Blackstone

Half Yearly Financial Report

for the six months ended 30 June 2021

Blackstone Loan Financing Limited

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A Note from our Chair

During the first half of 2021, the Company's performance continued to be positively impacted by reduced actual and expected investment downgrade and default expectations. The Company's return was also supported, through its investment in BCF, by the ability to take advantage of the technical strength in the CLO liability market to refinance and reset existing CLO investments.

As a result, the Company delivered a published NAV total return per Ordinary Share of 10.59% for the six month period ended 30 June 2021 and ended the period with a published NAV per share of €0.8875.

The Board's outlook for the remainder of 2021 is optimistic but remains uncertain as the race between COVID-19 inoculations and the spread of the Delta variant of the virus is at a key juncture. With this uncertain trajectory of the markets and global economy in the second half of 2021, the Board gains comfort from the disciplined investment approach of the Company's Portfolio Adviser that selects an underlying portfolio of high-quality companies supported by robust underlying protections.

Charlotte Valeur
Chair
21 September 2021

Key Performance Indicators

	IFRS NAV	Published NAV
NAV[1]	€0.8945 (31 Dec 2020: €0.8557)	€0.8875 (31 Dec 2020: €0.8435)
NAV total return[1]	9.89% (31 Dec 2020: 8.85%)	10.59% (31 Dec 2020: (0.22)%)
Discount[1]	(11.68)% (31 Dec 2020: (21.70)%)	(10.99)% (31 Dec 2020: (20.57)%)
Dividend	€0.035 (30 Jun 2020: €0.030)	€0.035 (30 Jun 2020: €0.030)

Further information on the reconciliation between the IFRS NAVs and the Published NAVs can be found on page 5.

Performance

Ticker	IFRS NAV per Share	Published NAV per Share	Share Price[2]	Discount IFRS NAV	Discount Published NAV	Dividend Yield
BGLF						
30 Jun 2021	€0.8945	€0.8875	€0.7900	(11.68)%	(10.99)%	9.49%
31 Dec 2020	€0.8557	€0.8435	€0.6700	(21.70)%	(20.57)%	10.45%[3]
BGLP						
30 Jun 2021	£0.7667	£0.7608	£0.6900	(10.00)%	(9.31)%	9.32%
31 Dec 2020	£0.7647	£0.7538	£0.6000	(21.54)%	(20.40)%	10.47%[3]

	LTM Return[1]	3-Year Annualised	Annualised Since Inception	Cumulative Since Inception
BGLF IFRS NAV	35.41	10.37	7.71	67.49
BGLF Published NAV	18.31	10.06	7.58	66.12
BGLF Ordinary Share Price	31.16	7.81	6.59	55.73
European Loans	9.52	3.31	3.39	26.06
US Loans	11.67	4.36	4.07	31.09

(1) Refer to the Glossary on pages 62 and 63 for an explanation of the terms used above and elsewhere within this report
(2) Bloomberg closing price at period end
(3) Dividend Yield presented as €0.07 per annum, given the first three quarterly dividends of €0.015 per share and fourth quarter dividend of €0.025, and the share price as at 31 December 2020

Strategic Report

Reconciliation of IFRS NAV to Published NAV

At 30 June 2021, there was a difference between the NAV per Ordinary Share as disclosed in the Condensed Statement of Financial Position on page 41, €0.8945 per Ordinary Share, ("IFRS NAV") and the published NAV, €0.8875 per Ordinary Share, which was released to the LSE on 21 July 2021 ("Published NAV"). A reconciliation is provided in Note 14 on page 58. The difference between the two valuations is mainly due to the different valuation bases used.

Valuation Policy for the Published NAV

The Company publishes a NAV per Ordinary Share on a monthly basis in accordance with its Prospectus. The valuation process in respect of the Published NAV incorporates the valuation of the Company's CSWs and underlying PPNs (held by the Lux Subsidiary). These valuations are, in turn, based on the valuation of the BCF portfolio using a CLO intrinsic calculation methodology per the Company's Prospectus, which we refer to as a "mark to model" approach. As documented in the Prospectus, certain "Market Colour" (market clearing levels, market fundamentals, bids wanted in competition ("BWIC"), broker quotes or other indications) is not incorporated into this methodology. The Directors believe that this valuation process is the appropriate way of valuing the Company's holdings, and of tracking the long-term performance of the Company as the underlying portfolio of CLOs held by BCF are comparable to held to maturity instruments and the Company expects to receive the benefit of the underlying cash-flows over the CLOs' entire life cycle.

Valuation Policy for the IFRS NAV

For financial reporting purposes on an annual and semi-annual basis, to comply with IFRS as adopted by the EU, the valuation of BCF's portfolio is at fair value using models that incorporate Market Colour at the period end date, which we refer to as a "mark to market" approach. IFRS fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as at the measurement date, and is an "exit price" e.g. the price to sell an asset. An exit price embodies expectations about the future cash inflows and cash outflows associated with an asset or liability from the perspective of a market participant. IFRS fair value is a market-based measurement, rather than an entity-specific measurement, and so incorporates general assumptions that market participants are applying in pricing the asset or liability, including assumptions about risk.

Both the mark to model Published NAV and mark to market IFRS NAV valuation bases use modelling techniques and input from third-party valuation specialists. The small number of CLOs held directly by the Company, as a result of the Rollover Opportunity, are valued using a mark to market approach for both the Published NAV and IFRS NAV, consistent with the valuation methodology per the Company's Prospectus.

The Directors, as set out in the Prospectus, will continue to assess the performance of the Company using the Published NAV. Additional information and commentary on Market Colour, credit risk exposure and any material divergence from the different valuation bases referred to above will be communicated by the Directors and Portfolio Adviser if and when appropriate.

€0.8945

IFRS NAV per Ordinary Share

€0.8875

Published NAV per Ordinary Share

Dividend History

Whilst not forming part of the Company's investment objective or investment policy, it is currently intended that dividends are payable in respect of each calendar quarter, two months after the end of that quarter.

On 22 January 2021, the Board announced that the Company had adopted a revised Dividend Policy targeting a total 2021 annual dividend of between €0.07 and €0.08 per ordinary share, to consist of quarterly payments of €0.0175 per ordinary share for the first three quarters and a final quarter payment of a variable amount to be determined at that time. This revised Dividend Policy follows the changes made to the Company's Dividend Policy in 2020, to pay an annual dividend of between €0.06 and €0.07 per Ordinary Share, (the Company subsequently paid an annual dividend of €0.07, paying €0.015 for the first three quarters and €0.025 for the final quarter). The changes made in 2020 were pursuant to a review of the portfolio in light of COVID-19, and the subsequent changes announced in January 2021 reflect an improved outlook for both the portfolio and macro environment. These follow careful analysis and consideration by the Board in discussion with the Company's Investment Adviser. The Board continues to monitor the dividend policy throughout the year.

Ordinary Share Dividends for the Period Ended 30 June 2021

Period in respect of	Date Declared	Ex-dividend Date	Payment Date	Amount per Ordinary Share €
1 Jan 2021 to 31 Mar 2021	23 Apr 2021	6 May 2021	4 June 2021	0.0175
1 Apr 2021 to 30 Jun 2021	21 Jul 2021	5 Aug 2021	3 Sep 2021	0.0175

Ordinary Share Dividends for the Year Ended 31 December 2020

Period in respect of	Date Declared	Ex-dividend Date	Payment Date	Amount per Ordinary Share €
1 Jan 2020 to 31 Mar 2020	23 Apr 2020	30 Apr 2020	29 May 2020	0.0150
1 Apr 2020 to 30 Jun 2020	21 Jul 2020	30 Jul 2020	28 Aug 2020	0.0150
1 Jul 2020 to 30 Sept 2020	21 Oct 2020	29 Oct 2020	27 Nov 2020	0.0150
1 Oct 2020 to 31 Dec 2020	22 Jan 2021	4 Feb 2021	5 Mar 2021	0.0250

Period Highs and Lows

	2021 High	2021 Low	2020 High	2020 Low
Published NAV per Ordinary Share	€0.8875	€0.8477	€0.8992	€0.7663
Ordinary Share Price (last price)(4)	€0.8000	€0.6400	€0.8400	€0.4500
GBP Ordinary Share Price (last price)(4)	£0.6964	£0.5601	£0.7200	£0.4200

(4) Source: Bloomberg

Schedule of Investments

As at 30 June 2021

	Nominal Holdings	Market Value €	% of Net Asset Value
Investment held in the Lux Subsidiary:			
CSWs	275,438,217	403,133,917	95.93
Shares (2,000,000 Class A and 1 Class B)	2,000,001	6,419,016	1.53
CLOs held directly	6,708,541	954,927	0.23
Other Net Assets	n/a	9,697,071	2.31
Net Assets Attributable to Shareholders		**420,204,931**	**100.00**

Schedule of Significant Transactions

Date of Transaction	Transaction Type	Quantity	Amount €	Reason
CSWs held by the Company – Ordinary Share Class				
23 Feb 2021	Redemption	10,287,510	13,903,041	To fund dividend
06 April 2021	Issuance	6,170,000	6,170,000	Investments in PPNs
05 May 2021	Issuance	3,742,949	3,742,949	Investments in PPNs
14 May 2021	Redemption	9,067,077	12,522,939	To fund dividend

Chair's Statement

Company Returns and Net Asset Value[5]

The Company delivered an IFRS NAV total return per Ordinary Share of 9.89% over the first six months of 2021, ending the period with a NAV of €0.8945. The return was composed of 5.02% of dividend income and 4.87% of net asset growth.

On a Published NAV basis, the Company delivered a total return per Ordinary Share of 10.59% over the first six months of 2021, ending the period with a NAV of €0.8875. The return was composed of dividend income 5.06% and of net asset growth of 5.53%.

During the first half of 2021, the Company's performance continued to be positively impacted by reduced actual and expected investment downgrade and default expectations. The Company's return was also supported, through its investment in BCF, by the ability to take advantage of the technical strength in the CLO liability market to refinance and reset existing CLO investments.

Due to improved forward looking expectations, the Company was pleased to announce an increase to its stated dividend target to 7 to 8 cents per share for 2021. Consistent with this revised guidance, the Company paid two dividends to Ordinary Shareholders in respect of the six-month period ended 30 June 2021, totalling €0.0350 per share. Details of all dividend payments can be found within the Dividend History section at the front of this Half Yearly Financial Report.

9.89%

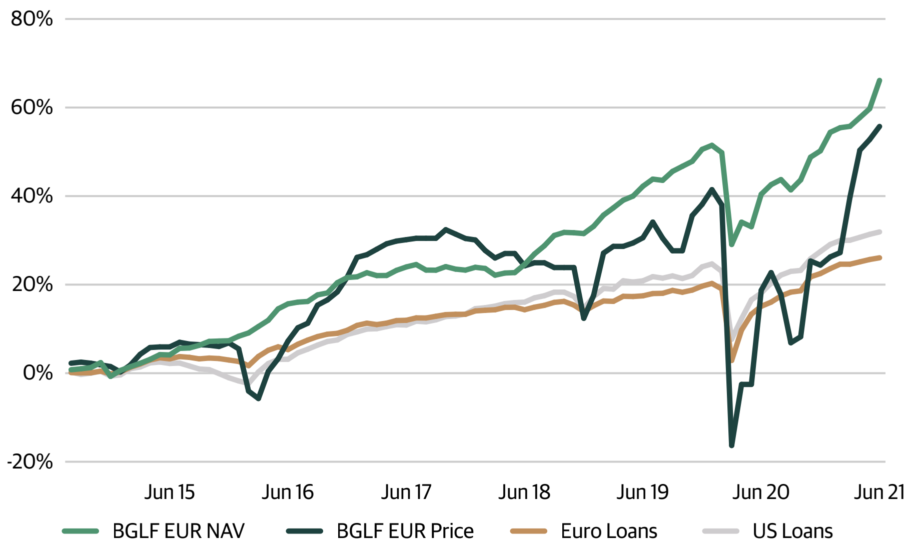
IFRS NAV total return per Ordinary Share

10.59%

Published NAV total return per Ordinary Share

Historical BGLF NAV and Share Price

The graph shows cumulative Published NAV and Ordinary Share price total returns and cumulative returns on European and US loans.



(5) Past performance is not necessarily indicative of future results, and there can be no assurance that the Company will achieve comparable results, will meet its target returns, achieve its investment objectives, or be able to implement its investment strategy

Market Conditions

Continuing the tone set from the end of 2020, financial markets performed strongly in the first half of 2021. Equity markets reached record levels and credit spreads continued to grind tighter, on the back of a repricing wave experienced in 1H 2021. The line-of-sight to reopening and recovery in most developed economies is becoming clearer, giving us cause for optimism even as we continue to closely monitor potential economic impacts of the COVID-19 Delta variant.

Ongoing monetary and fiscal support, accommodative capital markets, the rollout of mass vaccination programmes, and the reopening of major economies have all supported a move towards a normalisation in economic activity. Consequently, credit fundamentals have continued their improvement as evidenced by a strong 1Q 2021 reporting period, and GDP expectations for 2021 are a stark comparison to growth in 2020. Real GDP in the UK and US is set to grow by 6.7% and 6.6%, compared to a contraction of 10.1% and 3.5% in 2020, respectively[(6)].

At the year's mid-point, below investment grade credit is on its way to a full year of stable returns, with US interest rates now well below March's high and possibly poised to rise again. We believe loans will continue to perform well against other fixed income asset classes given their floating rate nature and our current view on relative value and the trajectory of interest rates. We also expect ongoing CLO creation and demand from investors searching for higher yielding assets to contribute positively to the balance of supply and demand and help absorb the healthy pipeline of new loan issuance expected for the second half of the year.

Discount Management

The share price discount to Published NAV narrowed from 20.57% at 31 December 2020 to 10.99% at 30 June 2021. As a Board, we regularly weigh the balance between paying dividends, reinvesting in BCF and seeking to ensure the Ordinary Shares trade as closely as possible to their intrinsic value[(7)]. During 2021 year-to-date, the Company repurchased 9,772,007 shares for €7,420,732 at a weighted average discount of 12.11% using available cash with the goal of reducing the discount. As of 17 September 2021, the share price discount to Published NAV was 11.65%.

Brexit Update

The Board closely monitored the Brexit trade deal negotiations during 2020, which culminated with a deal being finalised on 30 December 2020. The potential implications to BGLF of a "hard Brexit" as a result of no trade deal being agreed before the year-end deadline, was evaluated across its service providers, including areas such as human resources, counterparty relationships, supply chains, macroeconomic, and regulatory policy, as well as with regards to its marketing registrations, and was deemed to have a negligible impact on the long-term sustainability of the Company. Since the UK left the EU, no material risks have crystallised.

COVID-19

The Directors continue to carefully monitor the ongoing developments regarding COVID-19, which continues to impact global commercial activity and contribute to volatility in financial markets. The global impact of the outbreak continues to evolve as new variants develop, however the rollout of vaccination programmes across the globe is encouraging and economic activity has shown signs of normalisation. Whilst COVID-19 still presents a level of uncertainty going forward, we are more informed as to its potential effects on portfolio asset performance and therefore feel better equipped to navigate this environment. Nevertheless, the potential direct and indirect risks to the Company, to the extent known, will be closely monitored and portfolio activity conducted in a way that is consistent with the Company's stated objectives and the Portfolio Advisor's investment philosophy of capital preservation.

ESG

The practice of responsible investing remains a key focus for investors. The Board regularly engages with the Company's Portfolio Adviser regarding their ESG policy. Blackstone has committed to being a responsible investor for over 35 years. This commitment is affirmed across the organisation and guides its approach to investing. A summary of Blackstone's responsible investing approach can be found on pages 20 to 22.

The Board

Good governance remains at the heart of our work as a Board and is taken very seriously. We believe that the Company maintains high standards of corporate governance. The Board was very active during the period, convening a total of 11 Board meetings and 14 Committee meetings (including 6 NAV Review Committee meetings). The Board also has a due diligence meeting scheduled with the Portfolio Adviser in September 2021, the agenda for which covers risk and compliance, risk oversight monitoring, finance and accounting and the wider market. The Board will also be meeting with the BCF board at the same time.

During the period, the Board and its advisers have met frequently, with the Company's advisers providing general updates as well as recommendations on pertinent matters such as the Company's

(6) Bloomberg, as of 30/06/2021. Data for 2021 represents consensus economic forecasts
(7) Represents the BGLF Euro share price

share repurchase programme. The Board deems the careful consideration of such matters to be critical to ensuring the long-term success of the Company, particularly in light of the challenges and uncertainty faced since the start of 2020.

The work of the Board is also assisted by the Audit Committee, NAV Review Committee, Management Engagement Committee, the Remuneration and Nomination Committee, the Risk Committee and the Inside Information Committee.

The Company is a member of the Association of Investment Companies (the "AIC") and adheres to the AIC Code of Corporate Governance (the "AIC Code") which is endorsed by the Financial Reporting Council (the "FRC"), and meets the Company's obligations in relation to the UK Corporate Governance Code 2018 (the "UK Code").

Shareholder Communications

During 1H 2021, using our Portfolio Adviser and Brokers, we continued our programme of engagement with current and prospective Shareholders. We sincerely hope that you found the monthly factsheets, quarterly letters, quarterly update webcasts and market commentary valuable. We are always pleased to have contact with Shareholders, and we welcome any opportunity to meet with you and obtain your feedback.

Prospects and Opportunities in 2021

The Board's outlook for the remainder of 2021 is optimistic but remains uncertain as the race between COVID-19 inoculations and the spread of the Delta variant of the virus is at a key juncture. The line-of-sight to reopening and recovery in most developed economies is becoming clearer, giving us cause for optimism even as we continue to closely monitor potential economic impacts of the COVID-19 Delta variant. With this uncertain trajectory of the markets and global economy in the second half of 2021, the Board gains comfort from the disciplined investment approach of the Company's Portfolio Adviser that selects an underlying portfolio of high-quality companies supported by robust underlying protections.

The Board wishes to express its thanks for the support of the Company's Shareholders.

Charlotte Valeur
Chair
21 September 2021

Portfolio Adviser's Review

We are pleased to present our review for the first six months of 2021 and outlook for the remainder of the year.

- Loan markets continued their momentum from 2020, with reopening themed sectors and lower rated assets leading the outperformance. US and European loans returned 3.48% and 2.91% year to date[(8)]. Corporate fundamentals are showing signs of improvement and defaults continue to beat expectations. The last-twelve-month ("LTM") par-weighted default rate was 1.3% and 0.5% for US and European Loans, down from 4.4% and 1.2% at the end of 2020, respectively[(9)].
- Owing to favourable conditions for CLO creation and management, total year to date CLO activity is tracking at record pace, with refinancings and resets accounting for the majority. After trending towards multi-year tight spreads through 1H 2021, CLO liability spreads retreated from their lows under the pressure of heavy supply, however the arbitrage still remains favourable for equity investors.
- Trading activity in the CLO portfolio activity focused on opportunistically capturing the emerging recovery and increasing spread to preserve net interest margins. On the liability side, BCF took advantage of the technical strength in the CLO market to refinance three CLOs, reset seven CLOs, and issue four new CLOs, all whilst achieving very competitive debt pricing. Additionally, two CLOs were redeemed.
- Similarly to the fourth quarter of 2020, BCF benefitted from improved liquidity and equity valuations in the secondary market and sold down certain non-retention CLO income note positions, with executed prices that exceeded modelled marks as well as mark-to-market prices[(10)].
- CLO securitisations in BCF generated positive cashflow over 2021, supported by uninterrupted distributions from the underlying CLO portfolio. The weighted average annualised distribution rates for European and US CLO income notes were 15.6% and 21.7%, respectively, with strong contributions across vintages and an additional tailwind from CLO redemptions[(11)].

