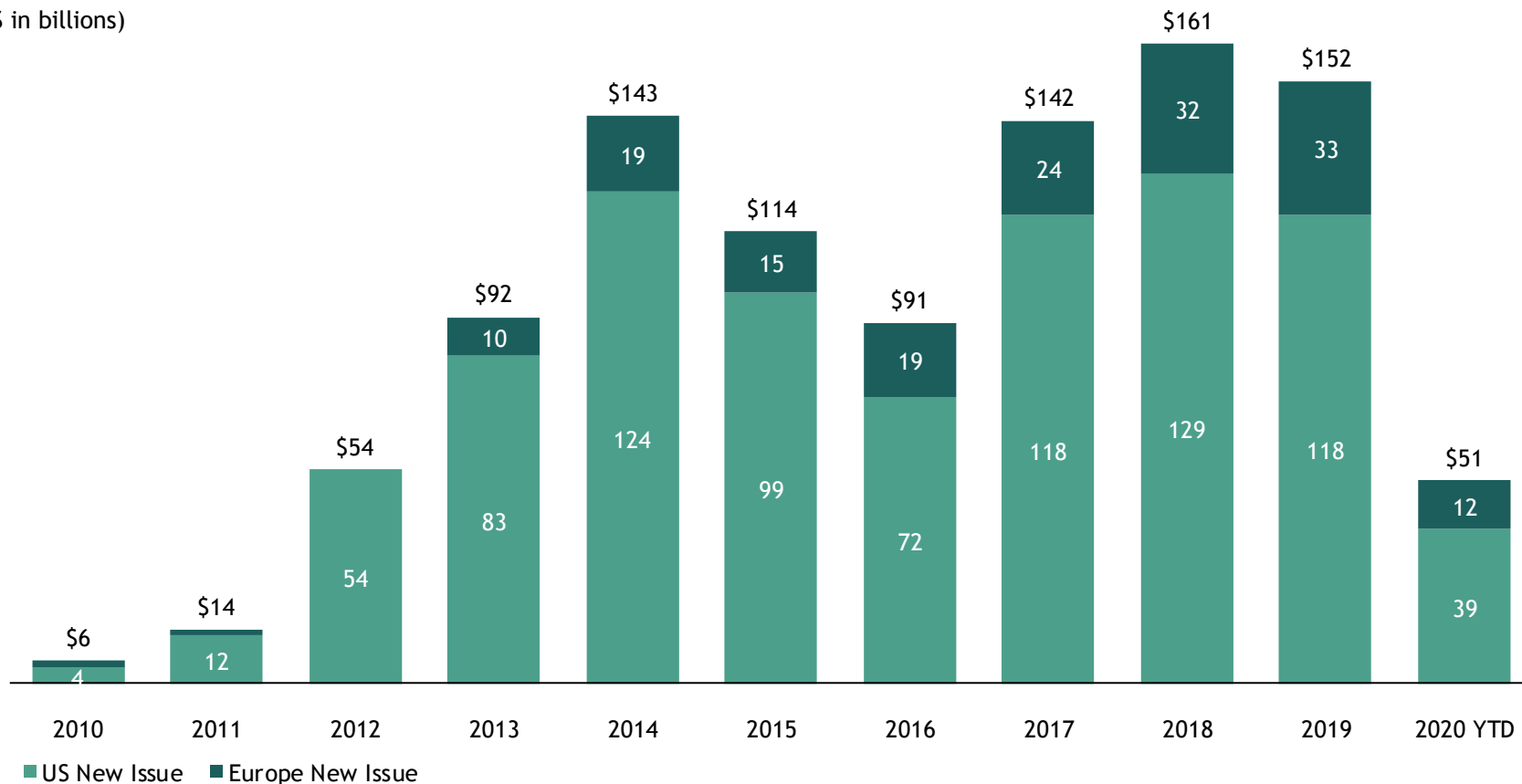
Source: Credit Suisse Default Statistics, as of 30 June 2020. US and European long-term default rates represent weighted average annual par default rates from 1998 to YTD 2020 and 2001 to YTD 2020, respectively.

