

# Blackstone Loan Financing Limited ("BGLF")

## BGLF Portfolio Highlights

**1.4%**  
net monthly  
NAV return

**11.0%**  
dividend yield<sup>(1)</sup>

**€420.8M**  
net assets

**€329.6M**  
market capitalisation<sup>(2)</sup>

## Monthly Performance

Total Returns (%)	1-Month Return	YTD Return	LTM Return	Annual ITD Return
BGLF Euro NAV	1.44	5.17	12.94	8.40
BGLF Euro Price	2.38	3.07	8.36	6.55
European Loans	1.91	(2.74)	(1.62)	2.75
US Loans	1.53	(1.17)	0.18	3.56

Ticker	NAV / Share <sup>(3)</sup>	Share Price <sup>(2)</sup>	Premium / Discount	Dividend Yield <sup>(1)</sup>
BGLF	€0.9255	€0.7250	(21.66%)	11.03%
BGLP	£0.8007	£0.6199	(22.58%)	10.97%

## Performance Attribution

(as of 31 August 2022)<sup>(5)</sup>

Blackstone Corporate Funding ("BCF") NAV Return Components	BCF Aug-22 Assets (€M)	BCF Aug-22 Return Component (%)				BCF YTD Return Component (%)			
		MTM <sup>(6)</sup>	Income	FX	Total	MTM <sup>(6)</sup>	Income	FX	Total
EUR CLOs	489.6	(0.32)	0.71	-	0.39	(3.10)	5.00	-	1.90
US CLOs	575.5	0.22	0.63	(0.03)	0.82	(1.02)	5.79	0.16	4.94
CLO Warehouses	2.2	-	-	-	-	-	0.28	(0.01)	0.27
Directly Held Loans	502.4	0.05	0.22	(0.02)	0.25	(2.60)	1.56	(0.05)	(1.09)
Leverage	(260.1)	-	(0.07)	-	(0.07)	-	(0.39)	-	(0.39)
Net Cash and Expenses	(95.0)	-	(0.07)	0.10	0.03	-	(0.49)	0.11	(0.37)
<b>BCF Total / Net Return</b>	<b>1,214.5</b>	<b>(0.05)</b>	<b>1.43</b>	<b>0.05</b>	<b>1.43</b>	<b>(6.72)</b>	<b>11.75</b>	<b>0.22</b>	<b>5.25</b>
BGLF Net Cash and Expenses <sup>(7)</sup>					0.01				(0.08)
<b>BGLF Net Return</b>					<b>1.44</b>				<b>5.17</b>

## Market and Company Commentary

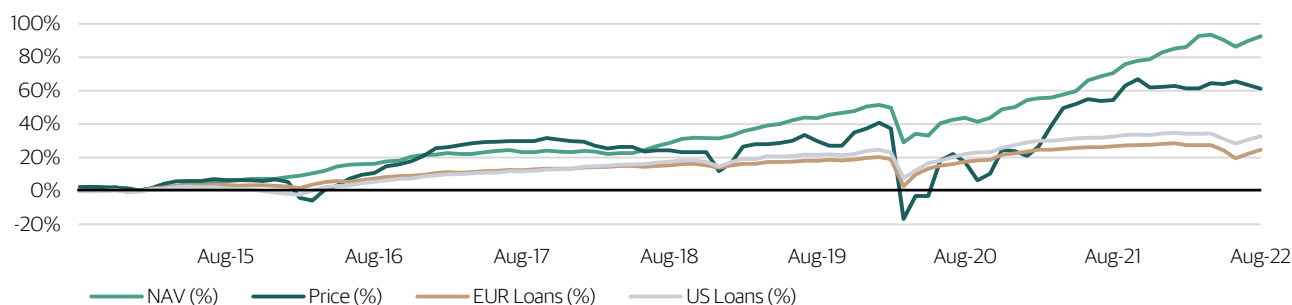
- Building on a promising July recovery, global credit markets initially rallied following lower-than-expected inflation in the US for July, with moves exacerbated by thin liquidity as the summer slowdown took hold. However, markets began to cool off against the backdrop of weaker macroeconomic data and political uncertainty later in the month. Overall, European and US leveraged loans outperformed equity and debt markets, posting positive returns for the month at 1.91% and 1.53%, respectively. Average prices gained slightly from €92.11 to €93.51 and from \$93.30 to \$94.19<sup>(4)</sup>. Three new bankruptcies and one distressed exchange nudged the LTM loan default rate marginally higher, however current rates of 1.4% in the US and 0.6% in Europe<sup>(8)</sup> remains comfortably below long-term historical averages.
- As CLO market conditions weakened, US CLO issuers held back with just \$7.6 billion priced across 18 deals for the month. On the contrary, European issuers proceeded to price €1.9 billion across five deals, the highest number of deals priced in the month of August since the financial crisis. CLO new issue spreads began to tighten across the stack, with the decline most pronounced for BBB-rated debt and below in both regions, however AAA-rated new issue spreads held steady month-on-month from 215bps to 214bps in the US and continued widening from 191bp to 210bp in Europe<sup>(9)</sup>.
- August was a slower month for primary loan issuance and as a result, BCF's CLOs in both regions built up cash balances in anticipation of stronger primary pipeline and more attractive relative value prospects in September. Taking advantage of technical strength in the market throughout the month, both regions continued to reduce tail risk, with European CLOs particularly focusing on de-risking assets with weaker cashflow profiles and shorter dated maturities.
- BCF's CLOs performed positively over August for both regions. For US CLOs, valuations were driven by a general accretion in marks during a non-interest paying month. In Europe, CLO valuations were attributed to high distributions, spread increases, and higher assumed sale prices for loans in more seasoned CLOs.
- In what is a typically quiet time of year, there were no new issues or refinancing activity within the BCF CLO portfolio. Looking ahead, BCF's priority will be on managing its portfolio in a prudent fashion to effectively navigate through continued volatility in the market, while opportunistically originating new CLOs when the arbitrage is attractive.