Bank Loan Market Overview

Leveraged loan markets started 2021 on strong footing as the rally in risk assets continued. Markets were buoyed by the continued global rollout of COVID-19 vaccinations, with an additional tailwind from global monetary and fiscal stimulus implemented in the prior year. Many market indicators pointed to a broad-based recovery which culminated in year to date returns of 2.91% and 3.48% for European and US leverage loans, respectively, notably surpassing the returns achieved throughout all of 2020[(12)].

(8) Credit Suisse Leveraged Loan Index, Credit Suisse Western European Leveraged Loan Index (Hedged to Euro), as of 30 June 2021
(9) Credit Suisse Default Report, as of 30 June 2021
(10) Based on mark to model modified bid prices as of the most recent month end prior to the transaction trade date and mark to market bid prices as of the day prior to transaction date. Modelled marks are only available on a mid basis, therefore a modified bid is calculated by incorporating the basis between mark to market bid and mid prices
(11) Blackstone Credit, Intex. As at 7 January 2021
(12) Credit Suisse, as of 30 June 2021

Following the onset of the pandemic, the wave of CCC downgrades and defaults anticipated had been avoided in a meaningful manner. Concurrent with economic activity reverting to a more 'normalised' state, corporate fundamentals displayed a tangible improvement after a strong first quarter results period. Earnings for the second quarter, whilst not yet announced, are expected to show further improvement. Paired with slowing debt growth, we expect that corporate issues should be well equipped to grow into their higher levered capital structures brought forward from 2020.

The US loan last-twelve-month ("LTM") par-weighted default rate ended June 2021 at 1.3%, down from 4.4% at the end of 2020[13]. Defaults for European Loans were lower at 0.5%, compared to 1.2% at the end of 2020. Whilst there has not been a revision for European Loans, J.P. Morgan lowered their US loan default expectations to 0.65% and 1.25% for the end of 2021 and 2022, respectively, just as the ratio of upgrades to downgrades for US loans reached 2:1 at the end of June[14].

Complementing improving corporate fundamentals was a well-balanced technical backdrop. Contributions from both debt refinancing and increased M&A activity led to an increased pace of European and US loan issuance. Year-to-date gross supply was €82 billion and $417 billion compared to €65 billion and $395 billion for the whole of 2020, respectively[15]. Healthy demand for loans has resulted in the market being well bid despite the increased issuance, resulting in the average price for European and US indices increasing to €99.10 and $97.96 from €98.64 and $95.73 at the end of 2020, respectively[16]. Similarly, European and US loan spreads (represented by 3-year discount margin) tightened by 19 bp and 43 bp over the same period to 403 bp and 443 bp, respectively[17]. Record-setting Collateralised Loan Obligation ("CLO") creation[18], a search of yield in Europe, and demand for assets with an inflation and interest rate hedge contributed to healthy inflows, allaying concerns of oversupply.

The broader risk-on sentiment continued to drive outperformance of CCC-rated assets and COVID-19 impacted sectors. However, as we approached the end of June, signs of softening were starting to emerge due to a rise in the Delta variant, stoking concerns of another prolonged spike in COVID-19 cases across the globe, with implications for the real economy. Looking forward to the second half of 2021, we will continue to monitor any effects in the markets that we invest and position our portfolio appropriately.

CLO Market Overview

Momentum in the CLO market gathered pace through the year. CLO liability spreads trended towards multi-year tights and increased confidence in both underlying collateral quality and CLO structures themselves led to a sharp increase in CLO activity. Managers aiming to capitalise on the low cost of funding originated new CLOs, but more noticeably, those aiming to reduce the cost of debt or lock in longer reinvestment periods took to the market in earnest. As such, year-to-date total CLO volumes in Europe were €53.5 billion, which exceeded any full year activity ever recorded, and $220 billion in the US, which was nearly double that of 2020[19]. Re-financings and resets dominated this activity, accounting for 72% and 63% of European and US volumes. This optionality is a key benefit for CLO equity investors who as a result would be afforded higher expected future cashflows in aggregate and an immediate increase in equity net asset value ("NAV") as a result.

In the first quarter, demand for CLO debt was broad based across tranches. After the rally in risk assets pushed global credit spreads tighter, CLO debt seemed increasingly attractive on a relative value basis given the low yield environment. However, as the second quarter progressed, US and European CLO liability spreads retreated from their lows under the pressure of heavy supply. We understand investors were full on allocations after investing heavily earlier in the year, ultimately leading to an upwards readjustment in CLO liability spreads as we moved towards June. In Europe, AAA-rated CLO spreads finished at 94 bp at the end of June after hitting lows in the high 70 bp region in March (compared to 105 bp at the end of 2020)[20]. Similarly, US CLO AAA-rated spreads were 113 bp as of the end of June after reaching 100 bp in March 2021 (compared to 132 bp at the end of 2020)[21].

In tandem with improving collateral quality and robust loan market performance, CLO fundamentals improved in 2021. In Europe, CCC buckets fell from 6.4% at the end of 2020 to 5.0%, and defaulted assets to 0% from 0.3% over the same period. There was also an improvement in Weighted Average Rating Factor ("WARF") by 281 to 2,890 and an increase in junior overcollateralisation ("OC") cushions by 53 bp to 401 bp during the first half. Weighted Average Asset Price ("WAP") also increased by 1.1 to 99.0 and Weighted Average Spreads ("WAS") decreased by 7bp to 370bp. Notably, CLO equity market value NAVs increased by 12.6 to 63.4[22].

(13) Credit Suisse, as of 30 June 2021
(14) J.P. Morgan, Moody's, S&P Upgrades vs. Downgrades and LCD LLI Industry Weights and Total Returns, as of 30 June 2021
(15) S&P LCD, as of 30 June 2021
(16) Credit Suisse, as of 30 June 2021
(17) Credit Suisse, as of 30 June 2021
(18) As reported by S&P LCD during 1H 2021
(19) S&P LCD CLO databank, as of 30 June 2021
(20) Barclays, as of 30 June 2021. Data reflects generic top-tier manager CLO discount margins from longer reinvestment period CLOs
(21) Barclays, as of 30 June 2021. Data reflects generic top-tier manager CLO discount margins from longer reinvestment period CLOs
(22) Paragraph data source: Barclays, as of 30 June 2021. Data reflects median observations. Data as of latest trustee reports at month-end, including only reinvesting deals. Underlying data from Kanerai, Intex, Markit

In the US, CCC buckets improved to 5.9% from 7.7%, defaulted assets fell to 0% from 0.5% and WARF metrics declined by 2014. Likewise, junior OC cushions increased by 107 bp to 384 bp over the same period. WAP also increased by 1.4 to 98.7 and WAS decreased by 6 bp to 371 bp. CLO equity NAV also posted an impressive gain of 17.3 to 61.6[23].

As we look forward, CLO supply is expected to grow further, albeit at a slightly slower pace experienced year to date. In Europe, total full year CLO supply is forecast to be €75-€90 billion, an increase of 31%-57% from the midyear point[24]. Total US BSL CLO supply is expected to increase by 47-62% to $300-$330 billion over the same period, setting a full year record if achieved[25]. Although liability spreads have recently widened, our belief is that the attractive relative value versus other fixed income asset classes may continue to attract investors and keep a ceiling on any material repricing. With global loan prices having largely returned close to par, focus for equity investors has reverted back to a natural spread arbitrage. As such, we expect supply to continue but again with refinancing and reset activity accounting of the majority.

Portfolio Update

BCF

Year to date trading activity continued to focus on protecting investor capital, proactive management of credit ratings but with flexibility for portfolio rotation to capture emerging trends. CLOs opportunistically added names to take advantage of the 'reopening trade' as visibility improved around the vaccine rollout and economic reopening. As the rally continued, it was evident valuations were becoming increasingly stretched as market participants were discounting an overly optimist forward looking view. As such, closer attention was paid to long-term corporate fundamental value to assess those names in which we had longer-term conviction. We also used the repricing wave in the first quarter to exit lower spread risk in an effort to preserve net interest margins. This became an ongoing theme, deploying capital in primary and secondary markets into higher spread assets with more compelling valuation profiles.

Consistent with the supportive conditions for CLO creation and management noted above, BCF has been very active in both new issuance and optimisation of its liability portfolio. Year to date, BCF has invested in two European and two US new issue CLOs[26], further diversifying the portfolio across both vintage and geography.

The portfolio was well positioned at to take advantage of the technical strength in the CLO liability market during the first six months of 2021. BCF refinanced three CLOs and reset seven CLOs year to date, in most cases reducing the weighted average cost of capital and extending the duration of cashflows received in the case of the resets, which is immediately accretive to the NAV of these CLOs.

It is also worth noting that Blackstone Credit achieved close to the lowest, if not the lowest, weighted average cost of capital at the time of pricing during the first half of the year, with further pricing differentiation between managers depending on their perceived 'tier'[27]. Blackstone Credit was the second most active manager in the market when considering total CLO activity[28].

Compared to estimates at the initial onset of the COVID-19 pandemic, default rates have fared much better than expected. The year-to-date default loss rate for the BCF portfolio was 0.00%, compared to 0.07% for European loans and 0.32% for US loans. Taking in to account our in-house views of the current portfolio and the broader recovery, lower default and downgrade expectations have been fed into modelled valuations. This benefit was most pronounced in June's positive NAV valuation and we would expect further improvements in assumptions to contribute to the stability and growth of BCF's NAV going forward.

BCF also recycled parts of the portfolio during the first half of 2021. Similarly to the fourth quarter of 2020, BCF benefitted from improved liquidity and equity valuations in the secondary market and sold down certain non-retention CLO income note positions, with executed prices that exceeded modelled marks as well as mark-to-market prices[29]. This included the full sale of Myers Park and Greenwood Park CLO equity, and a partial sale of Deer Park CLO equity, which held the record sale price for European CLO equity at the time of trade.

Additionally, two CLOs have been redeemed year to date. For Orwell Park, this outcome was economically favourable when compared with the option of a reset. In the case of Stratus 2020-2, a static CLO issued during the dislocation in 2020, Blackstone Credit purchased assets at a discount which were ultimately taken out at favourable levels, resulting in a realised IRR to date of 34.9%[30]. Proceeds will ultimately be allocated towards more efficient uses to potentially enhance the return profile of the portfolio.

(23) Paragraph data source: Barclays, as of 30 June 2021. Data reflects median observations. Data as of latest trustee reports at month-end, including only reinvesting deals. Underlying data from Kanerai, Intex, Markit
(24) Barclays, as of 16 July 2021
(25) Barclays, as of 16 July 2021
(26) Investment in Tallman park was through a vertical retention position financed by a repurchase agreement. BCF owns 5% of each tranche, including equity
(27) As reported by Creditflux and S&P LCD
(28) Creditflux
(29) Based on mark to model modified bid prices as of the most recent month end prior to the transaction trade date and mark to market bid prices as of the day prior to transaction date. Modelled marks are only available on a mid basis, therefore a modified bid is calculated by incorporating the basis between mark to market bid and mid prices
(30) Realised IRRs are reflective of distributions made to equity holders to date based on data available on Intex as of 7 July 2021. Stratus 2020-2 equity will be fully redeemed once all accrued interest been received and distributed

At the end of June, 38% of BCF's portfolio was composed of US CLO securities[31] and CLO warehouses (first loss positions), compared to 41% in December 2020. European CLO income notes decreased marginally to 40% from 41% at the end of 2020. Exposure to directly held loans, net of leverage, increased from 13% to 23%[32]. The weighted average remaining reinvestment period for the portfolio's CLOs increased in the first six months to 2.0 years from 1.9 years, largely driven by the addition of new CLOs and resets of existing CLOs in Europe.

As of 30 June 2021, the weighted average asset coupon of the portfolio decreased to 3.68% from 3.74% since 31 December 2020, consistent with a general tightening of loan spreads over the period. The cost of liabilities narrowed to 1.70% from 1.82% over the same period, due in part to liability management of the CLO portfolio and refinancing of BCF's lending facility. The combined effect resulted in an increase to BCF's net interest margin of 5bp, to 1.97% in June (from 1.92% at the end of December 2020).

BCF has continued to generate uninterrupted cashflows from its CLO income note investments throughout 2021. As of 30 June 2021, the weighted average annualised distribution rates for European and US CLO income notes were 15.6% and 21.7%, respectively, with strong contributions across vintages and an additional tailwind from Orwell Park and Stratus 2020-2 redemptions. This is compared to 15.6% and 17.1% respectively for 2020.

Looking forward, we will continue actively evaluating those CLOs that are callable as the year progresses, weighing the relative merits of a refinancing, reset, redemption or sale, and which is most economically beneficial to that particular CLO.

(31) US CLO securities held by BCF are almost exclusively CLO income notes except for Tallman Park senior debt securities (part of the vertical retention investment)
(32) Portfolio percentages are based on BCF NAV as of 30 June 2021 and 31 December 2020

CLO Portfolio Positions

	Closing/ [Expected Close] Date	Deal Size (M)	Position Owned (M)	% of Tranche	% of BCF NAV	Reinvest Period Left (Yrs)	Current Asset Coupon	Current Liability Cost	Current Net Interest Margin	NIM 3M Prior	Distributions Through Last Payment Date	
											Ann.	Cum.
EUR CLO Income Note Investments		€	€									
Phoenix Park	Jul-14	417	23.3	51.4%	1.2%	1.83	3.58%	1.78%	1.81%	1.87%	14.2%	95.9%
Sorrento Park	Oct-14	248	29.5	51.8%	0.8%	0.00	3.59%	2.38%	1.21%	1.64%	14.6%	96.3%
Castle Park	Dec-14	216	24.0	52.2%	1.0%	0.00	3.51%	2.31%	1.20%	1.63%	14.2%	92.4%
Dartry Park	Mar-15	427	26.6	51.1%	1.4%	3.83	3.60%	1.67%	1.93%	1.90%	14.0%	82.3%
Tymon Park	Dec-15	333	22.7	51.0%	1.3%	0.00	3.54%	1.51%	2.03%	2.17%	16.1%	85.9%
Elm Park	May-16	522	31.9	56.1%	2.0%	4.29	3.55%	1.70%	1.85%	2.18%	14.1%	65.5%
Griffith Park	Sep-16	456	26.0	53.4%	1.6%	1.89	3.59%	1.57%	2.01%	2.10%	10.3%	48.3%
Clarinda Park	Nov-16	417	23.1	51.2%	1.4%	3.63	3.61%	1.70%	1.91%	1.96%	11.4%	51.3%
Palmerston Park	Apr-17	415	24.0	53.3%	1.4%	0.00	3.52%	1.55%	1.97%	2.09%	14.1%	56.8%
Clontarf Park	Jul-17	414	29.0	66.9%	1.7%	0.10	3.49%	1.59%	1.90%	1.94%	15.4%	58.7%
Willow Park	Nov-17	412	23.4	60.9%	1.5%	1.04	3.48%	1.58%	1.90%	1.98%	17.8%	60.1%
Marlay Park	Mar-18	413	24.6	60.0%	1.6%	0.79	3.50%	1.40%	2.10%	2.16%	19.6%	59.7%
Milltown Park	Jun-18	409	24.1	65.0%	1.8%	1.04	3.54%	1.50%	2.05%	2.12%	18.0%	51.3%
Richmond Park	Jul-18	548	46.2	68.3%	2.0%	0.04	3.51%	1.53%	1.98%	2.03%	18.5%	50.8%
Sutton Park	Oct-18	408	24.0	66.7%	1.7%	1.87	3.57%	1.72%	1.85%	1.88%	17.7%	41.6%
Crosthwaite Park	Feb-19	516	33.0	64.7%	2.1%	4.21	3.58%	1.75%	1.83%	1.62%	13.8%	28.2%
Dunedin Park	Sep-19	408	25.3	52.9%	1.6%	2.81	3.59%	1.78%	1.81%	1.87%	12.4%	19.7%
Seapoint Park	Nov-19	405	21.6	70.5%	1.6%	2.89	3.58%	1.84%	1.74%	1.82%	16.7%	21.4%
Holland Park	Nov-19	428	39.1	72.1%	1.6%	2.87	3.60%	1.90%	1.70%	1.73%	11.1%	16.6%
Vesey Park	Apr-20	404	24.5	80.3%	1.9%	3.38	3.62%	1.97%	1.65%	1.71%	24.8%	25.9%
Avondale Park	Jun-20	284	18.7	63.0%	1.7%	2.05	3.61%	2.52%	1.10%	1.10%	16.3%	14.0%
Deer Park	Sep-20	344	20.5	71.9%	1.6%	2.29	3.56%	2.27%	1.30%	1.32%	8.4%	4.8%
Marino Park	Dec-20	324	17.0	71.4%	1.6%	2.55	3.73%	1.84%	1.89%	1.98%	n/a	n/a
Carysfort Park	Apr-21	406	25.1	80.7%	2.0%	4.08	3.67%	1.68%	2.00%	2.00%	n/a	n/a
Rockfield Park	Jul-21	404	24.0	80.0%	2.0%	4.04	n/a	n/a	n/a	n/a	n/a	n/a

	Closing/ [Expected Close] Date	Deal Size (M)	Position Owned (M)	% of Tranche	% of BCF NAV	Reinvest Period Left (Yrs)	Current Asset Coupon	Current Liability Cost	Current Net Interest Margin	NIM 3M Prior	Distributions Through Last Payment Date	
											Ann.	Cum.
USD CLO Income Note Investments		**$**	**$**									
Dorchester Park	Feb-15	385	44.5	67.0%	1.2%	0.00	3.60%	1.85%	1.76%	1.92%	16.5%	101.3%
Grippen Park	Mar-17	611	29.8	50.1%	1.6%	0.80	3.90%	1.92%	1.98%	1.78%	14.7%	60.3%
Thayer Park	May-17	525	27.4	50.1%	1.3%	4.80	3.74%	1.82%	1.92%	1.87%	16.0%	63.1%
Catskill Park	May-17	1,029	56.0	51.6%	2.7%	0.80	3.81%	1.76%	2.05%	1.68%	15.1%	59.2%
Dewolf Park	Aug-17	614	31.7	51.6%	1.7%	1.29	3.80%	1.90%	1.89%	1.83%	15.9%	57.6%
Gilbert Park	Oct-17	1,022	51.8	50.8%	2.7%	1.30	3.84%	1.86%	1.97%	1.81%	16.2%	56.4%
Long Point Park	Dec-17	611	29.5	50.1%	1.6%	1.55	3.81%	1.61%	2.19%	2.05%	20.8%	68.6%
Stewart Park	Jan-18	874	92.2	50.1%	1.8%	1.51	3.81%	1.65%	2.16%	2.02%	14.2%	46.0%
Cook Park	Apr-18	1,025	53.6	50.1%	2.9%	1.80	3.80%	1.53%	2.26%	2.13%	18.2%	54.9%
Fillmore Park	Jul-18	561	30.2	54.3%	1.8%	2.04	3.79%	1.71%	2.08%	1.92%	15.8%	42.7%
Harbor Park	Dec-18	715	39.7	50.1%	2.3%	2.56	3.82%	1.80%	2.02%	1.91%	16.1%	37.7%
Buckhorn Park	Mar-19	502	24.2	50.1%	1.4%	2.80	3.78%	2.16%	1.63%	1.49%	16.2%	33.7%
Niagara Park	Jun-19	453	22.1	50.1%	1.4%	3.05	3.81%	1.96%	1.86%	1.84%	15.7%	28.4%
Southwick Park	Aug-19	503	26.1	59.9%	1.5%	3.06	3.82%	2.13%	1.70%	1.67%	17.0%	28.3%
Beechwood Park	Dec-19	810	48.9	61.1%	2.7%	3.55	3.87%	2.17%	1.70%	1.62%	15.9%	21.1%
Allegany Park	Jan-20	505	30.2	66.2%	1.8%	3.55	3.84%	2.13%	1.71%	1.64%	12.8%	16.2%
Harriman Park	Apr-20	503	29.2	70.0%	1.9%	4.76	3.87%	1.81%	2.06%	1.72%	28.7%	28.7%
Cayuga Park	Aug-20	393	22.9	72.0%	1.6%	2.05	3.83%	2.31%	1.52%	1.43%	23.9%	16.3%
Point Au Roche Park	Jun-21	457	26.5	61.2%	1.7%	5.05	3.99%	1.71%	2.28%	n/a	n/a	n/a
Vertical Retention Investments												
Tallman Park	May-21	$ 410	2.1	5.0%	0.2%	4.80	3.90%	1.69%	2.21%	n/a	n/a	n/a

US Warehouse Investments	Initial Investment Date	Closing/ [Expected Close] Date	Investment (€M)	Investment ($M)	Current Loan Exposure ($M)	Current Asset Coupon	Current Liability Coupon	Net Interest Margin
Peace Park Warehouse	May-21	[Sep-21]	€ 10.4	$ 12.7	$ 265.4	3.93%	1.25%	2.69%

Redeemed CLOs	Vintage	Redemption Date	Deal Size (M)	Position Owned Prior To Redemption (M)	% of Tranche Prior To Redemption	Current valuation as % of BCF NAV	Realised IRR to date	Cumulative Distributions Through Last Payment Date
Orwell Park	2015	May-21	€ 303	€ 24.2	51.0%	0.05%	13.4%	156.4%
Stratus 2020-2	2020	Jun-21	$ 261	$ 24.2	100.0%	0.03%	34.9%	125.2%

As of 30 June 2021, the Fund was invested in accordance with its and BCF's investment policy and was diversified across 699 issuers through the directly held loans and CLO portfolio, and across 30 countries and 29 different industries. No individual borrower represented more than 2% of the overall portfolio at the end of June 2021.