# Global CLO issuance lagged the prior quarter by 6%

Quarterly issuance totaled \$22.5 billion in 2Q '20 versus \$23.8 billion in 1Q '20

## CLO New Issuance

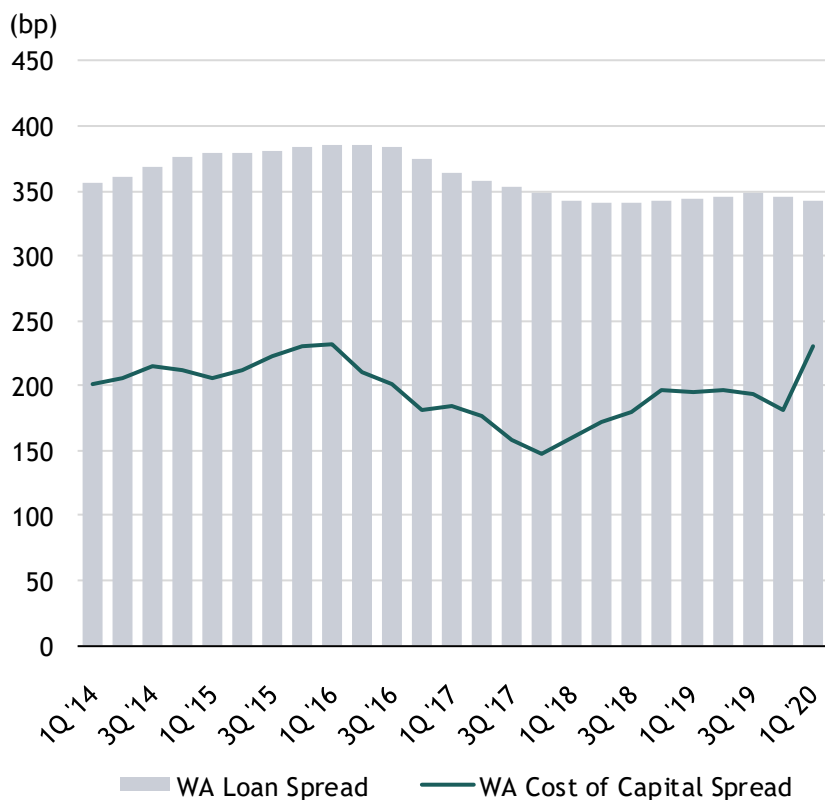
(\$ in billions)



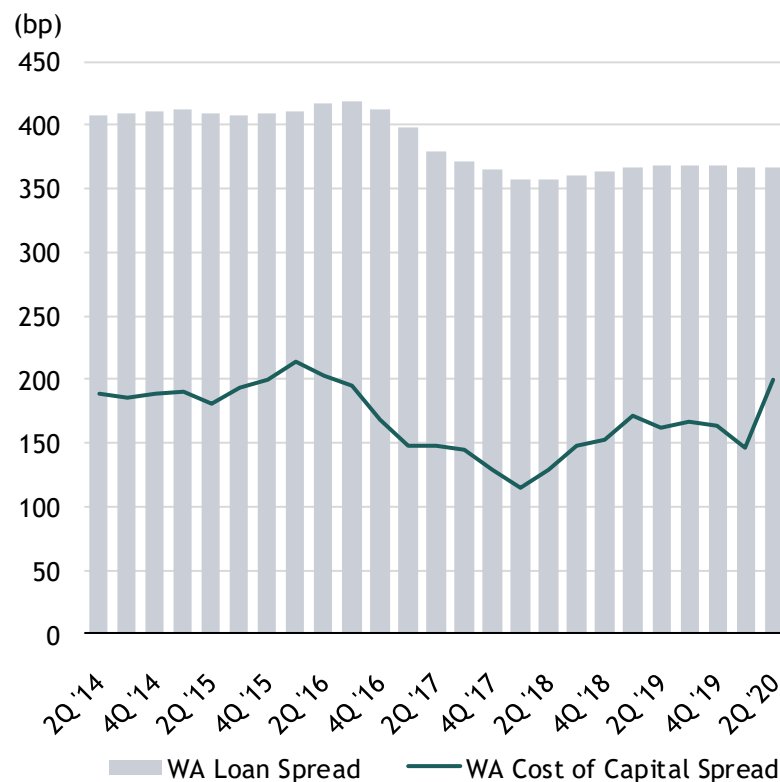
Source: S&P/LCD, as of 20 July 2020. New issuance stats do not include refinancings.