Note: BGLF Inception Date: 27 July 2014. Please note that the return component figures may not sum exactly due to rounding. An investor should consider the investment objective, risks, and charges and expenses of BGLF (also, the "Company") carefully before investing. The prospectus contains this and other information about the Company and may be obtained at [www.blackstone.com/bglf](http://www.blackstone.com/bglf). The prospectus should be read carefully before investing. **Past performance is historical and not a guarantee of future results. There can be no assurance that BGLF or any Blackstone fund will achieve its objectives or avoid substantial losses. FOR PROFESSIONAL INVESTORS/ QUALIFIED INVESTORS USE ONLY.**

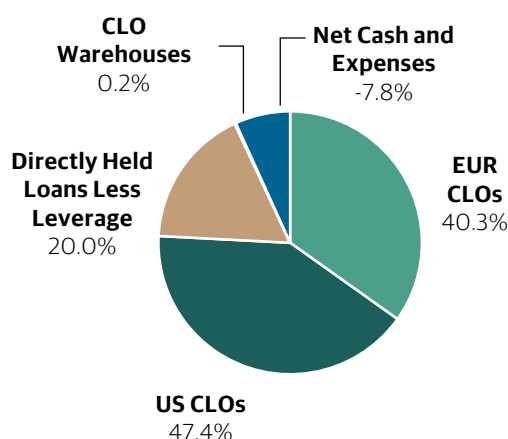
## BGLF Investment Objective

- BGLF's investment objective is to provide shareholders with stable and growing income returns, and to grow the capital value of its investment portfolio by exposure to European and US floating rate senior secured loans and bonds, both directly and indirectly. The Company seeks to achieve its investment objective solely through its investment in Blackstone Corporate Funding ("BCF")<sup>(10)</sup>, which is an investor in global floating rate senior secured loans.
- BCF funds its investment in European and US loans using a variety of funding sources, including equity capital, its 3-year syndicated financing facility, notes issued to the Company, and non-recourse leverage obtained from retaining Income Notes in collateralised loan obligations ("CLOs") that BCF has established.