Key Portfolio Statistics

	% of NAV	Current WA Asset Coupon	Current WA Liability Cost	WA Remaining RPs (CLOs)
As at 30 June 2021				
EUR CLOs	40.06%	3.57%	1.78%	2.0 yrs
US CLOs	37.16%	3.80%	1.85%	2.1 yrs
Directly Held Loans (less leverage)	22.51%	3.66%	1.35%	n/a
US CLO Warehouses	0.94%	3.93%	1.25%	n/a
Net Cash & Expenses	-0.67%	–	–	n/a
As at 31 December 2020				
EUR CLOs	40.56%	3.63%	1.76%	1.5 yrs
US CLOs	39.82%	3.80%	1.89%	2.2 yrs
Directly Held Loans (less leverage)	12.66%	3.85%	1.85%	n/a
US CLO Warehouses	0.86%	3.99%	1.34%	n/a
Net Cash & Expenses	6.10%	–	–	n/a

Top 10 Industries

Industry	% of Portfolio 30 June 2021	% of Portfolio 31 December 2020
Healthcare and Pharmaceuticals	15.92%	15.21%
High Tech Industries	10.03%	9.32%
Services Business	9.56%	10.44%
Banking, Finance, Insurance, Real Estate	7.43%	8.71%
Media Broadcasting and Subscription	6.84%	6.81%
Chemicals, Plastics and Rubber	6.26%	6.03%
Hotels, Gaming and Leisure	5.99%	6.22%
Construction and Building	5.71%	5.21%
Telecommunications	4.12%	4.55%
Services Consumer	3.91%	3.72%

Top 5 Countries

Country	% of Portfolio 30 June 2021	% of Portfolio 31 December 2020
United States	49.20%	52.73%
United Kingdom	10.27%	9.81%
France	8.05%	7.36%
Netherlands	6.19%	4.52%
Germany	5.72%	–
Luxembourg	–	6.26%

Top 20 Issuers

	# Facilities	Portfolio Par (€M)	Total Par Outstanding (€M)	Moody's Industry	Country	WA Price	WA Spread	WA Coupon (All-In Rate)	WA Maturity (Years)
Euro Garages	6	190	5,783	Retail (Global Petrol Stations)	United Kingdom	99.1	4.20%	4.28%	3.8
Euro Garages is the leading global independent convenience retail and fuel station operator with a fuel, convenience retail and Food-to-Go offering with partnerships with leading brands such as Esso, BP, Shell, Dunkin Donuts and Pizza Hut among others.									
Numericable	4	166	4,950	Media Broadcasting and Subscription	France	98.8	3.13%	3.18%	4.4
Numericable is one of the largest telecommunications operators in France by revenues and number of subscribers, with major positions in residential fixed, residential mobile, B2B, wholesale and media.									
AkzoNobel Specialty Chemicals	2	162	4,612	Chemicals, Plastics and Rubber	Netherlands	99.6	2.90%	2.94%	4.3
AkzoNobel Specialty Chemicals represents a collection of specialty and commodity chemical and polymer businesses split across five divisions: Surface Chemistry (surfactants and polymers), ethylene and sulfur derivatives, polymer chemistry (includes catalysts and polymer additives), industrial chemicals (includes chlor-alkali and other industrial chemicals), and pulp and performance chemicals (includes hydrogen peroxide and other bleaching chemicals, and variety of other chemicals).									
Sivantos/Siemens	2	160	2,981	Healthcare and Pharmaceuticals	Denmark	99.4	3.94%	3.96%	4.7
Sivantos/Siemens was created following the completion of the merger between Sivantos and Widex. The combined company operates in 125 markets and holds the third position in the hearing aid market globally.									
Ziggo	2	158	4,379	Media Broadcasting and Subscription	Netherlands	99.3	2.86%	2.88%	7.4
Ziggo is one of the largest cable operators in the Netherlands. The company provides radio, television, internet, and telephone services. The company was created as a result of the merger between Multikabel, @Home and Casema.									
McAfee, LLC	2	156	3,359	High Tech Industries	United States	100.2	3.61%	3.65%	3.3
McAfee, LLC is the second largest security software vendor globally, after Symantec. McAfee serves both the consumer and enterprise security markets, with a focus on consumer endpoint protection.									
Virgin Media	4	155	5,379	Media Broadcasting and Subscription	United Kingdom	99.4	2.68%	2.71%	7.3
Virgin Media is a British telecommunications company which provides telephone, television, and internet services in the United Kingdom. Virgin Media is a subsidiary of Liberty Global, an international television and telecommunications company.									
Thyssenkrupp Elevators	3	153	3,324	Capital Equipment	Germany	100.3	4.00%	4.08%	6.1
Thyssenkrupp is the number four player in the global market for elevator and escalator technology. The company designs, manufacturers, installs, services, and modernises elevators, escalators, and platform lifts.									
UPC	4	145	3,476	Media Broadcasting and Subscription	Netherlands	99.4	2.73%	2.75%	7.6
UPC is a cable operator in Switzerland, Poland & Slovakia. It offers broadband, tv and mobile services.									
Froneri	2	141	4,409	Beverage, Food and Tobacco	United Kingdom	98.4	2.33%	2.36%	5.6
Froneri is a global ice cream manufacturer with its headquarters in North Yorkshire, England. It is the second largest ice cream producer by volume in the world, after Unilever. Froneri was created in 2016 as a joint venture between Nestle and PAI Partners to combine their ice cream activities.									
Ineos Quattro	4	122	4,236	Chemicals, Plastics and Rubber	United Kingdom	99.4	2.48%	2.72%	5
Ineos, through its subsidiaries, manufactures specialty and intermediate chemicals such as ethylene oxide, acetate esters, glycol, and specialty polymers. Ineos serves customers worldwide.									

	# Facilities	Portfolio Par (€M)	Total Par Outstanding (€M)	Moody's Industry	Country	WA Price	WA Spread	WA Coupon (All-In Rate)	WA Maturity (Years)
TDC A/S	2	120	2,950	Telecommunications	Denmark	99.6	3.09%	3.09%	3.9
TDC Group is the Danish telecom incumbent offering mobile services, broadband as well as tv and entertainment services. The company is active in B2B and Wholesale segments and has a presence in Norway.									
ION Trading	2	120	3,141	Banking, Finance, Insurance and Real Estate (FIRE)	Ireland	100.5	4.48%	4.57%	6.8
Ion Trading is a global financial software and services company that offers mission critical trading infrastructure solutions to banks and other financial institutions. In particular, the company provides high performance trading solutions for electronic fixed income markets, including support for cash, futures, repos, money markets, interest rate swaps and credit default swaps. The group serves 800+ customers worldwide.									
BMC Software Finance Inc.	2	114	3,615	High Tech Industries	United States	100.2	3.93%	3.96%	4.3
BMC Software is a prominent provider of business management software used for a variety of functions and processes. The company's software and services are used in automation and development, IT optimization, security and compliance, multi-cloud management, artificial intelligence and machine learning.									
IMS Health	4	110	3,097	Healthcare and Pharmaceuticals	United States	99.5	1.95%	1.98%	3.1
IQVIA, formed after a merger between Quintiles and IMS Health, provides information and technology services to the pharmaceutical and healthcare industries. The Company offers services such as product and portfolio management capabilities, commercial effectiveness solutions, managed care, and consumer health.									
Financiere Chopin (Ceva Sante)	1	109	2,050	Healthcare and Pharmaceuticals	France	100.5	4.50%	4.50%	4.8
Ceva Santé Animale is a private global veterinary pharmaceutical company headquartered in France that focuses on the research, development, production and marketing of pharmaceutical products and vaccines for poultry, swine, cattle and pets. Ceva provides four major products (anti-infectives, vaccines, reproduction and animal behaviour/cardiology) for all major species.									
Veritas US INC.	2	108	1,655	High Tech Industries	United States	100.9	4.88%	5.88%	4.2
Veritas Technologies, LLC represents the legacy Information Management division of Symantec Corporation. For over two decades the Company has been a market leader in information management software and solutions that help organizations protect, manage and analyze their mission-critical enterprise data, such as emails, documents and spreadsheets, as well as their applications, such as financial, human resources, supply chain management and enterprise resource planning ("ERP") systems, collaboration tools and databases. The Company offers industry-leading backup and recovery solutions, as either independent software or integrated software-hardware appliances.									
Ahlsell Investco AB	1	99	1,808	Construction and Building	Sweden	99.4	3.50%	3.50%	4.6
Ahlsell is the leading distributor of building products Nordic region. Its three main product groups are HVAC, Electrical, and Tools & Supplies.									
CRH Europe Distribution	2	96	1,650	Construction and Building	Netherlands	100	4.12%	4.12%	5.1
CRH European Distribution is a leading regional distributor of general building products in Germany, Netherlands, Belgium, France, Switzerland and Austria. The Company specializes in the sale and distribution of basic building materials and sanitary, heating and plumbing products. CRH European Distribution was formed as a subsidiary of CRH through a series of 53 acquisitions since 2004.									
Hotel Beds	3	95	1,808	Hotels, Gaming and Leisure	United Kingdom	91.9	4.42%	4.42%	4.7
HBG is the leading global B2B distributor of accommodation and ancillary products to the world's travel trade. HBG contracts directly with ~180k hotels and other service providers (e.g. transfers, excursions, tours, meetings, visa services) in over 180 countries to provide Travel Operators (TOs), Travel agents (TAs) and Online Travels agents (OTAs) with an inventory of hotel rooms and ancillary travel services. HBG operates across four segments the largest being the Bedbank division. HBG is #1 in the highly-fragmented bedbank market.									

Directly Held CLOs

The majority of the outstanding positions of Rollover Assets were sold within the first quarter of 2020. As of 30 June 2021, the market value of Rollover Assets had increased to €954,927 or 0.23% of NAV (31 December 2020: market value totalled €549,437 or 0.13% of NAV). This increase is solely due to market movements.

Subsequent to 30 June 2021, the Company disposed of the final Rollover Assets, being 2 Mezzanine Notes, for a total consideration of €1,411,355.

Regulatory Update

In Europe, the European Regulation on sustainability-related disclosures in the financial services sector ("SFDR") was published on 27 November 2019. With an effective date of 10 March 2021, SFDR requires certain firms, including private banks, wealth managers and advisers to comply with new rules on disclosure as regards sustainable investments and sustainability risks. Asset managers, including Blackstone Credit ("BX Credit") (formerly GSO Capital Partners LP), have been working to implement procedures which will allow us, where required, to comply with the SFDR when the regulatory reporting requirements come into effect. BX Credit continues to monitor regulatory developments with regards to SFDR, including the publication of additional Regulatory Technical Standards (which, with regards to the SFDR reporting requirements, are now expected in July 2022, recently extended from January 2022).

In connection with the Securitisation Regulation, widely anticipated secondary legislation setting out the prescribed form of reporting templates was published on 3 September 2020 and use of these reporting templates became mandatory to investors from 23 September 2020. BX Credit was well positioned to transition to the use of these formal reporting templates, and these reporting templates are used in respect of all in-scope CLOs.

Risk Management

Given the natural asymmetry of fixed income, our experienced credit team focuses on truncating downside risk and avoiding principal impairment and believes that the best way to control and mitigate risk is by remaining disciplined in all market cycles and by making careful credit decisions while maintaining adequate diversification.

BCF's portfolio is managed to minimise default risk and credit related losses, which is achieved through in-depth fundamental credit analysis and diversified portfolios in order to avoid the risk of any one issuer or industry adversely impacting overall performance. As outlined in the Portfolio Update section, BCF is broadly diversified across issuers, industries, and countries.

BCF's base currency is denominated in Euro, though investments are also made and realised in other currencies. Changes in rates of exchange may have an adverse effect on the value, price, or income of the investments of BCF. BCF may utilise different financial instruments to seek to hedge against declines in the value of its positions as a result of changes in currency exchange rates.

Through the construction of solid credit portfolios and our emphasis on risk management, capital preservation, and fundamental credit research, we believe the Company's investment strategy will continue to be successful.

Blackstone Responsible Investing Approach

The Importance of Responsible Investing

For over 35 years, Blackstone has been committed to being a responsible investor. This commitment is affirmed across the organisation and guides our approach to investing. We believe that adequate consideration of environmental, social, and governance ("ESG") factors for each potential investment enhances our assessment of risk and also helps us identify opportunities for transformation at each company where we invest. Consequently, we believe that a comprehensive ESG program drives value and enhances returns. We also believe that understanding ESG factors helps us understand trends and how they will shape demand and markets in years to come. Our framework applies to all investment opportunities, though the exact application of that framework varies by asset class, investment objective and the unique characteristics of each investment.

Objectives

Blackstone's responsible investing objectives are outlined below:

Integration

Consider environmental, social, and governance issues when evaluating investment opportunities and when managing/monitoring portfolios and assets. Pursue high-quality sources of ESG data and intelligence; where appropriate, integrate that data into our research process and also use that data to enhance our understanding of markets and consumer trends. Actively use ESG considerations to transform our portfolio companies in ways that both manage risk and are value accretive for our investment portfolios. In addition, integrate ESG considerations into our business practices outside of the investment process.

Engagement

Work together with our portfolio entities, managers, transaction partners, peers, and other partners to advance principles of responsible investment and corporate social responsibility. Share our ESG philosophy broadly and use our leadership position to influence others and advance the dialogue of the importance of ESG integration in finance and for corporate actors generally.

Reporting

Be transparent with our investors and other stakeholders about Blackstone's responsible investing initiatives, successes, and goals.

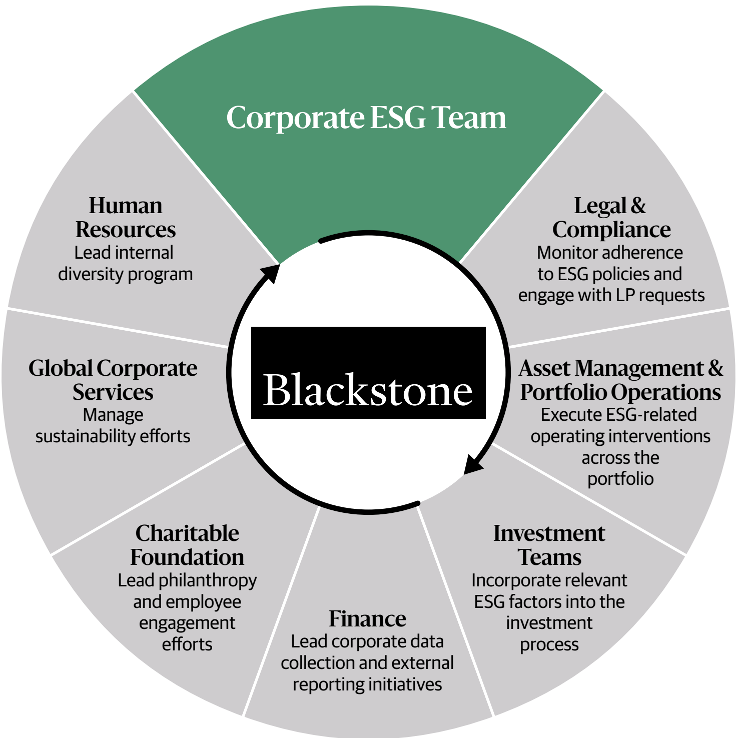
Approach and Responsibilities

Across all of Blackstone's businesses, ESG is core to what we do. Our approach includes an evaluation of ESG considerations (pre- and post-investment decision making) as a standard part of the investment and the asset/portfolio management processes. Primary responsibility lies with our investment teams because these considerations support investment decisions. Together with Portfolio Operations and our asset management teams, the investment teams are also expected to continue to keep these issues front of mind through the life of the investment.

Blackstone's Chief Sustainability Officer supports the investment and asset management teams by driving initiatives that are aimed at improving operational and environmental performance across the portfolio. Other functional experts within Portfolio Operations (including Talent Management, Procurement and Healthcare Cost Containment) may consider ESG insights in delivering operating intervention capabilities across the portfolio.

Blackstone's ESG Steering Committee coordinates ESG initiatives across the firm to ensure consistency in approach and, with the assistance of the Legal & Compliance department, compliance with Blackstone's ESG policy. Additionally, BXC has an ESG Working Group that meets monthly and discusses a variety of ESG-related topics, including, as applicable: review of investments, investor requests, market trends and newly adopted or pending legislation, rules, and regulation, and revisions and/or amendments to BXC ESG Policy. Below is a visual of Blackstone's ESG leadership and integrated team approach.

ESG Structure (as of June 2021)



Blackstone Credit's Commitment to ESG

BX Credit's focus on ESG stems from our commitment to prudent investing and our culture that prioritizes robust corporate governance. Our investment team understands Blackstone's focus on corporate governance, including ESG, and that appreciation is reflected in the investments we make and how we engage with our portfolio companies after an investment is made. Review of ESG risks to investment performance is integrated into BX Credit's investment analysis and decision-making processes from pre-investment diligence to post-investment monitoring.