# The average quarterly arb for 2Q is well below historical levels as new issue CLO tranche spreads have widened

## US WA Spread and Cost of Capital



## European WA Spread and Cost of Capital

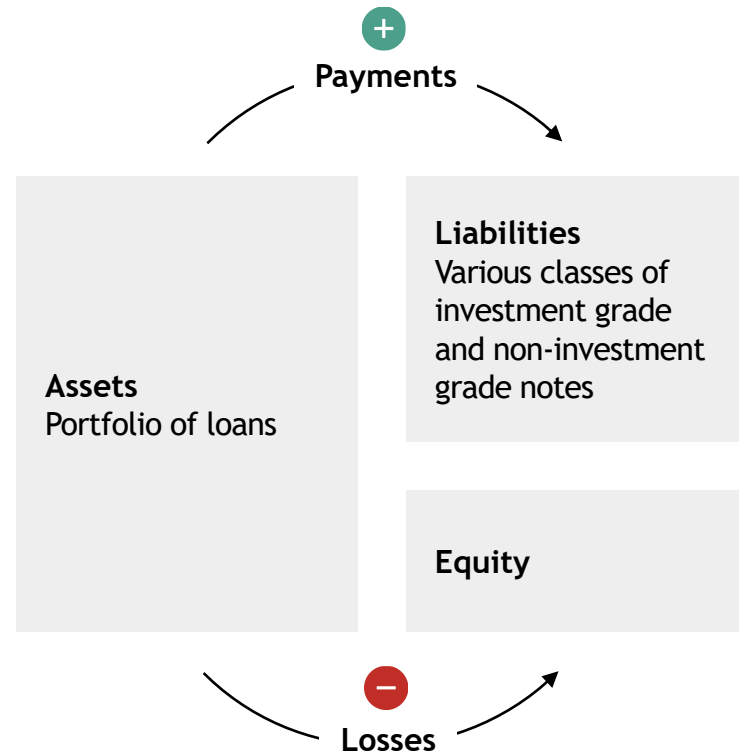


Source: Wells Fargo, as of 30 June 2020. Figures above calculated as the averages for loan spreads and CLO liability spreads issued during each respective quarter.

# **VII. Additional Information**

# 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



Source: Citi, A Case for Investing in the Aaa/AAA CLO Market, February 2012.

## CLO Coverage Tests

### Overcollateralisation Test (“OC Test”)

- A ratio of asset par (with Haircuts) divided by liability balances
- An OC Test breach diverts equity distributions and subordinated management fees<sup>(1)</sup> to repay senior notes

### Interest Diversion Test (“ID Test”)

- Set just above the lowest OC Test, the ID Test will be impacted first
- An ID Test breach diverts equity distributions to principal, which is used to purchase more assets

#### Calculation:

$$\frac{\text{Asset par value (with Haircuts)}}{\text{Par value of CLO debt}^{(2)}}$$

## Notable Haircuts to OC and ID Tests

- CCC exposure > 7.5% (market value; example below)
- Defaulted/deferring assets (lower of market value and expected recovery value)
- Discounted assets purchased < 80 (purchase price)

### 10% CCC Example



(1) Management fees are split between senior fees and subordinated fees, which are approximately 30% and 70% of the total, respectively. If fees are diverted due to a breach, they will continue to accrue and will be paid when cured, as cash is available.

(2) Denominator includes subject tranche and all tranches senior to it. Interest Diversion test denominator includes all debt tranches.