## BGLF Cumulative Performance Since Inception To Date ("ITD")<sup>(3,4,5)</sup>

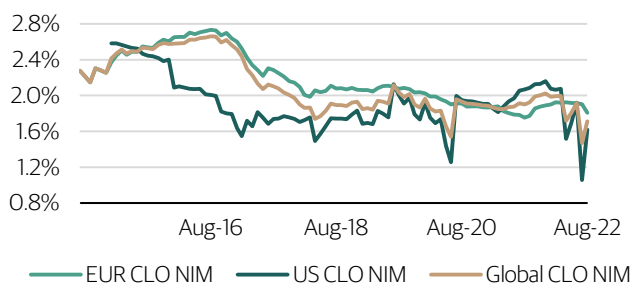


## BCF Look Through Summary: 703 Issuers<sup>(11)</sup>

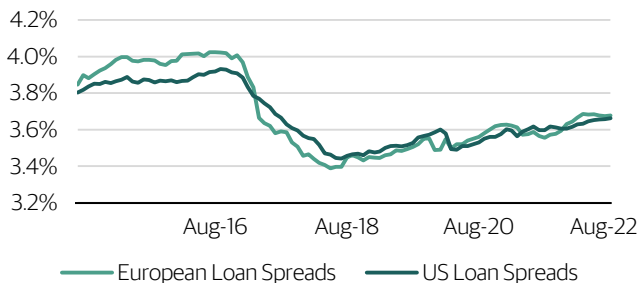


	% of NAV <sup>(12)</sup>	WA Asset Coupon <sup>(13)</sup>	WA Liability Cost <sup>(13)</sup>	WA Remaining RPs (CLOs)
EUR CLOs	40.31%	3.75%	1.95%	2.1 Years
US CLOs	47.39%	5.69%	4.06%	2.0 Years
Directly Held Loans (less leverage)	19.95%	4.11%	1.45%	n/a
CLO Warehouses	0.18%	3.95%	1.55%	n/a
Net Cash & Expenses	-7.83%	-	-	n/a
<b>Total Portfolio</b>	<b>100.0%</b>	<b>4.67%</b>	<b>2.78%</b>	<b>2.0 Years</b>

## BCF CLO Net Interest Margins<sup>(13)</sup>



## Market Loan Spreads<sup>(4)</sup>



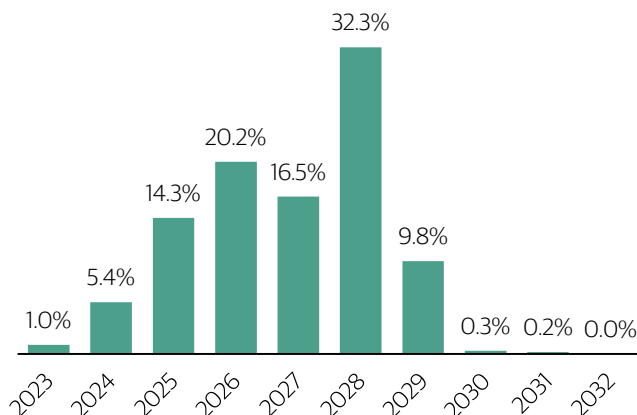
Past performance is not necessarily indicative of future results. There can be no assurance that BGLF or any Blackstone fund will achieve its objectives or avoid substantial losses. Future holdings and/or allocations may be subject to change.

# BCF Look Through Summary: 703 Issuers (cont'd)<sup>(11)</sup>

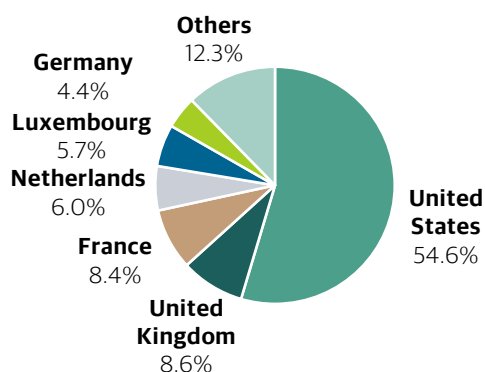
## Top 10 Issuers

Issuer	Sector	Weight
Ziggo	Media Broadcasting and Subscription	1.07%
EG Group	Retail	0.85%
Masmovil	Telecommunications	0.83%
Virgin Media	Media Broadcasting and Subscription	0.82%
Numericable	Media Broadcasting and Subscription	0.81%
WS Audiology	Healthcare and Pharmaceuticals	0.80%
ION Trading	Banking, Finance, Ins. and RE (FIRE)	0.74%
Thyssenkrupp	Capital Equipment	0.73%
AkzoNobel	Chemicals, Plastics and Rubber	0.70%
UPC	Media Broadcasting and Subscription	0.67%
<b>Total</b>		<b>8.01%</b>