BX Credit recognises the value that incorporating ESG factors in our investment research creates both in terms of mitigating risk and enhancing long-term performance across our various investments. To that end, BX Credit integrates review and consideration of applicable ESG factors into its decision-making processes, as summarized below:

1 Comprehensive Due Diligence

Investment teams within BX Credit consider ESG factors that may impact investment performance during the due diligence phase of an investment. ESG due diligence will vary based on (i) the nature of BX Credit's investment, (ii) the transaction process and timeline, (iii) the level of access to information, specifically as it pertains to ESG factors, and (iv) the target portfolio company's (the "Target") sector or business model. Investment teams will engage with target companies, sponsor partners, and review publicly available information to develop insights into the Target's business and operations. External ESG experts and legal counsel may also be engaged, as necessary. In 2020, BX Credit worked with a third party ESG consulting firm to create a sector-specific tool based on the Sustainability Accounting Standards Board ("SASB") that provides a framework to conduct ESG due diligence. The proprietary tool helps our teams identify the most material ESG risks that may impact a company's performance, so that we are able to focus our diligence on assessing these risks in a more targeted fashion. The tool includes industry-specific due diligence questions, KPIs to track, detailed guidance on considerations for evaluating the topic and resources for additional research. We will then compare the findings from our proprietary ESG research with the ESG due diligence from a sponsor partner (if applicable).

2 Investment Committee Engagement and Documentation

Material ESG considerations and risks arising from diligence are described in the appropriate investment committee materials and discussed in the relevant investment committee forum. If material ESG risks are identified, BX Credit may seek to remedy the situation via additional due diligence, the hiring of specialist advisors, further discussions with company management or decide not to move forward with the investment.

3 Active Post-Investment Monitoring

On an ongoing basis, investment teams monitor the performance of BX Credit's investments, which includes, but is not limited to, assessing financial, operational, industry-specific and ESG-related factors, as applicable. Periodically, BX Credit investment teams will update the investment committee on the performance of issuers and highlight any material ESG considerations or risks that warrant investment committee discussion, both in the context of the company's industry and on a stand-alone basis.

As a credit investor, BX Credit will have less control over portfolio companies than equity investors; however, we may seek to reinforce certain aspects of value-enhancing ESG compliance through contractual obligations and covenants in governing agreements with portfolio companies. Underwriting due diligence includes among other things, material environmental, public health, safety, social and governance issues associated with lending to a company.

At this time, BX Credit does not explicitly track exposure to climate risk or monitor the carbon footprint of an investment. In practice, we take the ESG factors that may impact investment performance into consideration and incorporate such factors into our initial evaluation of an investment and our ongoing investment monitoring process. Our evaluation criteria are based on the materiality of the ESG risk considering (a) whether it has a current impact or a potential future impact and (b) any mitigating actions the issuer undertakes to address the risk. In general, industries with a high carbon footprint face significant transition risk with regard to climate change, and that risk would need to be evaluated before making an investment decision.

Blackstone Ireland Limited
21 September 2021

Strategic Overview

Purpose

As an investment company, our purpose is to provide permanent capital to BCF, a company established by Blackstone Ireland Limited ("BIL") (formerly Blackstone/GSO Debt Funds Management Europe Limited) as part of its loan financing programme, with a view to generating stable and growing total returns for Shareholders through dividends and value growth.

We deliver our purpose through working in line with our values, which form the backbone of what the Company does and are an important part of our culture.

Values

Integrity and Trust – The Board seeks to act with integrity in everything it does and to be trustworthy. The Directors seek to uphold the highest standards of professionalism driven by our corporate governance processes.

Transparency – The Board aims to ensure all of the Company's activities are undertaken with the utmost transparency and openness to sustain trust.

Opportunity – The ability of the Board to identify and seize opportunities which are in the best interests of our shareholders.

Sustainability – The Company aims to maintain and deliver attractive and sustainable returns for its shareholders.

Principal Activities

The Company was incorporated on 30 April 2014 as a closed-ended investment company limited by shares under the laws of Jersey and is authorised as a listed fund under the Collective Investment Funds (Jersey) Law 1988. The Company continues to be registered and domiciled in Jersey. The Company's Ordinary Shares are quoted on the Premium Segment of the Main Market of the LSE.

The Company's share capital consists of an unlimited number of shares of any class. As at 30 June 2021, the Company's issued share capital was 469,787,075[33] Ordinary Shares. The Company also held 13,115,719[34] (31 December 2020: 5,879,463) ordinary shares in treasury.

The Company has a wholly-owned Luxemburg subsidiary, Blackstone/GSO Loan Financing (Luxembourg) S.à r.l. which has an issued share capital of 2,000,000 Class A shares and 1 Class B share. All of the Class A and Class B shares were held by the Company as at 30 June 2021 together with 275,438,217 class B CSWs issued by the Lux Subsidiary. The Lux Subsidiary invests in PPNs issued by BCF, which in turn invests in CLOs and loans. As at 30 June 2021, the Company also held CLO Mezzanine Notes which formed part of the Rollover Assets. These were subsequently disposed of on 8 September 2021.

The Company is a self-managed company. BIL acts as Portfolio Adviser to the Company and, pursuant to the Advisory Agreement, provides advice and assistance to the Company in connection with its investment in the CSWs. Blackstone Liquid Credit Strategies LLC ("BLCS") (formerly GSO/Blackstone Debt Funds Management LLC) acts as Portfolio Manager in relation to the Rollover Assets (as defined in the Company's Prospectus published on 23 November 2018). BNP Paribas Securities Services S.C.A., Jersey Branch acts as Administrator, Company Secretary, Custodian and Depositary to the Company.

Directors' Interests

The Directors held the following number of Ordinary Shares in the Company as at the period end and the date these condensed financial statements were approved:

Shares	Type	As at 30 June 2021	As at 31 December 2020
Charlotte Valeur	Ordinary	11,500	11,500
Gary Clark	Ordinary	168,200	168,200
Heather MacCallum	Ordinary	–	–
Mark Moffat	Ordinary	771,593	771,593
Steven Wilderspin	Ordinary	20,000	20,000

Investment Objective

As outlined in the Company's Prospectus, 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 to floating rate senior secured loans and bonds directly and indirectly through CLO Securities

(33) Excludes Ordinary Shares repurchased of 267,756 and 28,000 as announced on the RNS on 29 June 2021 and 30 June 2021 respectively
(34) Includes Ordinary Shares repurchased of 267,756 and 28,000 as announced on the RNS on 29 June 2021 and 30 June 2021 respectively

and investments in Loan Warehouses. The Company seeks to achieve its investment objective through exposure (directly or indirectly) to one or more companies or entities established from time to time ("Underlying Companies"), such as BCF.

Investment Policy

Overview

As outlined in the Company's Prospectus, the Company's investment policy is to invest (directly, or indirectly through one or more Underlying Companies) in a diverse portfolio of senior secured loans (including broadly syndicated, middle market or other loans) (such investments being made by the Underlying Companies directly or through investments in Loan Warehouses), bonds and CLO Securities, and generate attractive risk-adjusted returns from such portfolios. The Company intends to pursue its investment policy by investing (through one or more subsidiaries) in profit participating instruments (or similar securities) issued by one or more Underlying Companies.

Each Underlying Company will use the proceeds from the issue of the profit participating instruments (or similar securities), together with the proceeds from other funding or financing arrangements it has in place currently or may have in the future, to invest in: (i) senior secured loans, bonds, CLO Securities and Loan Warehouses; or (ii) other Underlying Companies which, themselves, invest in senior secured loans, bonds, CLO Securities and Loan Warehouses. The Underlying Companies may invest in European or US senior secured loans, bonds, CLO Securities, Loan Warehouses and other assets in accordance with the investment policy of the Underlying Companies. Investments in Loan Warehouses, which are generally expected to be subordinated to senior finance provided by third-party banks, will typically be in the form of an obligation to purchase preference shares or a subordinated loan. There is no limit on the maximum US or European exposure. The Underlying Companies do not invest substantially directly in senior secured loans or bonds domiciled outside North America or Western Europe.

Investment Limits and Risk Diversification

The Company's investment strategy is to implement its investment policy by investing directly or indirectly through the Underlying Companies, in a portfolio of senior secured loans and bonds or in Loan Warehouses containing senior secured loans and bonds and, in connection with such strategy, to own debt and equity tranches of CLOs and, in the case of European CLOs and certain US CLOs, to be the risk retention provider in each.

The Underlying Companies may periodically securitise a portion of the loans, or a Loan Warehouse in which they invest, into CLOs which may be managed either by such Underlying Company itself, by BIL or DFM (or one of their affiliates), in their capacity as the CLO Manager.

Where compliance with the European Risk Retention Requirements is sought (which may include both EUR and US CLOs) the Underlying Companies will retain exposures of each CLO, which may be held as:

- CLO Income Notes equal to: (i) between 51% and 100% of the CLO Income Notes issued by each such CLO in the case of European CLOs; or (ii) CLO Income Notes representing at least 5% of the credit risk relating to the assets collateralising the CLO in the case of US CLOs (each of (i) and (ii), (the "horizontal strip"); or
- Not less than 5% of the principal amount of each of the tranches of CLO Securities in each such CLO (the "vertical strip").

To the extent attributable to the Company, the value of the CLO Income Notes retained by Underlying Companies in any CLO will not exceed 25% of the Published NAV of the Company at the time of investment.

Investments in CLO Income Notes and loan warehouses are highly leveraged. Gains and losses relating to underlying senior secured loans will generally be magnified. Further, to the extent attributable to the Company, the aggregate value of investments made by Underlying Companies in vertical strips of CLOs (net of any directly attributable financing) will not exceed 15% of the Published NAV of the Company at the time of investment. This limitation shall apply to Underlying Companies in aggregate and not to Underlying Companies individually.

Loan Warehouses may eventually be securitised into CLOs managed either by an Underlying Company itself or by BIL or DFM (or one of their affiliates), in their capacity as the CLO Manager. To the extent attributable to the Company, the aggregate value of investments made by Underlying Companies in any single externally financed warehouse (net of any directly attributable financing) shall not exceed 20% of the NAV of the Company at the time of investment, and in all externally financed warehouses taken together (net of any directly attributable financing) shall not exceed 30% of the NAV of the Company at the time of investment. These limitations shall apply to Underlying Companies in aggregate and not to Underlying Companies individually.

The following limits (the "Eligibility Criteria") apply to senior secured loans and bonds (and, to the extent applicable, other corporate debt instruments) directly held by any Underlying Company (and not through CLO Securities or Loan Warehouses):

Maximum Exposure	% of an Underlying Company's Gross Asset Value
Per obligor	5
Per industry sector	15 (With the exceptionof one industry, which may be up to 20%)
To obligors with a rating lower than B-/B3/B-	7.5
To second lien loans, unsecured loans, mezzanine loans and high yield bonds	10

For the purposes of these Eligibility Criteria, "gross asset value" shall mean gross assets, including any investments in CLO Securities and any undrawn commitment amount of any gearing under any debt facility. Further, for the avoidance of doubt, the "maximum exposures" set out in the Eligibility Criteria shall apply on a trade date basis.

In addition, each CLO in which an Underlying Company holds CLO Securities and each Loan Warehouse in which an Underlying Company invests will have its own eligibility criteria and portfolio limits. These limits are designed to ensure that: (i) the portfolio of assets within the CLO meets a prescribed level of diversity and quality as set by the relevant rating agencies that rate securities issued by such CLO, or (ii) in the case of a Loan Warehouse, that the warehoused assets will eventually be eligible for a rated CLO. The CLO Manager will seek to identify and actively manage assets which meet those criteria and limits within each CLO or Loan Warehouse. The eligibility criteria and portfolio limits within a CLO or Loan Warehouse may include the following:

- A limit on the weighted average life of the portfolio;
- A limit on the weighted average rating of the portfolio;
- A limit on the maximum amount of portfolio assets with a rating lower than B-/B3/B-; and
- A limit on the minimum diversity of the portfolio.

CLOs in which an Underlying Company may hold CLO Securities or Loan Warehouses in which an Underlying Company may invest also have certain other criteria and limits, which may include:

- A limit on the minimum weighted average of the prescribed rating agency recovery rate;
- A limit on the minimum amount of senior secured assets;
- A limit on the maximum aggregate exposure to second lien loans, high yield bonds, mezzanine loans and unsecured loans;
- A limit on the maximum portfolio exposure to covenant-lite loans;
- An exclusion of project finance loans;
- An exclusion of structured finance securities;
- An exclusion on investing in the debt of companies domiciled in countries with a local currency sub-investment grade rating; and
- An exclusion of leases.

This is not an exhaustive list of the eligibility criteria and portfolio limits within a typical CLO or Loan Warehouse and the inclusion or exclusion of such limits and their absolute levels are subject to change depending on market conditions. Any such limits applied shall be measured at the time of investment in each CLO or Loan Warehouse.

- A limit on the maximum aggregate exposure to second lien loans, high yield bonds, mezzanine loans and unsecured loans;
- A limit on the maximum portfolio exposure to covenant-lite loans;
- An exclusion of project finance loans;
- An exclusion of structured finance securities;
- An exclusion on investing in the debt of companies domiciled in countries with a local currency sub-investment grade rating; and
- An exclusion of leases.

This is not an exhaustive list of the eligibility criteria and portfolio limits within a typical CLO or Loan Warehouse and the inclusion or exclusion of such limits and their absolute levels are subject to change depending on market conditions. Any such limits applied shall be measured at the time of investment in each CLO or Loan Warehouse.

Changes to Investment Policy

Any material change to the investment policy of the Company would be made only with the approval of Ordinary Shareholders.

It is intended that the investment policy of each substantial Underlying Company will mirror the Company's investment policy, subject to such additional restrictions as may be adopted by a substantial Underlying Company from time to time. The Company will receive periodic reports from each substantial Underlying Company in relation to the implementation of such substantial Underlying Company's investment policy to enable the Company to have oversight of its activities.

If a substantial Underlying Company proposes to make any changes (material or otherwise) to its investment policy, the Directors will seek Ordinary Shareholder approval of any changes which are either material in their own right or, when viewed as a whole together with previous non-material changes, constitute a material change from the published investment policy of the Company. If Ordinary Shareholders do not approve the change in investment policy of the Company such that it is once again materially consistent with that of such substantial Underlying Company, the Directors will redeem the Company's investment in such substantial Underlying Company (either directly or, if the Company's investment in a subsidiary is invested by such subsidiary in such substantial Underlying Company (either directly or through one or more other Underlying Companies), by redeeming the securities held by the Company in such subsidiary and procuring that the subsidiary redeems its investment in such substantial Underlying Companies (either directly or through one or more other Underlying Companies)), as soon as reasonably practicable but at all times subject to the relevant legal, regulatory and contractual obligations.

The Board considers BCF to be a substantial Underlying Company.

Company Borrowing Limit

The Company will not utilise borrowings for investment purposes. However, the Directors are permitted to borrow up to 10% of the Company's Published NAV for day-to-day administration and cash management purposes. For the avoidance of doubt, this limit only applies to the Company and not the Underlying Companies.

In accordance with the Company's Prospectus, the Company may use hedging or derivatives (both long and short) for the purposes of efficient portfolio management. It is intended that up to 100% (as appropriate) of the Company's exposure to any non-Euro assets will be hedged, subject to suitable hedging contracts being available at appropriate times and on acceptable terms.

Investment Strategy

Whether the senior secured loans, bonds or other assets are held directly by an Underlying Company or via CLO Securities or Loan Warehouses, it is intended that, in all cases, the portfolios will be actively managed (by the Underlying Companies or the CLO Manager, as the case may be) to minimise default risk and potential loss through comprehensive credit analysis performed by the Underlying Companies or the CLO Manager (as applicable).

Vertical strips in CLOs in which Underlying Companies may invest are expected to be financed partly through term finance for investment-grade CLO Securities, with the balance being provided by the relevant Underlying Company investing in such CLO. This term financing may be full-recourse, non-mark to market, long-term financing which may, among other things, match the maturity of the relevant CLO or match the reinvestment period or non-call period of the relevant CLO. In particular, and although not forming part of the Company's investment policy, the following levels of, or limitations on, leverage are expected in relation to investments made by Underlying Companies:

- Senior secured loans and bonds may be levered up to 2.5x with term finance;
- Investments in "first loss" positions or the "warehouse equity" in Loan Warehouses will not be levered;
- CLO Income Notes will not be levered;
- Investments in CLO Securities rated B- and above at the time of issue may be funded entirely with term finance; and
- Investments in a vertical strip may be levered 6.0-7.0x, with term finance as described above.

To the extent that they are financed, vertical strips are anticipated to require less capital than horizontal strips, which is expected to result in more efficient use of the Underlying Companies' capital. In addition, since the return profile on financed vertical strips is different to retained CLO Income Notes, BIL believes that vertical strips may be more robust through a market downturn, although projected IRRs may be slightly lower. However, an investment in vertical strips is not expected to impact the Company's stated target return.

From time to time, as part of its ongoing portfolio management, the Underlying Companies may sell positions as and when suitable opportunities arise. Where not bound by risk retention requirements, it is the intention that the Underlying Companies would seek to maintain control of the call option of any CLOs securitised.

With respect to investments in CLO Securities, while the Underlying Companies maintain a focus on investing in newly issued CLOs, it will also evaluate the secondary market for sourcing potential investment opportunities in CLO Securities.

Whilst the intention is to pursue an active, non-benchmark total return strategy, the Company is cognisant of the positioning of the loan portfolios against relevant indices. Accordingly, the Underlying Companies will track the returns and volatility of such indices, while seeking to outperform them on a consistent basis. In-depth, fundamental credit research dictates name selection and sector over-weights/under-weights relative to the benchmark, backstopped by constant portfolio monitoring and risk oversight. The Underlying Companies will typically look to diversify their portfolios to avoid the risk that any one obligor or industry will adversely impact overall returns. The Underlying Companies also place an emphasis on loan portfolio liquidity to ensure that if their credit outlook changes, they are free to respond quickly and effectively to reduce or mitigate risk in their portfolio. The Company believes this investment strategy will be successful in the future as a result of its emphasis on risk management, capital preservation and fundamental credit research. The Directors believe the best way to control and mitigate risk is by remaining disciplined in market cycles, by making careful credit decisions and maintaining adequate diversification.

The portfolio of the Underlying Companies in which the Company invests (through its wholly-owned subsidiary) remains broadly divided between European CLOs and US CLOs.

The Company operates with Euro as its functional currency. The Rollover Assets and a significant proportion of the portfolio of assets held by Underlying Companies to which the Company has exposure may, from time to time, be denominated in currencies other than Euro. In accordance with the Company's investment policy, up to 100 per cent (as appropriate) of the Company's exposure to such non-Euro assets is hedged, subject to suitable hedging contracts being available at appropriate times and on acceptable terms.

Corporate Activity

EGM and Name Change

On 6 January 2021, the Company announced that at the Extraordinary General Meeting held on the same date a special resolution to change the Company's name from "Blackstone/GSO Loan Financing Limited" to "Blackstone Loan Financing Limited" had been duly passed.

On 13 January 2021, the Company announced that, further to the announcement made on 6 January 2021 and with effect from 11 January 2021 the Company's name had been changed accordingly.

Revised Dividend Policy

On 22 January 2021, the Board announced that the Company had adopted a revised Dividend Policy targeting a total 2021 annual dividend of between €0.07 and €0.08 per ordinary share, to consist of quarterly payments of €0.0175 per ordinary share for the first three quarters and a final quarter payment of a variable amount to be determined at that time.

Share Repurchase Programme

During the period ended 30 June 2021, the Company repurchased 7,236,256 of its Ordinary Shares at a weighted average price per share of €0.76 (including repurchase fees) as part of its discount management programme as further described on page 29. The repurchased Ordinary Shares are held as treasury shares. Further details of the repurchases during the period are included below.