(3) Subordinated management fees may also be reduced depending on the amount of cash available following diversion.

# **VIII. 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 BGLF and/or BGCF EUR (together, 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.

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. Certain countries have been susceptible to epidemics, most recently COVID-19, which may be designated as pandemics by world health authorities. The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which the Fund invests), and thereby is expected to adversely affect the performance of the Fund’s Investments. Furthermore, the rapid development of epidemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Fund and the performance of its Investments.

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 materialise 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.

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.

Any comparisons herein of the investment performance of a referenced fund(s) 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 referenced fund(s); (ii) such benchmark or index may employ different investment guidelines and criteria than the referenced fund(s) and, therefore, holdings in such fund(s) may differ significantly from holdings of the securities that comprise such benchmark or index; and (iii) the performance of such benchmark or index may not necessarily have been selected to represent an appropriate benchmark or index to compare to the performance of the referenced fund(s), but rather, is disclosed to allow for comparison of the referenced fund's (or funds') performance (or the performance of the assets held by such fund(s)) 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. No representation is made as to the risk profile of any benchmark or index relative to the risk profile of any Fund.

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.

Prospective investors should note that certain senior members of the Manager's team have been working together since 1998 while at other institutions, starting at the IndoSuez Capital Division of Crédit Agricole. These team members moved to Royal Bank of Canada in 2001, joined GSO in 2005, and joined Blackstone in 2008 in connection with Blackstone's acquisition of GSO. Certain historical information contained in this material includes references to vehicles and managed accounts managed by members of the Manager's team while at other institutions indicated above. In March 2008, together with the acquisition of GSO and certain of its affiliates by Blackstone, the legacy collateralised loan obligation business of GSO Debt Funds Management LLC (now known as GSO / Blackstone Debt Funds Management LLC) was combined with the legacy collateralised loan obligation business of Blackstone Debt Advisors L.P. Past performance is not an indication of future investment returns, and there can be no assurance that such returns will be achieved.

In January 2012, GSO closed on the acquisition of Harbourmaster Capital Management ("Harbourmaster"), combining the legacy GSO / Blackstone European CLO platform with the legacy Harbourmaster CLO platform. Through this acquisition, the majority of the Harbourmaster team, including certain senior members, joined GSO / Blackstone. Our track record for European CLO management begins with the inception of the legacy Harbourmaster track record on 31 October 2001. Following January 2012, total combined returns are represented by the combined entity of GSO / Blackstone and Harbourmaster.

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.

GSO, Blackstone, Harbourmaster (now known as Blackstone / GSO Debt Funds Europe Limited), Blackstone / GSO Debt Funds Management Europe Limited ("DFME"), the funds they manage, or specific investments made by the funds were selected as the winner of the awards referenced herein by Creditflux based upon a formula developed by Creditflux and/or other performance-based and non-performance-based, subjective criteria. In addition, their selection to receive the awards and/or their rankings may have been based on a limited universe of participants, and therefore there can be no assurance that a different sampling of participants might not achieve different results. There may be other categories for which GSO, Blackstone, Harbourmaster Capital, DFME, the funds they manage, or specific investments made by the funds were nominated or considered but did not receive an award or rank. The awards/rankings may not be representative of a particular investor's experience or the future performance of the awardees. There is no guarantee that similar awards or rankings will be obtained by the awardees or any other funds managed by GSO, Blackstone, or DFME in the future. The information provided above is solely for informational purposes and should not be construed, or relied upon, as any indication of future performance of GSO, Blackstone, Harbourmaster Capital, DFME, or any of its funds or investments.

## BGCF Loan Default Track Record

BGCF's track record includes the US middle market loans, European floating rate notes, and broadly syndicated loans held on a look-through basis by BGCF, including through European and US CLOs, CLO Warehouses, and directly on its balance sheet. The Manager defines defaults as (a) missed a payment, (b) filed bankruptcy, or (c) were downgraded by Moody's, S&P, or Fitch (in the case of European issuers) to D. The Manager may sell a loan, including immediately prior to default, and such loan will not be treated as a default.