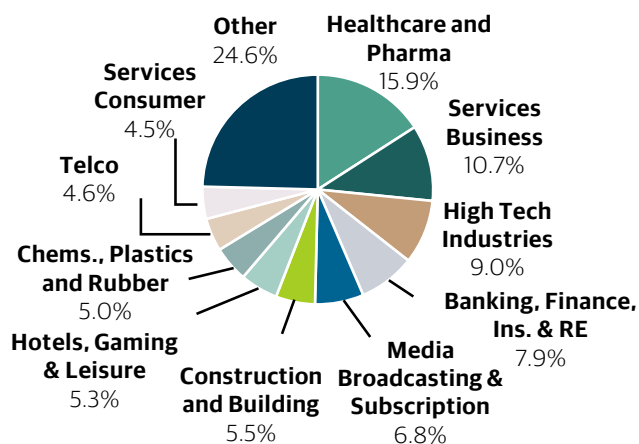
## Maturities



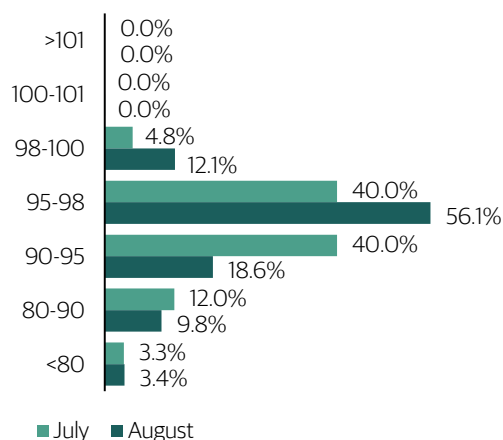
## Country Allocations



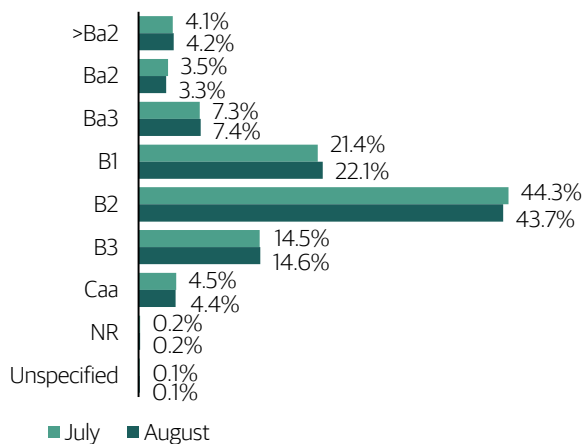
## Top 10 Industry Allocations



## Asset Price Bands and Ratings



## Moody's Rating Distribution



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## CLO Income Note, Vertical Retention, CLO Warehouse, and Exited Positions

