BLACKSTONE / GSO CORPORATE FUNDING LIMITED
(the "**Issuer**")

(incorporated with limited liability under the laws of Ireland)

EUR 245,250,000 Profit Participating Notes due 2044

On or about 30 July 2014 (the "**Issue Date**") the Issuer will issue EUR 245,250,000 Profit Participating Notes due 2044 (each a "**Note**" and together the "**Notes**"). The Notes will be constituted pursuant to a profit participating note issuing and purchase agreement (the "**Profit Participating Note Issuing and Purchasing Agreement**") dated 1 July 2014 between (amongst others) the Issuer and Blackstone / GSO Loan Financing Limited, in its capacity as Initial Noteholder (the "**Initial Noteholder**").

Interest will accrue on the Notes from the Issue Date and will be payable on the 21st day of October, January, April and July in each year (the "**Payment Dates**") in an amount calculated in accordance with Condition 6.3 of the Conditions of the Notes (the "**Conditions"),** the first Interest Payment Date being 21 January 2015.

The Notes will mature on 1 June 2044 (the "**Maturity Date**") unless redeemed earlier pursuant to the Conditions. The Notes will be subject to optional or mandatory redemption as described under *"Conditions of the Notes – Redemption"*.

AN INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK. SEE "*RISK FACTORS*" BEGINNING ON PAGE 11.

The Notes are unsecured, limited recourse obligations of the Issuer only, and the obligation to pay interest, principal and other amounts on the Notes shall be limited, in accordance with the Conditions, to the proceeds available at such time from the Portfolio.

Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Notes to be admitted to the Official List and trading on its Global Exchange Market (the "**GEM**"). Application has been made to the Irish Stock Exchange for the approval of this document as listing particulars. This Offering Circular constitutes the Listing Particulars (the "**Listing Particulars**") and reference throughout this document to "Offering Circular" will be taken to read "Listing Particulars" for such purpose. There can be no assurance that the Irish Stock Exchange will in fact accept the listing of the Notes or that the listing, if granted, will be maintained. No application will be made to list the Notes on any other stock exchange.

The Notes have not been registered under the United States Securities Act of 1933 and accordingly may not be offered or resold unless such offer or sale is either registered pursuant to or is exempt from registration under said act.

These Listing Particulars do not constitute a prospectus for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and have not been approved by a competent authority for the purposes of the Prospectus Directive.

The Notes are in definitive fully registered form in minimum denominations of EUR1,000,000. The Notes will be evidenced by definitive certificates (the "**Certificates** and each a "**Certificate**").

The date of this Offering Circular is 30 July 2014

IMPORTANT NOTICE

THE NOTES WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES SHALL BE ACCEPTED BY ANY PERSON OTHER THAN THE ISSUER.

The Notes will be represented on issue by a Certificate, without coupons or principal receipts attached.

The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been or will be taken by the Issuer which would permit a public offering of the Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Issuer has represented that all offers and sales by it will be made on such terms. Persons into whose possession this Offering Circular comes are required by the Issuer to inform themselves about and to observe any such restrictions.

No person other than the issuer makes any representation to any prospective investor or purchaser of the Notes regarding the legality of investment therein by such prospective investor or purchaser under applicable legal investment or similar laws or regulations.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is authorised to give any information or to make any representation in connection with the offering or sale of the Notes other than those contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any other person. Neither the delivery of this Offering Circular nor any sale or allotment made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer, or in the other information contained herein since the date hereof. The information contained in this Offering Circular was obtained from the Issuer and the other sources identified herein, but no assurance can be given by the Issuer as to the accuracy or completeness of such information. Neither the Issuer nor any other person makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Offering Circular should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes.

The Issuer is not regulated by the Central Bank of Ireland (the "**Central Bank**") as a result of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer or any other person to subscribe for or purchase any of the Notes in any jurisdiction where such action would be unlawful and neither this Offering Circular, nor any part thereof, may be used for or in connection with any offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