BGCF's average annual principal loss rate for the period from Jul 2014-Dec 2019 is calculated by multiplying the respective average annual default rate for that period by (1 minus the respective average recovery rate for that period).

BGCF's average annual default rate is a weighted average of the yearly BGCF default rates, weighted by the average of BGCF's NAV at the start and end of each respective year. In other words, the average annual default rate is calculated by multiplying each year's default rate by the average annual BGCF NAV in the same year and dividing that total by the sum of BGCF's annual NAVs across all years. For any particular year, the default rate is calculated by first calculating the default rates by portfolio allocation, which are calculated as the defaulted notional amount for the year within each portfolio allocation (Directly Held Assets, European CLOs, US CLOs, USD CLO Warehouses), divided by the each of the following: Directly Held Assets: par balance of BGCF's on-balance sheet assets; European CLO and US CLO: total Target Par for each respective CLO, weighted for each CLO's respective BGCF investment; USD CLO Warehouses: par balance of warehouse assets. BGCF's average annual default rate is then calculated by weighting each portfolio allocation's average annual default rate by BGCF's portfolio allocation percentages based on NAV.

BGCF's average recovery rate is a weighted average of the yearly BGCF recovery rates, weighted by BGCF's defaulted notional amount for each year. In other words, the average recovery rate is calculated by multiplying each year's recovery rate by the defaulted notional amount in the same year and dividing that total by the sum of defaulted notional amounts across all years. For any particular year, the recovery rate is calculated by first calculating the recovery rates by portfolio allocation, which are calculated as the recovery amount for the year within each portfolio allocation (Directly Held Assets, European CLOs, US CLOs, USD CLO Warehouses), divided by the defaulted notional of each respective portfolio allocation. In other words, the year's recovery rate is calculated by multiplying each defaulted asset's recovery rate by the defaulted notional amount of that defaulted asset and dividing that total by the sum of defaulted notional amounts of all assets defaulted in that year. For a given defaulted position, the recovery rate is calculated as the amount received on the position by BGCF through its investments via (a) sale, (b) paydown, and/or (c) restructuring of the defaulted asset, divided by the amount originally paid by BGCF through its investments for the asset (across all portfolios in which the asset was held).

Credit Suisse's loan principal loss rate is calculated by multiplying the average annual default rate by (1 minus the average annual recovery rate).

Credit Suisse's loan default rate for a given year is calculated as the notional amount of US or European loan defaults for the year divided by the average US or European loan market size during that year, as applicable.

Credit Suisse's loan recovery rate is the average price on the day of default for all defaulted loans during the year.