'Current' Portfolio	Closing / [Expected Close] Date	Deal Size (M)	Position Owned (M)	% of Tranche	% of BCF NAV	Reinvest. Period Left (Yrs)	Current Asset Coupon <sup>(14)</sup>	Current Liability Cost <sup>(14)</sup>	Current NIM	NIM 3M Prior	Distributions Through Last Payment Date <sup>(13)</sup>	
											Ann.	Cum.
<b>EUR CLO Income Note Investments<sup>(13)</sup></b>												
Phoenix Park	Jul-14	€ 417	€ 23.3	51.4%	1.2%	0.7	3.75%	2.01%	1.74%	1.88%	13.7%	109.7%
Dartry Park	Mar-15	425	26.6	51.1%	1.2%	2.7	3.68%	1.89%	1.79%	2.01%	13.6%	96.7%
Tymon Park	Dec-15	415	22.7	51.0%	1.3%	3.0	3.86%	1.84%	2.02%	1.97%	15.5%	101.9%
Elm Park	May-16	521	31.9	56.1%	1.7%	3.1	3.81%	1.70%	2.11%	1.99%	16.3%	99.7%
Griffith Park	Sep-16	456	26.0	53.4%	1.5%	0.7	3.79%	1.95%	1.85%	2.13%	11.2%	66.6%
Clarinda Park	Nov-16	417	23.1	51.2%	1.3%	2.5	3.79%	2.02%	1.77%	2.01%	11.8%	67.8%
Palmerston Park	Apr-17	374	24.0	53.3%	1.0%	0.0	3.58%	1.67%	1.91%	1.84%	13.7%	68.5%
Clontarf Park	Jul-17	323	29.0	66.9%	1.1%	0.0	3.55%	2.08%	1.47%	1.69%	14.3%	72.3%
Willow Park	Nov-17	412	23.4	60.9%	1.0%	0.0	3.51%	1.58%	1.93%	1.90%	17.1%	78.9%
Marlay Park	Mar-18	413	24.6	60.0%	1.1%	0.0	3.60%	1.40%	2.20%	2.16%	19.0%	81.5%
Milltown Park	Jun-18	409	24.1	65.0%	1.3%	0.0	3.67%	1.50%	2.17%	2.13%	18.1%	74.1%
Richmond Park	Jul-18	438	46.2	68.3%	1.2%	0.0	3.62%	1.76%	1.86%	1.79%	17.0%	67.8%
Sutton Park	Oct-18	408	24.0	66.7%	1.6%	0.7	3.76%	2.02%	1.73%	1.97%	17.5%	62.9%
Crosthwaite Park	Feb-19	516	33.0	64.7%	2.0%	3.0	3.75%	1.75%	2.00%	1.92%	15.5%	50.9%
Dunedin Park	Sep-19	422	25.3	52.9%	1.1%	3.7	3.74%	2.21%	1.53%	1.84%	23.4%	68.5%
Seapoint Park	Nov-19	403	21.6	70.5%	1.6%	1.7	3.75%	2.23%	1.52%	1.83%	14.2%	35.5%
Holland Park	Nov-19	426	39.1	72.1%	1.6%	1.7	3.78%	2.20%	1.57%	1.87%	11.3%	31.0%
Vesey Park	Apr-20	403	24.5	80.3%	2.0%	2.2	3.78%	2.29%	1.49%	1.72%	18.9%	43.3%
Avondale Park	Jun-20	409	22.7	63.0%	1.4%	3.6	3.78%	1.88%	1.90%	1.85%	41.0%	83.0%
Deer Park	Sep-20	355	20.5	71.9%	1.3%	3.6	3.77%	1.84%	1.94%	1.88%	34.9%	72.3%
Marino Park	Dec-20	323	17.0	71.4%	1.5%	1.4	3.82%	1.61%	2.22%	2.18%	17.8%	23.3%
Carysfort Park	Apr-21	405	25.1	80.7%	1.9%	2.9	3.77%	1.89%	1.88%	2.00%	17.8%	23.2%
Rockfield Park	Jul-21	404	24.0	80.0%	1.9%	2.9	3.77%	1.76%	2.01%	1.97%	16.7%	16.2%
Dillon's Park	Sep-21	406	26.2	84.0%	1.9%	3.6	3.86%	1.83%	2.02%	1.97%	15.6%	12.3%
Cabinteely Park	Dec-21	404	23.6	75.6%	1.7%	4.0	3.81%	2.21%	1.60%	1.86%	15.0%	9.6%
Otranto Park	Mar-22	443	35.9	100.0%	2.7%	4.2	3.88%	2.03%	1.84%	1.75%	n/a	n/a
Clonmore Park	Aug-22	341	23.0	100.0%	1.2%	4.5	4.23%	3.44%	0.79%	n/a	n/a	n/a
<b>USD CLO Income Note Investments<sup>(13)</sup></b>												
Grippen Park	Mar-17	\$ 606	29.8	50.1%	1.5%	0.0	5.66%	4.44%	1.22%	1.43%	15.1%	80.7%
Thayer Park	May-17	523	27.4	50.1%	1.5%	3.6	5.74%	4.27%	1.47%	1.61%	15.5%	80.4%