On 7 and 11 January 2021, and on 10 March 2021, the Company's Joint Brokers, on behalf of the Company, made three market share repurchases for a total of 125,000 shares at a weighted average price of €0.65 per share (including repurchase fees).

On 12 March 2021 the Company announced that it had appointed its Joint Brokers to manage a Share Repurchase Programme to repurchase Ordinary Shares within certain pre-set parameters, to begin on 12 March 2021 and run until 26 May 2021.

On 1 June 2021 the Company announced that the above-described Share Repurchase Programme had been renewed until 23 July 2021, being the date of the Company's Annual General Meeting, and that in order to commence the renewed Share Repurchase Programme the Company instructed its Joint Brokers to buy up to 5 million ordinary shares at a price of €0.75 per share. The Company invited any shareholders interested in selling their shares to contact their usual contact at Winterflood or N+1 Singer by no later than 2:00pm on 3 June.

On 3 June 2021 the Company repurchased 5 million shares at a price of €0.75 per share (including repurchase fees).

On 16 June 2021, a further market share repurchase was made under the Share Repurchase Programme for a total of 1,590,500 shares at a weighted average price of €0.765 per share (including repurchase fees).

On 15, 18, 22, 28, 29 and 30 June, six additional market share repurchases were made under the Share Repurchase Programme for a total of 520,756 shares at a weighted average price of €0.78 per share (including repurchase fees).

On 26 July 2021, the Company announced that the above-described Share Repurchase Programme had been renewed until 30 September 2021.

From 1 July 2021 to 21 September 2021 the Company repurchased 2,535,751 Ordinary Shares at a weighted average price of €0.78 per share (including repurchase fees).

Risk Overview

Each Director is aware of the risks inherent in the Company's business and understands the importance of identifying, evaluating and monitoring these risks. The Board has adopted procedures and controls to enable it to manage these risks within acceptable limits and to meet all of its legal and regulatory obligations.

The Board considers the process for identifying, evaluating and managing any significant risks faced by the Company on an ongoing basis and these risks are reported and discussed at Board meetings. It ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulations are upheld.

Risk Appetite

The Board's strategic risk appetite is to balance the amount of income distributed by the Company by way of dividend with the opportunity to reinvest the returns received from the underlying CLO investments in further CLO equity through the structure. The Board seeks to ensure that the dividend policy is sustainable without eroding capital. Where the Company's share price is at a material discount to the NAV per share the Board may decide to repurchase shares in accordance with its share buyback policy instead of, or as well as, reinvestment into CLOs.

When considering other risks, the Board's risk appetite is effectively governed by a cost benefit analysis when assessing mitigation measures. However, at all times the Company will seek to follow best practice and remain compliant with all applicable laws, rules and regulations.

Principal Risks and Uncertainties

As recommended by the Risk Committee, the Board has adopted a risk management framework to govern how the Board: identifies existing and emerging risks; determines risk appetite; identifies mitigation and controls; assesses, monitors and measures risk; and reports on risks.

The Board reviews risks at least twice a year and receives deep-dive reports on specific risks as recommended by the Risk Committee. Throughout the period under review the Board considered 15 main risks which have a higher probability and a significant potential impact on performance, strategy, reputation, or operations (Category A risks). Of these, the five risks identified below were considered the principal risks faced by the Company where the combination of probability and impact was assessed as being most significant. During the period, ESG risk has been added as a Category A Risk, as it is a key current focus of the Board and the Portfolio Adviser. The Board also considered another 14 less significant existing or emerging risks (Category B risks) which are monitored on a watch list.

During the period, as the COVID-19 pandemic continued its course, the Board and the Risk Committee considered the impact that the situation was having on the Company's business and its service providers. Risks relating to Reliance on Service Providers and Business Continuity were initially heightened but then receded as service providers demonstrated adaptability and resilience. Due to the material impact that the epidemic is having on the Company, society and the economy, the five principal risks below are considered through the lens of COVID-19.

Principal risk	COVID-19 commentary
Investment performance A key risk to the Company is unsatisfactory investment performance due to an economic downturn along with continued political uncertainty which could negatively impact global credit markets and the risk reward characteristics for CLO structuring. This could directly impact the performance of the underlying CLOs that the Company invests in and it could also result in a reduced number of suitable investment opportunities and/or lower shareholder demand.	Credit markets, along with most other asset classes, were initially badly hit by the expected impact of COVID-19 on companies and markets. However, as the actual impact of the pandemic on specific companies and markets has become clearer, markets have adjusted and rebounded. During 2020, the Portfolio Adviser conducted detailed reviews of the companies that comprised the underlying portfolio and, within the parameters of the CLOs, traded in and out of different names to re-orientate the portfolios for the COVID-19 environment. The Portfolio Adviser has since managed the portfolio as detailed in the Portfolio Advisers report on pages 13 and 14. The Board takes comfort from the pedigree of Blackstone Credit as Portfolio Advisers and their ability to trade and manage risk in the portfolios in difficult circumstances, as demonstrated in the GFC and as seen in 2020 and 2021.

Principal risk	COVID-19 commentary
Share price discount The price of the Company's shares may trade at a discount relative to the underlying net asset value of the shares.	Due to the inherent uncertainty created by the onset of the COVID-19 pandemic last year, the Company's discount initially widened as far as 36.7%, although there had been no sustained selling pressure. The discount subsequently narrowed somewhat but remained in the range 16% – 30% for the rest of 2020. As the likely impact of the pandemic became clearer in mid-2020, the Board commenced buying back some of the Company's shares. Please refer to the Chair's Statement and Share Repurchase Programme in Corporate Activity. The Board also began consulting with advisers to formulate a clearer policy regarding the application of cash generated by the underlying portfolio between distributions to shareholders, amounts re-invested into the portfolio and amounts available to buy back the Company's shares where there is a discount. The discount consequently narrowed from a range of 14.65% to 26.18% during the 3 months to 31 March 2021 to a range of 5.82% to 14.65% during the 3 months to 30 June 2021. The discount as at 30 June 2021 was 10.99%.
Investment valuation The investment in the Lux Subsidiary is accounted for at fair value through profit or loss and the investment in PPNs issued by BCF held by the Lux Subsidiary are at fair value. Investments in BCF (the PPNs) are illiquid investments, not traded on an active market and are valued using valuation techniques determined by the Directors. The underlying CLO investments held by BCF are valued using modelling methodologies, described in the Company's Prospectus, that are based upon many assumptions. The valuation of the Company's investments therefore requires significant judgement and there is a risk that they are incorrectly valued due to calculation errors or incorrect assumptions.	The Directors use their judgement, with the assistance of the Portfolio Adviser, in selecting an appropriate valuation technique and refer to techniques commonly used by market practitioners. The board of directors of BCF likewise use their judgement in determining the valuation of investments and underlying CLOs and equity tranches retained by BCF. Independent valuation service providers are involved in determining the fair value of underlying CLOs. The Board and Portfolio Adviser have paid close attention to developing market expectations and assumptions through the pandemic, to ensure that valuations reflect reasonable future scenarios. Sales of equity positions in the CLOs held by BCF, to third parties, during the period have validated that the Company's valuation policy is reasonable.

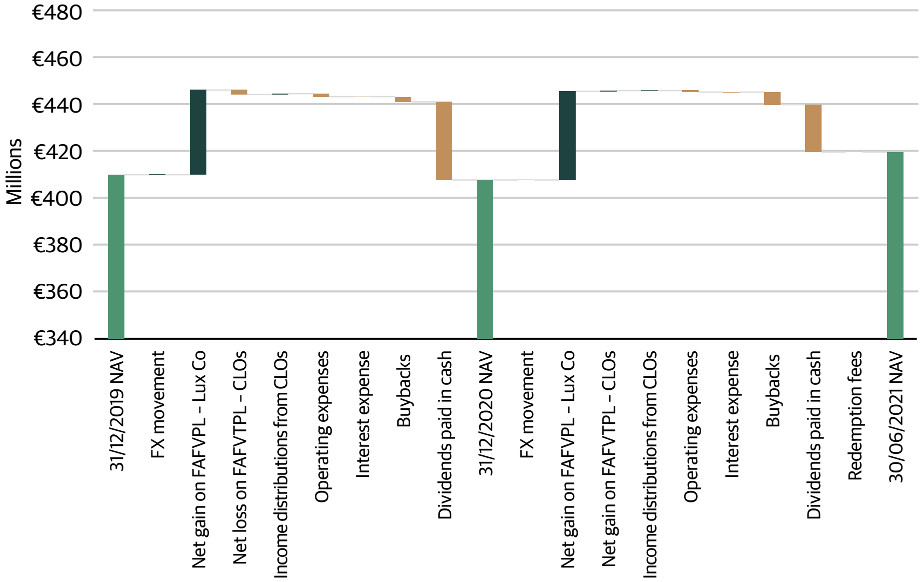
Principal risk	COVID-19 commentary
Income distribution model The Company receives cash flows from its underlying exposure to debt and CLO investments held by BCF. Each underlying CLO will pay out a mixture of income and capital return over its life with a terminal capital value in the 70 to 80% range. BCF aims to distribute most of the proceeds that it receives from CLO investments to the Company (via PPNs) whilst reinvesting some of the proceeds back into CLOs to maintain capital invested. In turn, the Company aims to distribute income received to shareholders, in accordance with its distribution policy, without eroding capital. There is a risk that the distribution policy at the Company level may be too generous or re-investment at the BCF level may not be sufficient, resulting in the erosion of underlying capital invested.	The Directors use their judgement, with the assistance of the Portfolio Adviser, in setting the Company's distribution policy to ensure that it is appropriate given the performance of the underlying CLOs. As a result of the initial COVID-19 impact assessment conducted by the Portfolio Adviser in March/April 2020, the Company decided to amend its dividend policy. The target for 2020 dividends was announced as a range from €0.06 to €0.07 per share. This was to ensure that there was sufficient cover for distributions in the reasonable downside scenarios identified by the Portfolio Adviser. Due to the robust performance of the underlying portfolio relative to the modelled downside scenarios, the Company was able to pay dividends for 2020 of €0.07 per share and announced a target range for 2021 of €0.07 to €0.08 per share.
Operational The Company has no employees, systems or premises and is reliant on its Portfolio Adviser and service providers for the delivery of its investment objective and strategy. The COVID-19 pandemic means that all of the Company's service providers are operating under business continuity procedures with staff mainly working from home. This increases the risk of control breakdowns, errors and omissions and regulatory breaches. As the pandemic takes its course there is also an increased risk that key individuals at the Portfolio Adviser and other service providers will be ill or otherwise unable to work. This will reduce the capacity for the Company to operate.	The Risk Committee has reviewed the arrangements put in place by key service providers to ensure continuity of service to the Company and is currently satisfied that they are sufficient. This will be kept under regular review.

Going Concern

The Directors have considered the Company's investment objective, risk management and capital management policies, its assets and the expected income from its investments while factoring in the economic impact the outbreak of COVID-19 had during 2020 and continues to have through 2021, as discussed further in the Chair's Statement and the Portfolio Adviser's Review. The Directors are of the opinion that the Company is able to meet its liabilities and ongoing expenses as they fall due and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis and the Directors believe it is appropriate to continue to adopt this basis for a period of at least 12 months from the date of approval of these financial statements.

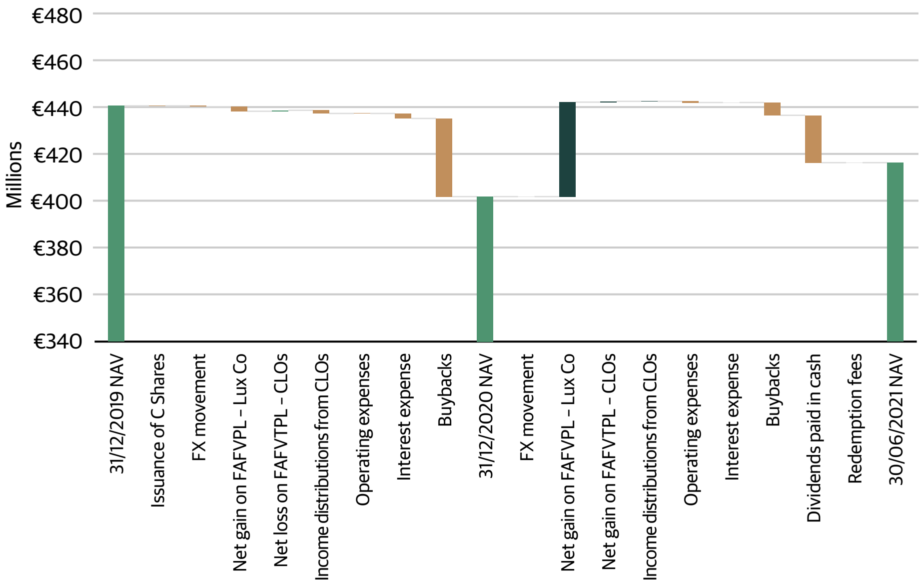
Performance Analysis

IFRS NAV Performance Analysis for the Periods Ended 30 June 2021 and 31 December 2020 – Contributors to Change



Further commentary on the Company's performance is contained in the Chair's Statement on pages 8 to 10 and the Portfolio Adviser's Review on pages 11 to 22.

Published NAV Performance Analysis for the Periods Ended 30 June 2021 and 31 December 2020 – Contributors to Change



Further commentary on the Company's performance is contained in the Chair's Statement on pages 8 to 10 and the Portfolio Adviser's Review on pages 11 to 22.

Other Information

Valuation Methodology

As noted on page 5, the Published NAV and the IFRS NAV may diverge because of different key assumptions used to determine the valuation of the BCF portfolio. Key assumptions which are different between the two bases as at 30 June 2021 are detailed below:

Asset	Valuation Methodology	Input	IFRS NAV	Published NAV	IFRS NAV	Published NAV
				30 June 2021		31 December 2020
CLO Securities	Discounted Cash Flows	Default rate	2.00%	1.58%[35]	1.75%	1.83%
		Conditional prepayment rate	20%	20%	23%	24%
		Reinvestment spread (bp over LIBOR)	347.32	359.98	370.00	359.23
		Recovery rate Loans	60%	60%	60%	60%
		Recovery lag (Months)	0	6	0	12
		Discount rate	11.65%	14.00%	14.55%	14.00%

All of the assumptions above are based on weighted averages.

Certain assumptions, which underpin the period-end Published NAV, such as the default rate, reinvestment spread, the 6-month recovery lag on assumed defaulted assets and the discount rate contribute to the divergence between the IFRS NAV and Published NAV. The below table further explains the rationale regarding the differences in certain assumptions that significantly contributed to the valuation divergence as at 30 June 2021.

Assumptions	IFRS NAV	Published NAV
Reinvestment Spread	Largely weighted by a CLO's current portfolio weighted average spread, which assumes that the CLO investment manager will continue to reinvest in collateral with a similar spread and rating composition to the existing collateral pool. In addition, weighting may be given to primary loan spreads to the extent current primary market opportunities suggest different spreads than the existing portfolio.	Represents a normalised, long-term view of loan spreads to be achieved over the life of the CLO's remaining reinvestment period. Initially informed by the underwriting model at issuance, the assumption is periodically reviewed and updated to the extent of secular changes in loan spreads.
Discount Rate	Intended to reflect the market required rate of return for similar securities and is informed by market research, BWICs, market colour for comparable transactions, and dealer runs. The discount rate may vary based on underlying loan prices, exposure to distressed assets or industries, manager performance, and time remaining in reinvestment period.	Based on the expected rate of return at the time of initial underwriting, assuming a hold period to maturity and current projections around collateral performance and reinvestment. The discount rate is periodically reviewed and updated to the extent of secular changes in the market required rate of return.

(35) The metric shown represents a time weighted average of a default vector which begins at the current portfolio default rate and ramps up to an assumed long term average default rate.

Source of the Company's Dividend – Ordinary Class

The Company through its investments in the Lux Subsidiary receives income, on a quarterly basis, on the PPNs held by the latter in BCF, which continues to generate positive cash flows from its CLO Income Note investments and from its portfolio of directly held and warehoused loans.

The Company redeems CSWs on a quarterly basis to transfer the income from the Lux Subsidiary. As detailed on page 7, the Company redeemed 19,354,587 CSWs in the Lux Subsidiary during the period with a fair value of €26,425,980 to fund the quarterly dividend.

Alternative Investment Fund Managers' Directive

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure.

Alternative Performance Measures

In accordance with ESMA Guidelines on APMs, the Board has considered which APMs are included in the Half Yearly Financial Report and require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs included in the financial statements, which are unaudited and outside the scope of IFRS, are detailed in the table below:

	Published NAV total return per Ordinary Share[36]	Published NAV per Ordinary Share[36]	(Discount)/Premium per Ordinary Share
Definition	The increase in the Published NAV per Ordinary Share plus the total dividends paid per Ordinary Share during the period, with such dividends paid being re-invested at NAV, as a percentage of the NAV per share as at period end.	Gross assets less liabilities (including accrued but unpaid fees) determined in accordance with the section entitled "Net Asset Value" in Part I of the Company's Prospectus, divided by the number of Ordinary Shares at the relevant time.	BGLF's closing share price on the LSE less the Published NAV per share as at the period end, divided by the Published NAV per share as at that date.
Reason	NAV total return summarises the Company's true growth over time while taking into account both capital appreciation and dividend yield.	The Published NAV per share is an indicator of the intrinsic value of the Company.	The discount or premium per Ordinary Share is a key indicator of the discrepancy between the market value and the intrinsic value of the Company.
Target	Approximately 11%+	Not applicable	Maximum discount of 7.5%
Performance			
2021[37]	10.59%	0.8875	(10.99)%[38]
2020	(0.22)%	0.8435	(20.57)%
2019	14.46%	0.9187	(10.20)%
2018	6.70%	0.8963	(15.21)%
2017	1.38%	0.9378	5.03%
2016	13.28%	1.0238	(1.10)%

(36) Published NAV is an APM from which these metrics are derived
(37) For the 6 month period to 30 June 2021
(38) Chair's Statement on page 9

A reconciliation of the APMs to the most directly reconcilable line items presented in the financial statements for the six months ended 30 June 2021 and the year ended 31 December 2020 is presented below:

Published NAV total return per Ordinary Share

	Six months ended 30 June 2021	Year ended 31 December 2020
Opening Published NAV per Ordinary Share (A)	€0.8435	€0.9187
Adjustments per Ordinary Share (B)	€0.0122	€(0.0644)
Opening IFRS NAV per Ordinary Share (C=A+B)	€0.8557	€0.8543
Closing Published NAV per Ordinary Share (D)	€0.8875	€0.8435
Adjustments per Ordinary Share (E)	€0.0070	€0.0122
Closing IFRS NAV per Ordinary Share (F=D+E)	€0.8945	€0.8557
Dividends paid during the period/year (G)	€0.0425	€0.0700
Published NAV total return per Ordinary Share (H=(D-A+G)/A)	10.25%	(0.57)%
Impact of dividend re-investment (I)	0.34%	0.35%
Published NAV total return per Ordinary Share with dividends re-invested (J=H+I)	10.59%	(0.22)%
IFRS NAV total return per Ordinary Share (K=(F-C+G)/C)	9.50%	8.36%
Impact of dividend re-investment (L)	0.39%	0.49%
IFRS NAV total return per Ordinary Share with dividends re-invested (M=K+L)	9.89%	8.85%

Refer to Note 14 for further details on the adjustments per Ordinary Share.