## 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.

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## JAPAN

THE SHARES OF THE COMPANY MAY NOT BE OFFERED FOR A PUBLIC OFFERING IN JAPAN UNLESS A SECURITIES REGISTRATION STATEMENT PURSUANT TO ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (INCLUDING ANY AMENDMENTS OR SUCCESSOR LAWS, THE "FIEA") HAS BEEN FILED WITH THE DIRECTOR OF THE KANTO LOCAL FINANCE BUREAU OF THE MINISTRY OF FINANCE OF JAPAN. NO SECURITIES REGISTRATION STATEMENT FOR A PUBLIC OFFERING HAS BEEN FILED OR WILL BE FILED WITH RESPECT TO THE SOLICITATION FOR THE PURCHASE OF THE SHARES OF THE COMPANY IN JAPAN AS THE OFFERING OF THE SHARES WILL BE A PRIVATE PLACEMENT LIMITED TO QUALIFIED INSTITUTIONAL INVESTORS ONLY (WHICH SHARES MAY ONLY BE TRANSFERRED TO OTHER QUALIFIED INSTITUTIONAL INVESTORS) AS SET FORTH IN ARTICLE 2, PARAGRAPH 3, ITEM 2(A) OF THE FIEA. "QUALIFIED INSTITUTIONAL INVESTORS" (TEKIKAKU KIKAN TOSHUKA) ARE SUCH PERSONS DEFINED UNDER ARTICLE 2, PARAGRAPH 3, ITEM 1 OF THE FIEA AND ARTICLE 10 OF THE CABINET OFFICE ORDINANCE REGARDING DEFINITIONS UNDER ARTICLE 2 OF THE FIEA. EACH SHAREHOLDER WHO WAS SOLICITED TO SUBSCRIBE FOR SHARES OF THE FUND IN JAPAN ("JAPAN SHAREHOLDER") WILL BE REQUIRED TO REPRESENT AND CONFIRM IN THE SUBSCRIPTION DOCUMENTS THAT IT WAS A QUALIFIED INSTITUTIONAL INVESTOR AT THE TIME THAT IT SUBSCRIBED FOR OR ACQUIRED SHARES IN THE COMPANY AND SUCH JAPAN SHAREHOLDER SHALL AGREE TO MAINTAIN ITS STATUS AS A QUALIFIED INSTITUTIONAL INVESTOR DURING THE TIME JAPAN SHAREHOLDER HOLDS SHARES OF THE COMPANY. IN ADDITION TO ANY OTHER APPLICABLE TRANSFER RESTRICTIONS AS SET FORTH IN THE ARTICLES OF INCORPORATION OF THE COMPANY AND IN THIS MEMORANDUM, EACH JAPAN SHAREHOLDER WILL BE REQUIRED TO AGREE IN THE SUBSCRIPTION DOCUMENTS NOT TO DIRECTLY OR INDIRECTLY, SELL, EXCHANGE, ASSIGN, MORTGAGE, HYPOTHECATE, PLEDGE OR OTHERWISE TRANSFER ITS SHARES (OR ANY INTEREST THEREIN) IN WHOLE OR IN PART TO ANY PARTY OTHER THAN TO ANOTHER QUALIFIED INSTITUTIONAL INVESTOR. TRANSFERREES OF THE JAPAN SHAREHOLDER WILL BE REQUIRED TO AGREE TO COMPLY WITH THE FOREGOING TRANSFER RESTRICTION AND AT THE TIME OF THE TRANSFER OF SUCH SHARES, THE TRANSFEROR MUST PROVIDE WRITTEN NOTIFICATION TO THE TRANSFEREE THAT (A) NO SECURITIES REGISTRATION STATEMENT HAS BEEN FILED OR WILL BE FILED UNDER ARTICLE 4, PARAGRAPH 1 OF THE FIEA AND (B) THE SOLICITATION FOR THE ACQUISITION OF SHARES MUST BE MADE SUBJECT TO THE REQUIREMENT OF ENTERING INTO A TRANSFER AGREEMENT WHICH PROHIBITS THE TRANSFER OF SHARES TO PERSONS OTHER THAN QUALIFIED INSTITUTIONAL INVESTORS. THE COMPANY HAS FILED A NOTIFICATION WITH THE COMMISSIONER OF THE FINANCIAL SERVICES AGENCY OF JAPAN (THE "FSA") PURSUANT TO THE ACT ON INVESTMENT TRUSTS AND INVESTMENT CORPORATIONS OF JAPAN IN CONNECTION WITH THE PRIVATE PLACEMENT OF THE SHARES IN JAPAN. A REPORT WITH RESPECT TO THE PLACEMENT AND REDEMPTION OF THE SHARES MAY BE FILED BY THE COMPANY WITH THE MINISTRY OF FINANCE OF JAPAN AS REQUIRED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT OF JAPAN. NOTWITHSTANDING ANY LANGUAGE IN THIS MEMORANDUM TO THE CONTRARY, THE SHARES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY REGULATORY AUTHORITY OF JAPAN.

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Furthermore, this memorandum has not been, nor will it be, registered with or approved by the SFSA under the Swedish Financial Instruments Trading Act (1991:980) (the "Trading Act"). Accordingly, this memorandum may not be made available, nor may the interests in the fund offered hereunder be marketed and offered for sale in Sweden, other than under circumstances which are deemed not to require a prospectus (Sw. prospekt) under the Trading Act.

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