Catskill Park	May-17	1,013	56.0	51.6%	2.3%	0.0	5.76%	4.29%	1.46%	1.65%	15.4%	79.9%
Dewolf Park	Aug-17	614	31.7	51.6%	1.9%	0.1	5.76%	3.96%	1.80%	1.78%	16.2%	78.8%
Gilbert Park	Oct-17	1,022	51.8	50.8%	2.9%	0.1	5.72%	4.19%	1.53%	1.53%	15.9%	75.1%
Long Point Park	Dec-17	611	29.5	50.1%	1.7%	0.4	5.73%	4.16%	1.56%	1.81%	20.3%	92.5%
Stewart Park	Jan-18	874	92.2	50.1%	1.7%	0.3	5.70%	3.98%	1.72%	1.74%	14.7%	65.9%
Cook Park	Apr-18	1,025	53.6	50.1%	3.1%	0.6	5.73%	4.08%	1.65%	1.89%	18.0%	76.9%
Fillmore Park	Jul-18	561	30.2	54.3%	1.9%	0.9	5.68%	3.97%	1.71%	1.72%	16.1%	63.7%
Harbor Park	Dec-18	715	39.7	50.1%	2.6%	1.4	5.66%	4.23%	1.43%	1.59%	15.6%	56.1%
Southwick Park	Aug-19	503	26.1	59.9%	2.0%	1.9	5.73%	4.17%	1.56%	1.67%	17.4%	50.6%
Beechwood Park	Dec-19	816	48.9	61.1%	3.4%	4.4	5.69%	4.36%	1.33%	1.63%	17.6%	45.4%
Allegany Park	Jan-20	506	30.2	66.2%	2.2%	4.4	5.70%	4.21%	1.48%	1.64%	15.2%	38.3%
Harriman Park	Apr-20	501	29.2	70.0%	2.3%	3.6	5.69%	4.26%	1.43%	1.61%	27.7%	62.3%
Cayuga Park	Aug-20	400	22.9	72.0%	1.9%	3.9	5.72%	4.23%	1.48%	1.66%	33.5%	64.7%
Point Au Roche Park	Jun-21	457	26.5	61.2%	1.9%	3.9	5.77%	4.23%	1.54%	1.75%	22.2%	23.4%
Peace Park	Sep-21	661	39.0	60.8%	2.8%	4.1	5.12%	4.23%	0.89%	1.68%	23.0%	18.6%
Whetstone Park	Dec-21	506	28.6	62.5%	2.2%	4.4	5.78%	4.22%	1.56%	1.65%	26.1%	16.1%
Boyce Park	Mar-22	762	44.7	61.8%	3.6%	4.6	5.75%	2.32%	3.44%	2.04%	n/a	n/a
<b>Vertical Retention Investments<sup>(15)</sup></b>												
Tallman Park	May-21	\$ 410	2.1	5.0%	0.2%	3.6	5.71%	4.24%	1.47%	1.72%	24.2%	27.7%
Wehle Park	Apr-22	\$ 547	2.5	5.0%	0.2%	4.6	5.72%	2.56%	1.47%	1.65%	n/a	n/a
<b>Warehouse Investments<sup>(16,17)</sup></b>												
Warehouse Investments <sup>(16,17)</sup>	Initial Investment Date	Closing / [Expected Close] Date		Investment (€M) <sup>(18)</sup>	Current Loan Exposure (€M) <sup>(18)</sup>	Current Asset Coupon	Current Liability Coupon	Net Interest Margin				
Killiney Hill Park	Jul-22	[Q4 2022]		€ 2.2	€ 46.9	3.95%	1.55%	2.40%				
<b>Redeemed Or Fully Sold CLOs</b>												
Region	Vintage	Exit Method	Sale/Redemption Date	BCF Position Prior To Exit (€/\$M)	Current Valuation as % of BCF NAV <sup>(19)</sup>	Realised IRR To Date <sup>(20)</sup>	Ann. Distribution Through Last Payment <sup>(21)</sup>					
U.S.	2018	Sale	Mar-21	\$26.4	N/A	11.1%*	16.4%					
U.S.	2018	Sale	Mar-21	\$53.9	N/A	19.0%*	19.7%					
Europe	2015	Redemption	May-21	€24.2	N/A	13.8%*	23.5%					
U.S.	2020	Redemption	Jun-21	\$24.2	N/A	37.6%*	93.3%					
U.S.	2019	Sale	Aug-21	\$22.1	N/A	16.6%*	14.9%					
Europe	2014	Redemption	Oct-21	€29.5	N/A	9.7%*	18.2%					
Europe	2014	Redemption	Oct-21	€24.0	N/A	11.7%*	23.3%					
U.S.	2015	Redemption	Oct-21	\$44.5	0.01%	11.6%*	19.8%					
U.S.	2019	Sale	Feb-22	\$24.2	N/A	16.0%*	19.5%					