Published NAV per Ordinary Share

	30 June 2021	31 December 2020
Published NAV per Ordinary Share (A)	€0.8875	€0.8435
Adjustments per Ordinary Share (B)	€0.0070	€0.0122
IFRS NAV per Ordinary Share (C=A+B)	€0.8945	€0.8557

Refer to Note 14 for further details on the adjustments per Ordinary Share.

(Discount)/Premium per Ordinary Share

	30 June 2021	31 December 2020
Published NAV per Ordinary Share (A)	€0.8875	€0.8435
Adjustments per Ordinary Share (B)	€0.0070	€0.0122
IFRS NAV per Ordinary Share (C=A+B)	€0.8945	€0.8557
Closing share price as at 31 December per the LSE (D)	€0.7900	€0.6700
Discount to Published NAV per Ordinary Share (E=(D-A)/A)	(10.99)%	(20.57)%
Discount to IFRS NAV per Ordinary Share (F=(D-C)/C)	(11.68)%	(21.70)%

Refer to Note 14 for further details on the adjustments per Ordinary Share.

Future Developments

Significant Events after the Reporting Period

On 21 July 2021, the Company declared a dividend of €0.0175 per Ordinary Share in respect of the period from 1 April 2021 to 30 June 2021. A total payment of €7,205,128 was made on 28 August 2021.

During the period from 1 July 2021 to 21 September 2021, the Company repurchased:

a) under the 2020 AGM authority, 1,080,000 of its Ordinary Shares of no par value at a total cost of €840,900 (excluding fees and commissions); and
b) under the 2021 AGM authority, 1,455,751 of its Ordinary Shares of no par value at a total cost of €1,125,660 (excluding fees and commissions).

On 8 September 2021, the Company disposed of the final Rollover Assets, being 2 Mezzanine Notes, for total proceeds of €1,411,355.

Additionally, refer to Note 18 on page 59 for further details.

Outlook

It is the Board's intention that the Company will pursue its investment objective and investment policy as detailed on pages 23 to 26. Further comments on the outlook for the Company for the 2021 financial year and the main trends and factors likely to affects its future development, performance and position are contained within the Chair's Statement and the Portfolio Adviser's Review.

Directors' Biographies

The Directors appointed to the Board as at the date of approval of this Half Yearly Financial Report are:

Charlotte Valeur

Position: Chair of the Board (non-executive and independent director, resident in Jersey)

Date of appointment: 13 June 2014

Charlotte has over 35 years of experience in finance, primarily as an investment banker in Capital Markets in Denmark and the U.K. She is an experienced FTSE Chair, Non-Executive Director and corporate governance expert. Charlotte's current appointments include her roles as NED of listed company Digital 9 Infrastructure Plc, NED of NTR Plc and NED of Laing O'Rourke Construction Ltd.

Charlotte previously held roles as Chair of FTSE250 Kennedy Wilson Europe Real Estate Plc; Chair of DW Catalyst Fund Ltd; NED of Renewable Energy Generation Plc; NED of Phoenix Spree Deutschland Ltd, NED of JPMorgan Convertibles Income Fund, and NED of FTSE250 3i Infrastructure Plc.

Charlotte is also a Trustee of the Institute of Neurodiversity and Chair and founder of Board Apprentice. She is a member of the London Stock Exchange Primary Markets Group, serves on the Advisory Board of the Moller Institute, Churchill College, University of Cambridge and is a visiting Professor in Governance at University of Strathclyde. Charlotte was previously the Chair of the UK Institute of Directors.

Gary Clark, ACA

Position: Chair of the Remuneration and Nomination Committee and NAV Review Committee; Senior Independent Director (non-executive and independent director, resident in Jersey)

Date of appointment: 13 June 2014

Gary Clark acts as an independent non-executive director for a number of investment managers including Emirates NBD, Aberdeen Standard Capital and ICG. Until 1 March 2011 he was a managing director at State Street and their head of Hedge Fund Services in the Channel Islands. Gary Clark, a Chartered Accountant, served as chairman of the Jersey Funds Association from 2004 to 2007 and was managing director at AIB Fund Administrators Limited when it was acquired by Mourant in 2006. This business was sold to State Street in 2010. Prior to this Gary Clark was managing director of the futures broker, GNI (Channel Islands) Limited in Jersey.

A specialist in alternative investment funds, Gary Clark was one of several practitioners involved in a number of significant changes to the regulatory regime for funds in Jersey, including the introduction of both Jersey's Expert Funds Guide and Jersey's Unregulated Funds regime.

As a Chartered Accountant with over 30 years' experience in financial services, including many years focused on running fund administration businesses in alternative asset classes, Gary Clark brings a wealth of highly relevant experience, at both board level and as an executive, in fund/asset management operations, including in particular valuation, accounting and administrative controls and processes.

Heather MacCallum, CA

Position: Chair of the Audit Committee (non-executive and independent director, resident in Jersey)

Date of appointment: 7 September 2017

Heather MacCallum is a Chartered Accountant and was a partner of KPMG Channel Islands for 15 years before retiring from the partnership in 2016.

Heather MacCallum now holds a portfolio of non-executive directorships including Aberdeen Latin American Income Fund Limited and Invesco Bond Income Plus Limited (formerly City Merchants High Yield Trust Limited), both of which are investment companies listed on the London Stock Exchange. She is the Chair of Jersey Water, an unlisted Jersey utility company.

She is a member of the Institute of Directors and the Institute of Chartered Accountants of Scotland (ICAS). She is also a past president of the Jersey Society of Chartered and Certified Accountants.

With 20 years' experience gained in a global professional services firm, Heather MacCallum brings financial experience including technical knowledge of accounting and auditing, especially in the context of financial services, and in particular the investment management sector.

Steven Wilderspin, FCA, IMC

Position: Chair of the Risk Committee (non-executive and independent director, resident in Jersey)

Date of appointment: 11 August 2017

Steven Wilderspin, a qualified Chartered Accountant, has been the Principal of Wilderspin Independent Governance, which provides independent directorship services, since 2007. He has served on a number of private equity, property and hedge fund boards as well as commercial companies.

In February 2021 Steven Wilderspin was appointed as a director of FTSE 250 GCP Infrastructure Investments Ltd and he is also a director of FTSE 250 HarbourVest Global Private Equity Limited. In December 2017 Steven Wilderspin stepped down from the board of FTSE 250 3i Infrastructure plc, where he was chairman of the audit and risk committee, after ten years' service.

From 2001 until 2007, Steven Wilderspin was a director of fund administrator Maples Finance Jersey Limited where he was responsible for fund and securitisation structures. Before that, from 1997, Steven Wilderspin was Head of Accounting at Perpetual Fund Management (Jersey) Limited.

Steven Wilderspin has significant listed corporate governance experience, particularly in the area of risk management, so is well placed to lead the board through the development of its risk framework.

Mark Moffat

Position: Non-executive and independent director (resident in UK)

Date of appointment: 8 January 2020

Mark Moffat has been involved in structuring, managing and investing in CLOs for over 20 years. Mark Moffat left GSO Capital Partners LP[39], part of the credit businesses of The Blackstone Group L.P., in April 2015 to pursue other interests.

Whilst at GSO Mark Moffat was a senior managing director and the portfolio manager responsible for investing in structured credit and co-head of the European activities of the Customised Credit Strategies division.

Mark Moffat joined GSO in January 2012 following the acquisition by GSO of Harbourmaster Capital Management Limited where he was co-head. Prior to joining Harbourmaster in 2007, Mark Moffat was head of European debt and equity capital markets and the European CLO business of Bear Stearns. At Bear Stearns, Mark Moffat was responsible for the origination, structuring and execution of CLOs in Europe over a seven-year period. Prior to Bear Stearns, Mark Moffat was global head of CLOs at ABN AMRO and a director in the principal finance team of Greenwich NatWest.

With over 20 years of experience structuring, managing and investing in CLOs Mark Moffat brings a deep knowledge of how CLO structures and markets perform over the credit cycle.

(39) On 9 November 2020, GSO Capital Partners changed its name to Blackstone Credit to reflect the business's longstanding integration with Blackstone

Financial Statements

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Half Yearly Financial Report and condensed interim financial statements in accordance with applicable law and regulations.

The Directors confirm to the best of their knowledge that:

1. the condensed interim financial statements within the Half Yearly Financial Report have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at 30 June 2021, as required by the UK's FCA's DTR 4.2.4R;
2. the Chair's Statement, the Portfolio Adviser's Report, the Strategic Report and the notes to the condensed interim financial statements includes a fair review of the information required by:
   i. DTR 4.2.7R, being an indication of important events that have occurred during the first six months, the financial period ended 30 June 2021 and their impact on the condensed interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
   ii. DTR 4.2.8R, being related party transactions that have taken place in the first six months, the financial period ended 30 June 2021 and that have materially affected the financial position or performance of the Company during the period.

Charlotte Valeur
Director
21 September 2021

Heather MacCallum
Director

Independent Auditor's Report
to the Shareholders of Blackstone Loan Financing Limited

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the condensed statement of comprehensive income, condensed statement of financial position, condensed statement of changes in equity, condensed statement of cash flows and related notes 1 to 18. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the company will be prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
St. Helier Jersey
21 September 2021

Condensed Statement of **Financial Position**

As at 30 June 2021 (Unaudited)

	Notes	As at 30 June 2021 (unaudited) €	As at 31 December 2020 (audited) €
Current assets			
Cash and cash equivalents		11,286,658	20,725,819
Other receivables	5	111,108	151,038
Financial assets at fair value through profit or loss – Lux Co	6	409,552,933	388,000,146
Financial assets at fair value through profit or loss - CLOs	6	954,927	549,437
Total current assets		**421,905,626**	**409,426,440**
Non-current liabilities			
Intercompany loan	7	(1,057,318)	(869,988)
Total non-current liabilities		**(1,057,318)**	**(869,988)**
Current liabilities			
Payables	8	(643,377)	(351,277)
Total current liabilities		**(643,377)**	**(351,277)**
Total liabilities		**(1,700,695)**	**(1,221,265)**
Net assets	**13, 14**	**420,204,931**	**408,205,175**
Capital and reserves			
Stated capital	9	466,000,781	471,465,875
Retained earnings		(45,795,850)	(63,260,700)
Shareholders' Equity		**420,204,931**	**408,205,175**
Net Asset Value per Share	**13**	**0.8945**	**0.8557**

These financial statements were authorised and approved for issue by the Directors on 21 September 2021 and signed on their behalf by:

Charlotte Valeur
Director

Heather MacCallum
Director

The accompanying notes on pages 45 to 60 form an integral part of the condensed interim financial statements.

Condensed Statement of **Comprehensive Income**

For the six months ended 30 June 2021 (Unaudited)

	Notes	Six months ended 30 June 2021 (unaudited) €	Six months ended 30 June 2020 (unaudited) €
Income			
Realised gain on foreign exchange		6,313	67,962
Net gain/(loss) on financial assets at fair value through profit or loss – Lux Co	6	38,065,818	(42,499,534)
Net gain/(loss) on financial assets at fair value through profit or loss - CLOs	6	252,636	(2,169,446)
Income distribution from CLOs	2.5(b)	155,362	253,061
Total income		**38,480,129**	**(44,347,957)**
Expenses			
Operating expenses	3	(670,397)	(743,146)
Profit/(loss) before taxation		**37,809,732**	**(45,091,103)**
Taxation	2.4	–	–
Profit/(loss) after taxation		**37,809,732**	**(45,091,103)**
Loan interest expense	7	(7,633)	(4,923)
Bank interest expense		(68,443)	(28,334)
Total interest expense		**(76,076)**	**(33,257)**
Total comprehensive income/(loss) for the period attributable to Shareholders		**37,733,656**	**(45,124,360)**
Basic and diluted earnings/(loss) per share	**12**	**0.0793**	**(0.0945)**

The Company has no items of other comprehensive income/(loss), and therefore the profit/(loss) for the period is also the total comprehensive income/(loss).

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued during the period.

The accompanying notes on pages 45 to 60 form an integral part of the condensed interim financial statements.

Condensed Statement of **Changes in Equity**

For the six months ended 30 June 2021 (Unaudited)

	Notes	Stated Capital	Retained Earnings	Total
		€	€	€
Shareholders' Equity at 1 January 2021	9	**471,465,875**	**(63,260,700)**	**408,205,175**
Total comprehensive income for the period attributable to Shareholders		–	37,733,656	37,733,656
Transactions with owners				
Dividends	16	-	(20,268,806)	(20,268,806)
Ordinary Shares repurchased	9	(5,454,172)		(5,454,172)
Redemption Fees	9	(10,922)		(10,922)
		(5,465,094)	**(20,268,806)**	**(25,733,900)**
Shareholders' Equity at 30 June 2021	**9**	**466,000,781**	**(45,795,850)**	**420,204,931**

For the six months ended 30 June 2020 (Unaudited)

	Notes	Stated Capital Ordinary Share	Retained Earnings Ordinary Share	Stated Capital C Share	Retained Earnings C Share	Total
		€	€	€	€	€
Shareholders' Equity at 1 January 2020 (Restated)		403,034,162	(59,772,318)	77,270,167	(10,026,020)	410,505,991
Total comprehensive loss for the period attributable to Shareholders		–	(45,124,360)	–	–	(45,124,360)
Transactions with owners						
Issuance of Shares		70,550,462	(3,306,315)	(77,270,167)	10,026,020	–
Dividends	16	–	(19,220,872)	–	–	(19,220,872)
Ordinary Shares repurchased		(16,500)	–	–	–	(16,500)
		70,533,962	**(22,527,187)**	**(77,270,167)**	**10,026,020**	**(19,237,372)**
Shareholders' Equity at 30 June 2020		**473,568,124**	**(127,423,865)**	**–**	**–**	**346,144,259**

Refer to pages 56 and 57 for details on the conversion of the Company's C Shares into Ordinary Shares.

The accompanying notes on pages 45 to 60 form an integral part of the condensed interim financial statements.

Condensed Statement of **Cash Flows**

For the six months ended 30 June 2021 (Unaudited)

	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)
	€	€
Cash flow from operating activities		
Total comprehensive income/(loss) for the period attributable to Shareholders	37,733,656	(45,124,360)
Adjustments to reconcile profit/(loss) after tax to net cash flows:		
Movement in Unrealised (gain)/loss on financial assets at fair value through profit and loss	(31,539,597)	49,581,770
Realised gain on financial assets at fair value through profit and loss	(6,778,857)	(4,809,134)
Purchase of financial assets at fair value through profit or loss	(10,065,803)	(6,994,122)
Proceeds from sale of financial assets at fair value through profit or loss	26,425,980	28,135,304
Changes in working capital		
Decrease in other receivables	39,930	146,436
Increase in payables	292,100	159,322
Net cash generated from operating activities	**16,107,409**	**21,095,216**
Cash flow from financing activities		
Redemption costs	(10,922)	–
Ordinary Shares repurchased	(5,454,172)	(16,500)
Increase in intercompany loan	187,330	172,126
Dividends paid	(20,268,806)	(19,220,872)
Net cash used in financing activities	**(25,546,570)**	**(19,065,246)**
Net (decrease)/increase in cash and cash equivalents	**(9,439,161)**	**2,029,970**
Cash and cash equivalents at the start of the period	20,725,819	11,464,088
Cash and cash equivalents at the end of the period	**11,286,658**	**13,494,058**

The accompanying notes on pages 45 to 60 form an integral part of the condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

1 General information

The Company is a closed-ended limited liability investment company domiciled and incorporated under the laws of Jersey with variable capital pursuant to the Collective Investment Funds (Jersey) Law 1988. It was incorporated on 30 April 2014 under registration number 115628. The Company's Ordinary Shares are quoted on the Premium Segment of the Main Market of the LSE and the Company has a premium listing on the Official List of the FCA. The Company's C Shares were quoted on the SFS of the Main Market of the LSE until 6 January 2020. On 6 January 2021, the Company announced that at the Extraordinary General Meeting held earlier that day a special resolution had been duly passed to change the name of the Company from 'Blackstone/GSO Loan Financing Limited' to 'Blackstone Loan Financing Limited'. On 13 January 2021, the Company announced that the name change had taken effect from and including 11 January 2021.

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 to floating rate senior secured loans and bonds directly and indirectly through CLO Securities and investments in Loan Warehouses. The Company seeks to achieve its investment objective through exposure (directly or indirectly) to one or more companies or entities established from time to time.

As at 30 June 2021, the Company's stated capital comprised 469,787,075 Ordinary Shares of no par value (31 December 2020: 477,023,331), each carrying the right to 1 vote; 13,115,719 Ordinary Shares held in treasury (31 December 2020: 5,879,463).The Company may issue one or more additional classes of shares in accordance with the Articles of Association.

The Company has a wholly owned Luxemburg subsidiary, Blackstone/GSO Loan Financing (Luxembourg) S.à r.l., which has an issued share capital of 2,000,000 Class A shares and 1 Class B share held by the Company as at 30 June 2021. The Company also holds 275,438,217 Class B CSWs (31 December 2020: 284,879,854) issued by the Lux Subsidiary. The Company also holds 2 Mezzanine Notes (31 December 2020: 2 Mezzanine Notes held) which formed part of the Rollover Assets and were disposed of on 8 September 2021.

The Company's registered address is IFC 1, The Esplanade, St Helier, Jersey, JE1 4BP, Channel Islands.

2 Significant accounting policies

2.1 Statement of compliance

The Annual Report and Audited Financial Statements (the "Annual Report") are prepared in accordance with the Disclosure Guidance and Transparency Rules of the FCA and with IFRS as adopted by the EU as at 1 January 2021 which comprise standards and interpretations approved by the International Accounting Standards Board, and interpretations issued by the International Financial Reporting Standards and Standing Interpretations Committee as approved by the International Accounting Standards Committee which remain in effect. The Half Yearly Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim period, expect for new standards and interpretations adopted by the Company as set out below.

New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2021

Amendments to existing standards effective for annual periods beginning on or after 1 January 2021

The Company applies for the first time amendments regarding replacement issues in the context of the IBOR reform (Amendments to IFRS 9, IAS 39 and IFRS 7) which all became effective on 1 January 2021. The Directors do not expect that the adoption of the amendments to standards listed will have a material impact on the financial statements of the Company in future periods.

Several other amendments and interpretations apply for the first time in 2021, but these do not have an impact on the condensed financial statements.

The Half Yearly Financial Report has been prepared on a going concern basis. After reviewing the Company's budget and cash flow forecast for the next financial period and taking into consideration the economic impact the outbreak of COVID-19 continues to have in 2021, the Directors are satisfied that, at the time of approving the condensed interim financial statements, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements.

There have been no changes in accounting policies during the period.

The accounting policies in respect of financial instruments are set out in Note 2.2 below respectively due to the significance of financial instruments to the Company.

Notes to the Condensed Interim Financial Statements continued

2.2 Financial instruments

Investments and other financial assets

(i) Initial recognition

The Company recognises a financial asset or a financial liability in its Condensed Statement of Financial Position when, and only when, the Company becomes party to the contractual provisions of the instrument.

Purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment.

(ii) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either to be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at FVOCI.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company's business model is to manage its debt instruments and to evaluate their performance on a fair value basis. The Company's policy requires the Portfolio Adviser and the Board to evaluate the information about these financial assets on a fair value basis together with other related financial information. Consequently, these debt instruments are measured at fair value through profit or loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in fair value of financial assets at FVPL are recognised in "net gain on financial assets at fair value through profit or loss" in the Condensed Statement of Comprehensive Income.