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## Discrete Annual Performance<sup>(3,4)</sup>

Trailing 12 months ending:	August '22	August '21	August '20	August '19	August '18
BGLF Euro NAV	12.94%	24.38%	0.12%	11.48%	4.45%
European Loans	(1.62%)	7.90%	(0.51%)	2.35%	2.55%
US Loans	0.18%	8.50%	0.57%	3.38%	5.29%

### Endnotes

BGLF does not pay any management or performance fees. The Adviser earns a management and performance fee on CLOs it manages in which BCF invests. CLO management fees are typically 0.5% per annum on the CLO assets. The Adviser rebates 20% of the CLO management fees it receives to BCF, pro-rata to CLO Income Notes in which BCF invests directly or indirectly. Capitalised terms used but not defined herein have the meanings assigned to them in the Company's Prospectus dated 23 November 2018.

- (1) Dividend Yield presented on an LTM basis, based on the last four dividends declared and the share price as of 31 August 2022. Please see the BGLF announcement on 24 January 2022 for more information. **The target dividend is a target only and not a profit forecast.** It should not be taken as an indication of BGLF's expected future performance or results. There is no guarantee that the target dividend can or will be achieved or can be continued if achieved. There may be other additional risks, uncertainties and factors that could cause the returns generated by BGLF to be materially lower than the target dividend. Accordingly, investors should not place any reliance on such target.
- (2) Bloomberg, as of 31 August 2022.
- (3) As calculated by BGLF's Administrator in accordance with the provisions of the BGLF Prospectus. Per share data based on final number of shares in the period. BGLF NAV per share is converted at the exchange rate of €1.0000:£0.8651 as of 31 August 2022. The exchange rate used by BGLF's Administrator may differ from that of Bloomberg and that used by the London Stock Exchange, which may result in a variation between BGLF's premium / discount to its NAV and BGLF's premium / discount to its NAV. Currency fluctuations may have an adverse effect on the value, price, income or costs of the product which may increase or decrease as a result of changes in exchange rates.
- (4) Credit Suisse: Leveraged Loan Index, Western European Leveraged Loan Index (hedged to EUR) as of 31 August 2022. Indices are provided for illustrative purposes only. They have not been selected to represent benchmarks or targets for the Company. The indices may include holdings that are substantially different than investments held by BCF and do not reflect the strategy of BCF. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from BCF. The indices do not reflect the deduction of fees or expenses.
- (5) BCF performance attribution reflects assets that support continuing PPNs. Data is unannualised. Dividends are assumed to be reinvested at the NAV. **Past performance is not necessarily indicative of future results, and there can be no assurance that BGLF will achieve comparable results, will meet its target returns, achieve its investment objectives or be able to implement its investment strategy.** CLO Income Notes are valued by using the CLO Intrinsic Calculation Methodology, loan asset valuations are based on broker quotes received from Markit and bonds prices are provided by IDC. Further details of BCF's valuation policy can be found in the Company's annual accounts. Please refer to the below for important information, including information about performance results.
- (6) MTM refers to mark to model for EUR and US CLOs and mark to market for Directly Held Loans. Please refer to footnote above regarding valuations.
- (7) Reflects impact of cash balances held and expenses incurred at the BGLF level, including NAV impact of repurchased shares.
- (8) LCD, as of 31 August 2022.
- (9) Barclays CLO & Leverage Loan Monthly Update, as of 2 September 2022. Generic CLO discount margins from longer reinvestment period deals calculated based on 14-day rolling average basis.
- (10) Blackstone Corporate Funding DAC ("BCF") was incorporated in Ireland on 16 April 2014.
- (11) Portfolio data by Issuer, Industry, Country, Rating and Loan Price Bands are presented using the gross par amount of assets held directly and indirectly by BCF. Indirect asset holdings are held within CLOs BCF has invested in. The total par amount of all assets held within each CLO are included on a fully consolidated basis and added to those assets held directly by BCF. Portfolio holdings, Rating, Country, Industry and Loan Price Band distributions are subject to change and are not recommendations to buy or sell any security. CLO Note and CLO warehouse investments are excluded from all figures. Data calculated by Blackstone Credit. Totals may not sum due to rounding.
- (12) Calculated on BCF's net assets as of 31 August 2022.
- (13) Data for EUR and US CLOs calculated based on data available on Intex as of 8 September 2022 for non-redeemed or sold CLOs. Global CLO NIM is a weighted average measure. Data for CLO Warehouses and Directly Held Loans calculated by Blackstone Credit.
- (14) Debt tranches of certain US CLOs are referenced against SOFR. Some proportion of US CLO collateral may be based on SOFR and subject to change over time.
- (15) The vertical retention investment in Tallman Park and Wehle Park CLO is financed by a repurchase agreement. BCF owns 5% of each tranche (including equity). The total position owned is reflective of the gross exposure less the financed amount.
- (16) CLO Warehouses may have an additional third party first loss provider invested alongside of BCF.
- (17) Warehouse Investment is calculated as the cumulative trade date EUR proceeds utilised to fund each warehouse.
- (18) The Current Loan Exposure for CLO Warehouse Investments is reflected by trade date; Investment amount is reflected by settlement date.
- (19) As of 8 September 2022. Certain CLOs in the process of being redeemed. The residual valuation as a % of BCF NAV is reflective of remaining distributions to be made. Once no remaining distributions are expected, valuation will appear as "N/A".
- (20) Realised IRRs for redemptions are reflective of distributions made to BCF to date, with data available in Intex as of 8 September 2022. IRRs may change as further distributions to income noteholders are made. For fully sold CLOs, realised IRR includes sale proceeds returned to BCF (reflected on a traded basis). IRRs denoted with an \* are inclusive of fee rebates (separate notes reflecting rights to future rebates may still be held by BCF). Past performance is not necessarily indicative of future results, and there can be no assurance that a fund will continue to achieve comparable results or that a fund will be able to implement its investment strategy or achieve its investment objectives or avoid substantial losses.
- (21) Source: Intex, with data available as of 8 September 2022. Annualised distributions for redeemed CLOs include return of principal; annualised distributions for fully sold CLOs do not include sale proceeds.

## Key risk factors as determined by the entities distributing this communication

All investments are subject to risk, including the loss of the principal amount invested. Past performance is not necessarily indicative of future results, and there can be no assurance that BGLF will achieve comparable results, meet target returns, achieve its investment objectives or be able to implement its investment strategy. All investments to be held by BGLF involve a substantial degree of risk, including the risk of total loss. The value of shares and their income is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment, you may get back less than you originally invested. You should always seek expert legal, financial, tax and other professional advice before making any investment decision.

**Material changes impacting the Company's business.** Material changes affecting global debt and equity capital markets may have a negative effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. Unexpected volatility, illiquidity, governmental action, currency devaluation or other events in the global markets could impair the value of the Company's investments and could cause some or all of the Company's investments to incur substantial losses.

**Investment strategy risk.** Market factors may result in the failure of the investment strategy. Strategy-specific losses may result from excessive concentration by multiple market participants in the same investment or general economic or other events that adversely affect particular strategies (for example the disruption of historical pricing relationships). The investment strategy employed by the Company is speculative and involves substantial risk of loss in the event of a failure or deterioration in the financial markets.

**Risks associated with fully subordinated investments.** The Company is exposed to the most subordinated tranche of a CLO and all payments of principal and interest on such CLO income notes are fully subordinated. In addition, investments in loan warehouses are expected to be the most subordinated tranche of debt issued in the loan warehouse. CLO income notes and certain investments in loan warehouses are volatile, and Interest and principal payments in respect of such investments are based on residual amounts available, if any, to make such payments, and accordingly interest and principal payments payable on such instruments are not fixed.

**Nature of the loans and bonds.** The CLOs in which the Company is invested will commonly invest in a portfolio of loans and bonds consisting at the time of acquisition of senior secured obligations, unsecured senior loans, second lien loans, mezzanine obligations and high yield bonds, as well as certain other investments, all of which will have greater credit and liquidity risk than investment grade sovereign or corporate bonds or loans. The lower rating of below investment grade collateral reflects a greater possibility that adverse changes in the financial condition of an obligor or in general economic conditions or both may impair the ability of the relevant obligor, as the case may be, to make payments of principal or interest. Such investments may be speculative.

**Discount to NAV.** The Shares may trade at a discount to the Net Asset Value per Share (of the relevant class) and shareholders may be unable to realise their Shares on the market at the Net Asset Value per Share (of the relevant class) or at any other price. The discount may arise for a variety of reasons, including due to market or economic conditions or to the extent investors undervalue the Underlying Companies.

**Valuation Risk.** The Company's investments may be difficult to value accurately and, as a result, the Company may be subject to valuation risk. The Company is entitled to rely, without independent investigation, upon pricing information and valuations furnished by third parties, including pricing services and valuation sources.

**Conflicts of Interest.** There may be occasions when the Company and their affiliates will encounter potential conflicts of interest in connection with Blackstone's activities including, without limitation, the allocation of investment opportunities, relationships with Blackstone and its affiliates' investment banking and advisory clients, and the diverse interests of investors.

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

Blackstone undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

**Highly Competitive Market for Investment Opportunities.** The activity of identifying, completing and realising attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that the Company, through its investment in BCF, will be able to locate, consummate and exit investments that satisfy its objectives or realise upon their values or that the Company will be able to fully invest its capital. There is no guarantee that investment opportunities will be allocated to BCF, and in turn the Company, and/or that the activities of Blackstone's other funds will not adversely affect the interests of such Company.

**Material, Non-Public Information.** In connection with other activities of Blackstone, certain Blackstone personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities, including on a Company's behalf. As such, the Company may not be able to initiate a transaction or sell an investment. In addition, policies and procedures maintained by Blackstone to deter the inappropriate sharing of material non-public information may limit the ability of Blackstone personnel to share information with personnel in Blackstone's other business groups, which may ultimately reduce the positive synergies expected to be realised by the Company as part of the broader Blackstone investment platform.

**No Assurance of Investment Return.** Prospective investors should be aware that an investment in the Company is speculative and involves a high degree of risk. There can be no assurance that the Company will achieve comparable results, implement its investment strategy, achieve its objectives or avoid substantial losses or that any expected returns will be met. The Company's performance may be volatile. An investment should only be considered by qualified investors who can afford to lose all or a substantial amount of their investment. The Company's fees and expenses may offset or exceed its profits.

**Reliance on Key Management Personnel.** The success of the Company will depend, in large part, upon the skill and expertise of certain Blackstone professionals. In the event of the death, disability or departure of any key Blackstone professionals, the business and the performance of the Company may be adversely affected.

Please refer to the BGLF prospectus and most recent annual or interim reports for additional information on risk factors.

## Important Disclosure Information

### Important notice in relation to Blackstone Loan Financing Limited ("The Company" or "BGLF"):

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

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**Termination of marketing arrangements.** Please note that the Company may decide to terminate the arrangements made for the marketing of the Company in one or more EU member states pursuant to the Company's marketing passport in accordance with the procedure provided for under the laws that implement Article 93a of Directive 2009/65/EC (the UCITS Directive) or Article 32a of Directive 2011/61/EU (the AIFMD Directive) as applicable.

**Russian Invasion of Ukraine.** On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Material, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which BCF invests), and therefore could adversely affect the performance of the Fund's investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to BCF and the performance of its investments and operations, and the ability of BCF and the Company to achieve its investment objectives. Similar risks will exist to the extent that any portfolio entities, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

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