(iv) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

(v) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As at 30 June 2021, the Company held 275,438,217 CSWs, 2,000,000 Class A shares and 1 Class B share issued by the Lux Subsidiary (the "Investments") (31 December 2020: 284,879,854 CSWs, 2,000,000 Class A shares and 1 Class B share). These Investments are not listed or quoted on any securities exchange, are not traded regularly and, on this basis, no active market exists. The Company is not entitled to any voting rights in respect of the Lux Subsidiary by reason of their ownership of the CSWs, however, the Company controls the Lux Subsidiary through its 100% holding of the shares in the Lux Subsidiary.

The fair value of the CSWs and the Class A and Class B shares are based on the net assets of the Lux Subsidiary which is based substantially in turn on the fair value of the PPNs issued by BCF.

The Company determines the fair value of the CLOs held directly using third party valuations.

(vi) Valuation process

The Directors have held discussions with BIL in order to gain comfort around the valuation of the CLOs, the underlying assets in the BCF portfolio and through this, the valuation of the PPNs and CSWs as of the Condensed Statement of Financial Position date.

The Directors, through ongoing communication with the Portfolio Adviser including quarterly meetings, discuss the performance of the Portfolio Adviser and the underlying portfolio and in addition review monthly investment performance reports. The Directors analyse the BCF portfolio in terms of the investment mix in the portfolio. The Directors also consider the impact of general credit conditions and more specifically credit events in the US and European corporate environment on the valuation of the CSWs, PPNs and the BCF portfolio.

Portfolio
The Directors discuss the valuation process to understand the methodology regarding the valuation of its underlying portfolio and direct CLO holdings, both comprising Level 3 assets. The majority of Level 3 assets in BCF are comprised of CLOs. In reviewing the fair value of these assets, the Directors look at the assumptions used and any significant fair value changes during the period under analysis.

Net Asset Value
The IFRS NAV of the Company is calculated by the Administrator based on information from the Portfolio Adviser and is reviewed and approved by the Directors, taking into consideration a range of factors including the unaudited IFRS NAV of both the Lux Subsidiary and BCF, and other relevant available information. The other relevant information includes the review of available financial and trading information of BCF and its underlying portfolio, advice received from the Portfolio Adviser and such other factors as the Directors, in their sole discretion, deem relevant in considering a positive or negative adjustment to the valuation.

The estimated fair values may differ from the values that would have been realised had a ready market existed and the difference could be material.

The fair value of the CLOs held directly, CSWs and the Class A and Class B shares are assessed on an ongoing basis by the Board.

Financial liabilities

(vii) Classification
Financial liabilities include payables which are held at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate a shorter period, to the net carrying amount on initial recognition.

(viii) Recognition, measurement and derecognition
Financial liabilities are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Gains and losses are recognised in the Condensed Statement of Comprehensive Income when the liabilities are derecognised.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

2.3 Shares in issue

The shares of the Company are classified as equity, based on the substance of the contractual arrangements and in accordance with the definition of equity instruments under IAS 32 Financial Instruments: Presentation.

The proceeds from the issue of shares are recognised in the Condensed Statement of Changes in Equity, net of the incremental issuance costs.

Share repurchased by the Company are deducted from equity. No gain or loss is recognised in the Condensed Statement of Comprehensive Income on the purchase, sale or cancellation of the Company's own equity instruments. The consideration paid or received is recognised directly in the Condensed Statement of Changes in Equity. Shares repurchased are recognised on the trade date.

2.4 Taxation

Profit arising in the Company for the period of assessment will be subject to Jersey tax at the standard corporate income tax rate of 0% (30 June 2020: 0%).

2.5 Income

2.5a Interest income and expense

Interest income and expense is recognised under IFRS 9 separately through profit or loss in the Condensed Statement of Comprehensive Income, on an effective interest rate yield basis.

2.5b Income distributions from CLOs

Income from the financial assets at fair value through profit or loss – CLOs is recognised under IFRS 9 in the Condensed Statement of Comprehensive Income as Income distributions from CLOs. Income from the CLOs is recognised on an accruals basis.

2.6 Critical accounting judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect items reported in the Condensed Statement of Financial Position and Condensed Statement of Comprehensive Income. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Estimates

(a) Fair value
For the fair value of all financial instruments held, the Company determines fair values using appropriate techniques.

Refer to Note 2.2 for further details on the significant estimates applied in the valuation of the company's financial instruments.

Notes to the Condensed Interim Financial Statements continued

Judgements

(b) Non-consolidation of the Lux Subsidiary

The Company meets the definition of an Investment Entity as defined by IFRS 10 – Consolidated Financial Statements ("IFRS 10") and is required to account for its investment at fair value through profit or loss.

The Company has multiple unrelated investors and holds multiple investments in the Lux Subsidiary. The Company has been deemed to meet the definition of an Investment Entity per IFRS 10 as the following conditions exist:

- the Company has obtained funds for the purpose of providing investors with investment management services;
- the Company's business purpose, which has been communicated directly to investors, is investing solely for returns from capital appreciation, investment income, or both; and
- the performance of investments made through the Lux Subsidiary is measured and evaluated on a fair value basis.

The Company has also considered the typical characteristics of an investment entity per IFRS 10 in assessing whether it meets the definition of an Investment Entity.

The Company controls the Lux Subsidiary through its 100% holding of the voting rights and ownership. The Lux Subsidiary is incorporated in Luxembourg.

Refer to Note 10 for further disclosures relating to the Company's interest in the Lux Subsidiary.

3 Operating expenses

	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)
	€	€
Professional fees	105,437	214,194
Administration fees	168,381	162,427
Brokerage fees	64,459	42,760
Regulatory fees	23,271	17,059
Directors' fees and other expenses (see Note 4)	142,926	132,534
Audit fees and audit related fees	125,203	123,823
Registrar fees	17,959	37,263
Sundry expenses	22,761	13,086
	670,397	**743,146**

Administration fees

Under the administration agreement, the Administrator is entitled to receive variable fees based on the Published NAVs of the Company for the provision of administrative and compliance oversight services and a fixed fee for the provision of company secretarial services. The overall charge for the above-mentioned fees for the Company for the six months ended 30 June 2021 was €168,381 (30 June 2020: €162,427) and the amount due at 30 June 2021 was €53,806 (31 December 2020: €52,470).

Advisory fees

Under the Advisory Agreement, the Portfolio Adviser is entitled to receive out of pocket expenses, all reasonable third-party costs, and other expenses incurred in the performance of its obligations. On this basis, the Portfolio Adviser recharged €1,721 to the Company (30 June 2020: €82,612) comprising primarily legal fees of €1,721 for the period ended 30 June 2021 (30 June 2020: €80,359). This amount has been included under Professional fees for the six months ended 30 June 2021.

Audit and non-audit fees

The Company incurred €125,203 (30 June 2020: €123,823) in audit and audit-related fees during the period of which €126,044 (31 December 2020: €116,118) was outstanding at the period end.

The Company did not incur any (30 June 2020: €Nil) non-audit fees during the period and no amount was outstanding as at 30 June 2021 (31 December 2020: €Nil). The table below outlines the audit, audit related and non-audit services received during the period.

	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)
	€	€
Audit of the Company	56,084	55,571
Audit related services – review of interim financial report	69,119	68,252
Total audit and audit related services	125,203	123,823
Total fees to Deloitte LLP and member firms	**125,203**	**123,823**

Professional fees

Professional fees comprise €37,824 in legal fees and €67,613 in other professional fees. In 2020, professional fees comprised €87,532 in legal fees and €126,662 in other professional fees.

4 Directors' fees

The Company has no employees. The Company incurred €142,926 (30 June 2020: €132,534) in Directors' fees (consisting exclusively of short-term benefits) during the period of which €69,264 (31 December 2020: €66,752) was outstanding at the period end.

No pension contributions were payable in respect of any of the Directors.

Refer to page 23 for details on the Directors' interests.

5 Other receivables

	As at 30 June 2021 (unaudited)	As at 31 December 2020 (audited)
	€	€
Prepayments	11,167	23,190
Interest receivable	99,941	127,848
	111,108	**151,038**

6 Financial assets at fair value through profit or loss

	As at 30 June 2021 (unaudited)	As at 31 December 2020 (audited)
	Total	Total
	€	€
Financial assets at fair value through profit or loss – Lux Co	409,552,933	388,000,146
Financial assets at fair value through profit or loss – CLOs	954,927	549,437

Financial assets at fair value through profit or loss – Lux Co consists of 275,438,217 CSWs, 2,000,000 Class A shares and 1 Class B share issued by the Lux Subsidiary (31 December 2020: 284,879,854 CSWs, 2,000,000 Class A shares and 1 Class B share issued by the Lux Subsidiary). Financial assets at fair value through profit or loss – CLOs consists of 2 Mezzanine Notes (31 December 2020: 2 directly held CLO Mezzanine Notes), which formed part of the Rollover Assets. These assets were disposed of following the period end on 8 September 2021.

Notes to the Condensed Interim Financial Statements continued

CSWs

The Company has the right, at any time during the exercise period (being the period from the date of issuance and ending on earlier of the 3 February 2046 or the date on which the liquidation of the Lux Subsidiary is closed), to request that the Lux Subsidiary redeems all or part of the CSWs at the redemption price (see below), by delivering a redemption notice, provided that the redemption price will be due and payable only if and to the extent that (a) the Lux Subsidiary will have sufficient funds available to settle its liabilities to all other ordinary or subordinated creditors, whether privileged, secured or unsecured, prior in ranking to the CSWs, after any such payment, and (b) the Lux Subsidiary will not be insolvent after payment of the redemption price.

The redemption price is the amount payable by the Lux Subsidiary on the redemption of CSWs outstanding, which shall be at any time equal to the fair market value of the ordinary shares (that would have been issued in case of exercise of all CSWs), as determined by the Board on a fully diluted basis on the date of redemption, less a margin (determined by the Board on the basis of a transfer pricing report prepared by an independent advisor), and the redemption price for each CSW shall be obtained by dividing the amount determined in accordance with the preceding sentence by the actual number of CSWs outstanding.

If at the end of any financial year there is excess cash, as determined in good faith by the Lux Subsidiary board (but for this purpose only), the Lux Subsidiary will automatically redeem, to the extent of such excess cash, all or part of the CSWs at the redemption price provided the requirements in the previous paragraph are met, unless the Company notifies the Lux Subsidiary otherwise. For the avoidance of doubt, to the extent the subscription price for the CSWs to be redeemed has not been paid at the time the CSWs were issued, the subscription price for such CSWs to be redeemed shall be deducted from the Redemption Price.

CSWs listed in an exercise notice may not be redeemed.

Class A and Class B shares held in the Lux Subsidiary

Class A and Class B shares are redeemable and have a par value of one Euro per share. Class A and Class B Shareholders have equal voting rights commensurate with their shareholding.

Class A and Class B Shareholders are entitled to dividend distributions from the net profits of the Lux Subsidiary (net of an amount equal to five per cent of the net profits of the Lux Subsidiary which is allocated to the general reserve, until this reserve amounts to ten per cent of the Lux Subsidiary nominal share capital).

Dividend distributions are paid in the following order of priority:

- Each Class A share is entitled to the Class A dividend, being a cumulative dividend in an amount of not less than 0.10% per annum of the face value of the Class A shares.
- Each Class B share is entitled to the Class B dividend (if any), being any income such as but not limited to interest or revenue deriving from the receivable from the PPN's held by the Lux Subsidiary, less any non-recurring costs attributable to the Class B shares.

Any remaining dividend amount for allocation of the Class A dividend and Class B dividend shall be allocated pro rata among the Class A shares.

The Board does not expect income in the Lux Subsidiary to significantly exceed the anticipated annual running costs of the Lux Subsidiary and therefore does not expect that the Lux Subsidiary will pay significant, or any, dividends although it reserves the right to do so.

Fair value hierarchy

IFRS 13 Fair Value Measurement ("IFRS 13") requires an analysis of investments valued at fair value based on the reliability and significance of information used to measure their fair value.

The Company categorises its financial assets according to the following fair value hierarchy detailed in IFRS 13 that reflects the significance of the inputs used in determining their fair values:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable variable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair value hierarchy

30 June 2021 (unaudited)	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss – Lux Co	–	–	409,552,933	**409,552,933**
Financial assets at fair value through profit or loss – CLOs	–	–	954,927	**954,927**

31 December 2020 (audited)	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss – Lux Co	–	–	388,000,146	**388,000,146**
Financial assets at fair value through profit or loss – CLOs	–	–	549,437	**549,437**

The Company determines the fair value of the financial assets at fair value through profit or loss – Lux Co using the unaudited IFRS NAV of both the Lux Subsidiary and BCF.

The Company determines the fair value of the CLOs held directly using third party valuations. The Portfolio Adviser can challenge the marks if they appear off-market or unrepresentative of fair value.

During the six months ended 30 June 2021 and the year ended 31 December 2020, there were no reclassifications between levels of the fair value hierarchy.

The Company's maximum exposure to loss from its interests in the Lux Subsidiary and indirectly in BCF is equal to the fair value of its investments in the Lux Subsidiary.

Financial assets at fair value through profit or loss reconciliation

The following table shows a reconciliation of all movements in the fair value of financial assets – Lux Co categorised within Level 3 between the start and the end of the reporting period:

30 June 2021 (unaudited)	Total
	€
Balance as at 1 January 2021	388,000,146
Purchases – CSWs	9,912,949
Sale proceeds – CSWs	(26,425,980)
Realised gain on financial assets at fair value through profit or loss	6,778,857
Unrealised gain on financial assets at fair value through profit or loss	31,286,961
Balance as at 30 June 2021	**409,552,933**
Realised gain on financial assets at fair value through profit or loss	6,778,857
Total change in unrealised gain on financial assets for the period	31,286,961
Net gain on financial assets at fair value through profit or loss – Lux Co	**38,065,818**

Notes to the Condensed Interim Financial Statements continued

31 December 2020 (audited)	Total
	€
Balance as at 1 January 2020	396,392,271
Purchases – CSWs	6,800,000
Sale proceeds – CSWs	(51,548,650)
Realised gain on financial assets at fair value through profit or loss	9,233,413
Unrealised gain on financial assets at fair value through profit or loss	27,123,112
Balance as at 31 December 2020	**388,000,146**
Realised gain on financial assets at fair value through profit or loss	9,233,413
Total change in unrealised gain on financial assets for the year	27,123,112
Net gain on financial assets at fair value through profit or loss – Lux Co	**36,356,525**

The following table shows a reconciliation of all movements in the fair value of financial assets – CLOs categorised within Level 3 between the start and the end of the reporting period:

30 June 2021 (unaudited)	Total
	€
Balance as at 1 January 2021	**549,437**
PIK capitalised	152,854
Purchases – CLOs	–
Sale proceeds – CLOs	–
Realised gain on financial assets at fair value through profit or loss	–
Unrealised gain on financial assets at fair value through profit or loss	252,636
Balance as at 30 June 2021	**954,927**
Realised gain on financial assets at fair value through profit or loss	–
Total change in unrealised gain on financial assets for the period	252,636
Net loss on financial assets at fair value through profit or loss – CLOs	**252,636**

31 December 2020 (audited)	Total
	€
Balance as at 1 January 2020	**3,192,772**
Purchases – CLOs	278,010
Sale proceeds – CLOs	(864,361)
Realised loss on financial assets at fair value through profit or loss – CLOs	54,976[40]
Unrealised loss on financial assets at fair value through profit or loss – CLOs	(2,111,960)
Balance as at 31 December 2020	**549,437**
Realised gain on financial assets at fair value through profit or loss	158,632[39]
Total change in unrealised loss on financial assets for the period	(2,111,960)
Net loss on financial assets at fair value through profit or loss – CLOs	**(1,953,328)**

(40) The difference between these two figures of €103,656 relates to a realised gain on the management fee rebate element arising from two of the previously directly held CLOs whereby BLCS was the CLO manager

Please refer to Note 2.2 for the valuation methodology of financial assets at fair value through profit and loss.

The Company's investments, through the Lux Subsidiary, in BCF are untraded and illiquid. The Board has considered these factors and concluded that there is no further need to apply a discount for illiquidity as at the end of the reporting period.

Quantitative information of significant unobservable inputs and sensitivity analysis to significant changes in unobservable inputs – Level 3

The significant unobservable inputs used in the fair value measurement of the financial assets at fair value through profit or loss – Lux Co within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 30 June 2021 and 31 December 2020 are as shown below:

Asset Class	Fair Value	Unobservable Inputs	Ranges[40]	Weighted average	Sensitivity to changes in significant unobservable inputs
	€				
CSWs	403,133,917	Undiscounted NAV of BCF	N/A	N/A	20% increase/decrease will have a fair value impact of +/- €80,626,783
Class A and Class B shares	6,419,016	Undiscounted NAV of the Lux Subsidiary	N/A	N/A	20% increase/decrease will have a fair value impact of +/- €1,283,803
Total as at 30 June 2021 (unaudited)	**409,552,933**				
CSWs	381,605,063	Undiscounted NAV of BCF	N/A	N/A	20% increase/decrease will have a fair value impact of +/- €76,321,012
Class A and Class B shares	6,395,083	Undiscounted NAV of the Lux Subsidiary	N/A	N/A	20% increase/decrease will have a fair value impact of +/- €1,279,016
Total as at 31 December 2020 (audited)	**388,000,146**				

The significant unobservable inputs used in the fair value measurement of the financial assets at fair value through profit or loss – CLOs, comprising directly held CLO Mezzanine Notes, within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 30 June 2021 and 31 December 2020 are as shown below:

Asset Class	Fair Value	Unobservable Inputs	Ranges[41]	Weighted average	Sensitivity to changes in significant unobservable inputs
	€				
Mezzanine Notes					
Directly Held CLO Mezzanine Notes	954,927	Third party valuations	0.1% – 38.9%	16.9%	20% increase/decrease will have a fair value impact of +/- €190,985
Total as at 30 June 2021 (unaudited)	**954,927**				
Directly Held CLO Mezzanine Notes	549,437	Third party valuations	0.1% – 23.6%	10.3%	20% increase/decrease will have a fair value impact of +/- €109,887
Total as at 31 December 2020	**549,437**				

(41) The ranges provided in the tables above refer to the highest and lowest marks received across the range of CLOs held. The ranges reflect the different stages of the lifecycle of each of the CLOs on an individual basis. The low ranges in the table above are prices from CLOs which have been called and are in wind-down

Notes to the Condensed Interim Financial Statements continued

7 Intercompany loan

	As at 30 June 2021 (unaudited)	As at 31 December 2020 (audited)
	Total	Total
	€	€
Intercompany loan – payable to the Lux Subsidiary	**1,057,318**	**869,988**

The intercompany loan – payable to the Lux Subsidiary is a revolving unsecured loan between the Company and the Lux Subsidiary. The intercompany loan has a maturity date of 13 September 2033 and is repayable at the option of the Company up to the maturity date. Interest is accrued at a rate of 1.6% per annum and is payable annually only when a written request has been provided to the Company by the Lux Subsidiary.

8 Payables

	As at 30 June 2021 (unaudited)	As at 31 December 2020 (audited)
	€	€
Professional fees	125,168	91,844
Administration fees	53,806	52,470
Directors' fees	69,264	66,752
Audit fees	126,044	116,188
Intercompany loan interest payable	26,566	18,933
Other payables	242,529	5,090
Total payables	**643,377**	**351,277**

All payables are due within the next twelve months.

9 Stated capital

Authorised

The authorised share capital of the Company is represented by an unlimited number of shares of any class at no par value.

Allotted, called up and fully-paid

Ordinary Shares	Number of shares	Stated capital
		€
As at 1 January 2021	477,023,331	471,465,875
Shares repurchased during the period and held in treasury	(7,236,256)	(5,454,172)
Redemption fees	–	(10,922)
Total Ordinary Shares as at 30 June 2021 (unaudited)	**469,787,075**	**466,000,781**

Allotted, called up and fully-paid

Ordinary Shares	Number of shares	Stated capital
		€
As at 1 January 2020	402,319,490	403,034,162
Issue of Ordinary Shares upon conversion of C Shares	78,202,348	70,550,462
Shares repurchased during the period and held in treasury	(3,498,507)	(2,118,749)
Total Ordinary Shares as at 31 December 2020 (audited)	**477,023,331**	**471,465,875**

C Shares	Number of shares	Stated capital
		€
As at 1 January 2020	133,451,107	77,270,167
C Share conversion and cancellation	(133,451,107)	(77,270,167)
Total C Shares as at 31 December 2020 (audited)	–	–

Ordinary Shares

At the 2020 AGM, held on 16 July 2020, the Directors were granted authority to repurchase up to 14.99% of the issued share capital as at the date of the 2020 AGM for cancellation or to be held as treasury shares.

At the 2021 AGM, held on 23 July 2021, the Directors were granted authority to repurchase up to 14.99% of the issued share capital as at the date of the 2021 AGM for cancellation or to be held as treasury shares.

Refer to Note 18 for further details on repurchases of Ordinary Shares under the 2020 and 2021 AGM authority subsequent to the reporting period. The 2021 authority will expire at the 2022 AGM. The Directors intend to seek annual renewal of this authority from Shareholders.

At the 2021 AGM, the Directors were granted authority to allot, grant options over or otherwise dispose of up to 70,274,181 Shares (being equal to 10.00% of the Shares in issue at the date of the AGM). This authority will expire at the 2021 AGM.

As at 30 June 2021, the Company had 469,787,075 Ordinary Shares in issue and 13,115,719 Ordinary Shares in treasury (31 December 2020: 477,023,331 Ordinary Shares in issue and 5,879,463 Ordinary Shares in treasury).

Refer to Note 18 for further details on repurchases of Ordinary Shares under the 2021 AGM authority subsequent to the reporting period.

At the Company's 2021 AGM held on 23 July 2021, the Company received shareholder approval to resell up to 46,880,707 Shares held by the Company in treasury. Under the authority approved at the 2021 AGM, these Shares are permitted to be sold or transferred out of treasury for cash at a price representing a discount to Net Asset Value per Share not greater than the discount at which such Shares were repurchased by the Company. To-date, no shares have been resold by the Company under this authority.

Voting rights – Ordinary Class

Holders of Ordinary Shares have the right to receive income and capital from assets attributable to such class. Ordinary Shareholders have the right to receive notice of general meetings of the Company and have the right to attend and vote at all general meetings.

Dividends

The Company may, by resolution, declare dividends in accordance with the respective rights of the Shareholders, but no such dividend shall exceed the amount recommended by the Directors. The Directors may pay fixed rate and interim dividends.

A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that payment of a dividend shall be satisfied wholly or partly by the issue of Ordinary Shares or the distribution of assets and the Directors shall give effect to such resolution.

Except as otherwise provided by the rights attaching to or terms of issue of any Shares, all dividends shall be apportioned and paid pro rata according to the amounts paid on the Shares during any portion or portions of the period in respect of which the dividend is paid. No dividend or other monies payable in respect of a Share shall bear interest against the Company.

Notes to the Condensed Interim Financial Statements continued

The Directors may deduct from any dividend or other monies payable to a Shareholder all sums of money (if any) presently payable by the holder to the Company on account of calls or otherwise in relation to such Shares.

Any dividend unclaimed after a period of 10 years from the date on which it became payable shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

The dividends declared by the Board during the period are detailed on page 6.

Please refer to Note 18 for dividends declared after the period end.

Repurchase of Ordinary Shares

The Board intends to seek annual renewal of this authority from the Ordinary Shareholders at the Company's AGM, to make one or more on-market purchases of Shares in the Company for cancellation or to be held as treasury shares.

The Board may, at its absolute discretion, use available cash to purchase Shares in issue in the secondary market at any time.

Rights as to Capital

On a winding up, the Company may, with the sanction of a special resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the Shareholders in specie provided that no holder shall be compelled to accept any assets upon which there is a liability. On return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after payments of its liabilities shall subject to the rights of the holders of other classes of shares, to be applied to the Shareholders equally pro rata to their holdings of shares.

Capital management

The Company is closed-ended and has no externally imposed capital requirements. The Company's capital as at 30 June 2021 comprises shareholders' equity at a total of €420,204,931 (31 December 2020: €408,205,175).

The Company's objectives for managing capital are:
- to invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- to achieve consistent returns while safeguarding capital by investing via the Lux Subsidiary in BCF and other Underlying Companies;
- to maintain sufficient liquidity to meet the expenses of the Company and to meet dividend commitments; and
- to maintain sufficient size to make the operation of the Company cost efficient.

The Board monitors the capital adequacy of the Company on an on-going basis and the Company's objectives regarding capital management have been met.

Please refer to Note 10c Liquidity Risk in the Annual Report and Audited Financial Statements for the year ended 31 December 2020 for further discussion on capital management, particularly on how the distribution policy is managed.

C Shares

On 7 January 2019, the Company issued 133,451,107 C Shares in specie as a result of the Rollover Offer. The Rollover Offer included a transfer of assets amounting to €70,604,469, cash proceeds amounting to €7,446,204 and incurred €780,506 in costs. The C Shares were admitted to trading on the SFS of the main market of the LSE. The C Shares were converted to Ordinary Shares on 6 January 2020. As at 30 June 2021 and 31 December 2020, the Company had no C Shares in issue following the conversion and cancellation as described below.

Conversion

On 24 October 2019, the Company announced that it had reinvested €62.6 million into BCF as part of its realization strategy and that the Company intended to convert the C Shares into Ordinary Shares. On 20 November 2019, the Company announced that the Calculation Date would fall on 29 November 2019 to accommodate dividend payment schedules in accordance with the Company's Articles of Association.

The calculation of the Conversion Ratio was based on the net assets attributable to the Ordinary Shares – €362,950,897 (NAV per Share of €0.9021) and C Shares – €70,550,462 (NAV per Share of €0.5287) as at close of business on 29 November 2019. On 20 December 2019, the Company announced the Conversion Ratio of 0.5860 Ordinary Shares per C Share.

On this basis, 133,451,107 C Shares were converted into 78,202,348 Ordinary Shares. The 78,202,348 Ordinary Shares were admitted to the premium listing segment of the Official List of the FCA and to trading on the LSE's Main Market for listed securities on 7 January 2020.

10 Interests in other entities

Interests in unconsolidated structured entities

IFRS 12 "Disclosure of Interests in Other Entities" defines a structured entity as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual agreements. A structured entity often has some of the following features or attributes:

- restricted activities;
- a narrow and well-defined objective;
- insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- financing in the form of multiple contractually linked instruments that create concentrations of credit or other risks.

Involvement with unconsolidated structured entities

The Directors have concluded that the CSWs and voting shares of the Lux Subsidiary in which the Company invests, but that it does not consolidate, meet the definition of a structured entity.

The Directors have also concluded that BCF also meets the definition of a structured entity.

The Directors have also concluded that CLOs in which the Company invests, that are not subsidiaries for financial reporting purposes, meet the definition of structured entities because:

- the voting rights in the CLOs are not dominant rights in deciding who controls them, as they relate to administrative tasks only;
- each CLO's activities are restricted by its Prospectus; and
- the CLOs have narrow and well-defined objectives to provide investment opportunities to investors.

Interests in subsidiary

As at 30 June 2021, the Company owns 100% of the Class A and Class B shares in the Lux Subsidiary comprising 2,000,000 Class A shares and 1 Class B share (31 December 2020: 2,000,000 Class A shares and 1 Class B share). The Lux Subsidiary's principal place of business is Luxembourg.

Other than the investments noted above, the Company did not provide any financial support for the periods ended 30 June 2021 and 31 December 2020, nor had it any intention of providing financial or other support.

The Company has an intercompany loan payable to the Lux Subsidiary as at 30 June 2021 and 31 December 2020. Refer to Note 7 for further details.

11 Segmental reporting

As per IFRS 8 Operating Segments, an operating segment is a component of an entity

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

The Board, who is the chief operating decision maker, view the operations of the Company as one operating segment, being the Ordinary Share Class following the conversion of C Shares into Ordinary Shares.

During the period ended 30 June 2021 and year ended 31 December 2020, the Company's primary exposure was to the Lux Subsidiary in Europe. The Lux Subsidiary's primary exposure is to BCF, an Irish entity. BCF's primary exposure is to the US and Europe.

Notes to the Condensed Interim Financial Statements continued

12 Basic and diluted earnings/(loss) per Share

	As at 30 June 2021 (unaudited)	As at 30 June 2020 (unaudited) Restated
	€	€
Total comprehensive income/(loss) for the period	37,733,656	(45,124,360)
Weighted average number of shares during the period	476,027,006	477,514,055
Basic and diluted earnings/(loss) per Ordinary Share	**0.0793**	**(0.0945)**

13 Net asset value per Ordinary Share

	As at 30 June 2021 (unaudited)	As at 31 December 2020 (audited)
	€	€
IFRS Net asset value	420,204,931	408,205,175
Number of Ordinary Shares at period end	469,787,075	477,023,331
IFRS Net asset value per Ordinary Share	**0.8945**	**0.8557**

14 Reconciliation of Published NAV to IFRS NAV per the financial statements

Ordinary Shares	As at 30 June 2021 (unaudited)		As at 31 December 2020 (audited)	
	NAV	NAV per share	NAV	NAV per share
	€	€	€	€
Published NAV attributable to Shareholders	416,955,380	0.8875	402,369,392	0.8435
Adjustment - valuation	3,315,551	0.0071	5,835,783	0.0122
Adjustment – payables	(66,000)	(0.0001)	–	–
NAV per the financial statements	**420,204,931**	**0.8945**	**408,205,175**	**0.8557**

As noted on page 5, there can be a difference between the Published NAV and the IFRS NAV per the financial statements, mainly because of the different bases of valuation. The above table reconciles the Published NAV to the IFRS NAV per the financial statements.

15 Related party transactions

All transactions between related parties were conducted on terms equivalent to those prevailing in an arm's length transaction. In accordance with IAS 24 "Related Party Disclosures", the related parties and related party transactions during the period comprised:

Transactions with entities with significant influence
As at 30 June 2021, Blackstone Asia Treasury Pte held 43,000,000 Ordinary Shares in the Company (31 December 2020: 43,000,000).

Transactions with key management personnel
The Directors are the key management personnel as they are the persons who have the authority and responsibility for planning, directing and controlling the activities of the Company. The Directors are entitled to remuneration for their services. Refer to Note 4 for further detail.

Transactions with other related parties
At 30 June 2021, current employees of the Portfolio Adviser and its affiliates, and accounts managed or advised by them, hold 24,875 Ordinary shares (31 December 2020: 24,875) which represents 0.005% (31 December 2020: 0.005%) of the issued shares of the Company.

The Company has exposure to the CLOs originated by BCF, through its investment in the Lux Subsidiary. BIL is also appointed as a service support provider to BCF and as the collateral manager to the Direct CLO Subsidiaries. BLCS has been appointed as the collateral manager to BCM LLC, Dorchester Park CLO Designated Activity Company and the Indirect CLO Subsidiaries.

Transactions with Subsidiaries
The Company held 275,438,217 CSWs as at 30 June 2021 (31 December 2020: 284,879,854) following the issuance of 9,912,949 (31 December 2020: 6,800,000) and redemption of 19,354,587 (31 December 2020: 41,678,730) CSWs by the Lux Subsidiary. Refer to Note 6 for further details.

As at 30 June 2021, the Company held 2,000,000 Class A shares and 1 Class B share in the Lux Subsidiary with a nominal value of €2,000,001 (31 December 2020: 2,000,000 Class A shares and 1 Class B share in the Lux Subsidiary with a nominal value of €2,000,001).

As at 30 June 2021, the Company held an intercompany loan payable to the Lux Subsidiary amounting to €1,057,318 (31 December 2020: €869,988).

16 Dividends

The Company declared and paid the following dividends on Ordinary Shares during the six months ended 30 June 2021:

Period in respect of	Date Declared	Ex-dividend Date	Payment Date	Amount per Ordinary Share	Amount paid
				€	€
1 Oct 2020 to 31 Dec 2020	22 Jan 2021	4 Feb 2021	5 Mar 2021	0.0250	11,923,084
1 Jan 2021 to 31 Mar 2021	23 Apr 2021	6 May 2021	4 Jun 2021	0.0175	8,345,722
Total					**20,268,806**

The Company declared and paid the following dividends on Ordinary Shares during the six months ended 30 June 2020:

Period in respect of	Date Declared	Ex-dividend Date	Payment Date	Amount per Ordinary Share	Amount paid
				€	€
1 Oct 2019 to 31 Dec 2019	21 Jan 2020	30 Jan 2020	28 Feb 2020	0.0250	12,013,045
1 Jan 2020 to 31 Mar 2020	23 Apr 2020	30 Apr 2020	29 May 2020	0.0150	7,207,827
Total					**19,220,872**

17 Controlling party

In the Directors' opinion, the Company has no ultimate controlling party.

18 Events after the reporting period

The Board has evaluated subsequent events for the Company through to 21 September 2021, the date the condensed interim financial statements are available to be issued, and, other than those listed below, concluded that there are no material events that require disclosure or adjustment to the financial statements.

On 21 July 2021, the Company declared a dividend of €0.0175 per Ordinary Share in respect of the period from 1 April 2021 to 30 June 2021. A total payment of €8,202,373 was made on 3 September 2021.

On 23 July 2021, the Company received shareholder approval to resell up to 46,880,707 Shares held by the Company in treasury. Refer to Note 9 for further detail.

Notes to the Condensed Interim Financial Statements continued

On 26 July 2021, the Company announced that the Share Repurchase Programme had been renewed until 30 September 2021.

On 8 September, the Company disposed of the final Rollover Assets, being 2 Mezzanine Notes, for total proceeds of €1,411,355.

During the period from 1 July 2021 to 21 September 2021, the Company repurchased:

a) under the 2020 AGM authority, 1,080,000 of its Ordinary Shares of no par value at a total cost of €840,900 (excluding fees and commissions); and
b) under the 2021 AGM authority, 1,455,751 of its Ordinary Shares of no par value at a total cost of €1,125,660 (excluding fees and commissions).

Company Information

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Ms Charlotte Valeur (Chair)
Mr Gary Clark
Ms Heather MacCallum
Mr Steven Wilderspin
Mr Mark Moffat
All c/o the Company's registered office

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Joint Broker

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Joint Broker (from 4 March 2020)

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Glossary

TERM	DEFINITION
“AGM”	Annual General Meeting
“AIC”	the Association of Investment Companies, of which the Company is a member
“AIC Code”	the AIC Code of Corporate Governance for Jersey companies
“AIFMD”	Alternative Investment Fund Managers Directive
“AIFs”	Alternative investment funds
“Articles”	the Articles of Incorporation of the Company
“BCF”	Blackstone Corporate Funding Designated Activity Company
“BCF Facility”	BCF entered into a facility agreement dated 1 June 2017, as amended, between (1) BCF (as borrower), (2) Citibank Europe plc, UK Branch (as administration agent), (3) Bank of America N.A. London Branch (as an initial lender), (4) BNP Paribas (as an initial lender), (5) Deutsche Bank AG, London Branch (as initial lender), (6) Citibank N.A. London Branch (as account bank, custodian and trustee) and (7) Virtus Group LP (as collateral administrator)
“BGLC”	Ticker for the Company’s C Share Quote
“BGLF” or the “Company”	Blackstone Loan Financing Limited (formerly Blackstone/GSO Loan Financing Limited)
“BGLP”	Ticker for the Company’s Sterling Quote
“BIL” or the “Portfolio Adviser”	Blackstone Ireland Limited
“Board”	the Board of Directors of the Company
“BLCS”	Blackstone Liquid Credit Strategies LLC
“BSL”	Broadly Syndicated Loans
“BWIC”	Bids wanted in competition
“BX Credit”	Blackstone Credit
“CSWs”	Cash Settlement Warrants
“CLOs”	Collateralised Loan Obligations
“Companies Law”	Companies (Jersey) Law 1991
“DFM or the “Portfolio Manager” or the “Rollover Portfolio Manager”	GSO/Blackstone Debt Funds Management LLC
“DTR”	Disclosure Guidance and Transparency Rules
“Discount”/“Premium”	calculated as the NAV per share as at the period end less BGLF's closing share price on the London Stock Exchange, divided by the NAV per share as at that date
“Dividend yield”	calculated as the last four quarterly dividends declared divided by the share price as at the period end
“ECB”	European Central Bank
“EU”	European Union
“FCA”	Financial Conduct Authority (United Kingdom)
“Fed”	Federal Reserve
“FRC”	Financial Reporting Council (United Kingdom)
“FVPL”	Fair value through profit or loss
“FVOCI”	Fair value through other comprehensive income
“GFC”	Global Financial Crisis
“GSO”	GSO Capital Partners LP
“IFRS”	International Financial Reporting Standards

TERM	DEFINITION
"IFRS NAV"	Gross assets less liabilities (including accrued but unpaid fees) determined in accordance with IFRS as adopted by the EU
"LCD"	S&P Global Market Intelligence's Leveraged Commentary & Data provides in-depth coverage of the leveraged loan market through real-time news, analysis, commentary, and proprietary loan data
"Loan Warehouse"	A special purpose vehicle incorporated for the purposes of warehousing US and/or European floating rate senior secured loans and bonds
"LSE"	London Stock Exchange
"LTM"	Last twelve months
"Lux Subsidiary"	Blackstone/GSO Loan Financing (Luxembourg) S.à r.l
"NAV"	Net asset value
"NAV total return per share"	Calculated as the increase/decrease in the NAV per share plus the total dividends paid per share during the period, with such dividends paid being re-invested at NAV, as a percentage of the NAV per share
"NIM"	Net interest margin
"NED"	Non-Executive Director
"OC"	Over-Collateralisation
"OCI"	Other Comprehensive Income
"PPNs"	Profit Participating Notes
"Published NAV"	Gross assets less liabilities (including accrued but unpaid fees) determined in accordance with the section entitled "Net Asset Value" in Part I of the Company's Prospectus and published on a monthly basis
"Return"	Calculated as the increase/decrease in the NAV per share plus the total dividends paid per share, with such dividends paid being re-invested at NAV, as a percentage of the NAV per share. LTM return is calculated over the period July 2020 to June 2021.
"RNS"	Regulatory News Service
"Rollover Assets"	The assets attributable to the Carador Income Fund plc Rollover Shares - a pool of CLO assets from Carador Income Fund plc
"Rollover Offer"	As announced by the Board on 28 August 2018, a rollover proposal to offer newly issued C Shares to electing shareholders of Carador Income Fund plc, in consideration for the transfer of a pool of CLO assets from Carador Income Fund plc to the Company
"SFS"	Specialist Fund Segment
"UK Code"	UK Corporate Governance Code 2018
"US MOA"	United States Majority Owned Affiliate
"Underlying Company"	A company or entity to which the Company has a direct or indirect exposure for the purpose of achieving its investment objective, which is established to, among other things, directly or indirectly, purchase, hold and/or provide funding for the purchase of CLO Securities
"WA"	Weighted Average
"WAP"	Weighted Average Asset Price
"WARF"	Weighted Average Rating Factor
"WAS"	Weighted Average Spread