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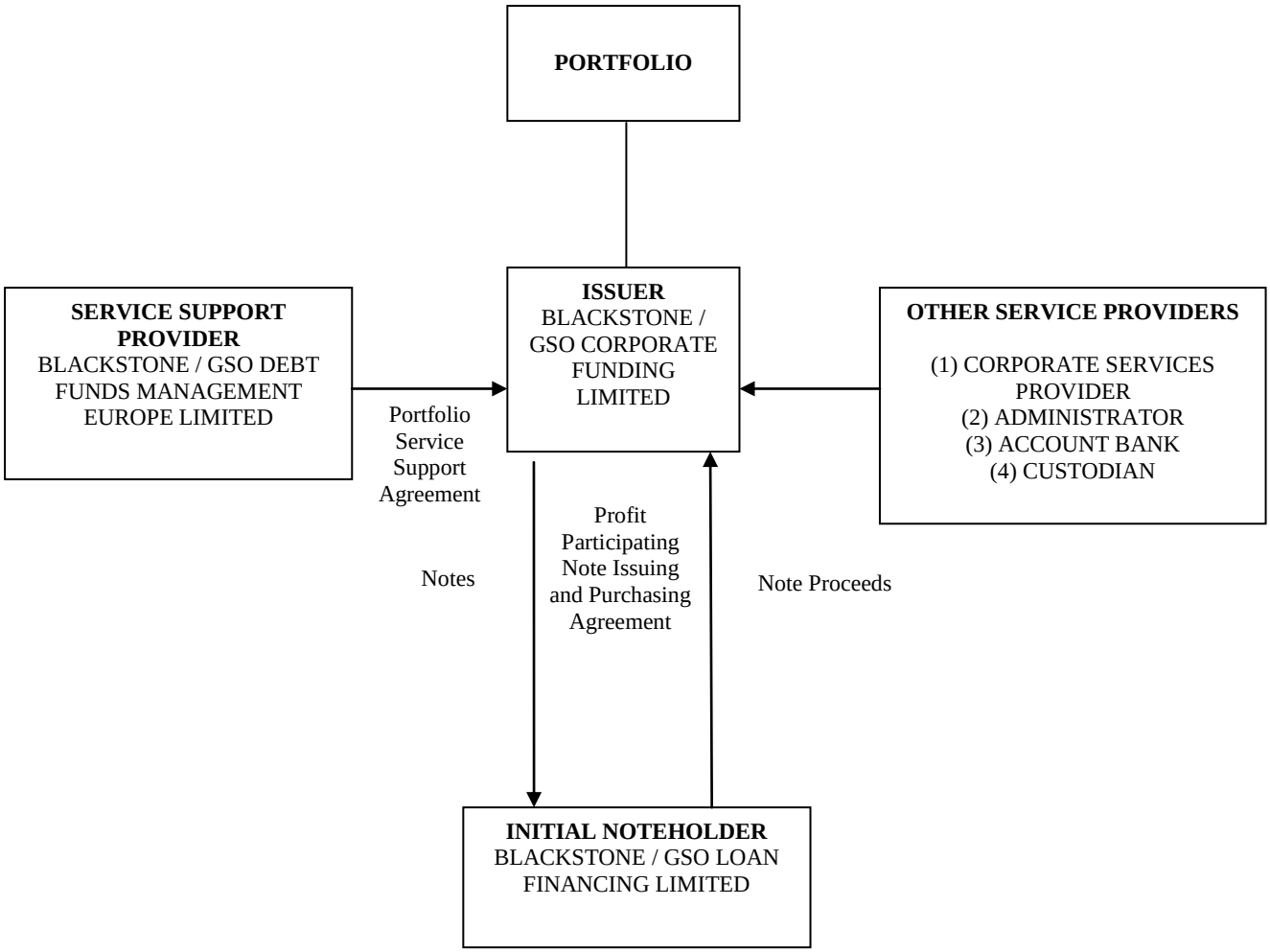

TRANSACTION SUMMARY

The following is an overview of the transaction structure and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offering Circular.

Capitalised terms used in this section but not defined in this section shall have the meanings given to them in the Conditions or in other sections of this Offering Circular, unless otherwise stated. An index of defined terms is set out at the end of this Offering Circular.

TRANSACTION OVERVIEW

The Issuer has been established specifically for the purposes of entering into the transactions envisaged by the Transaction Documents, as described in these Listing Particulars, and for no other purpose.

The Issuer will invest in, predominantly, senior secured loans and originate and invest in special purpose vehicles which issue notes backed by pools of collateral consisting primarily of loans ("**CLOs**").

The Issuer will issue the Notes in order to, among other things, finance the acquisition of debt obligations, CLO Income Notes and other obligations which comply with the investment policy (as described under "investment policy" below) ("**Collateral Obligations**") with a view to contributing them to CLOs established by it after the issue of the Notes (each such CLO, an "**Issuer CLO**") in its capacity as originator of the relevant CLO transactions (whereby the Issuer will also act as retention holder). The principal source of finance available to the Issuer to finance the payment of interest and repayment of principal on the Notes will be the income deriving from and proceeds of disposal of the Collateral Obligations.

After the issue of the Notes and for the purposes of the transfer by the Issuer of Collateral Obligations to Issuer CLOs from time to time, the Issuer intends to be classified as an "originator" (as defined in the CRR) and will acquire CLO Retention Notes from time to time in compliance with the CRR Retention Requirements. In order to do this, the Issuer will be required to commit to: (a) establishing the relevant CLO, (b) selling investments to the relevant CLO which it has (i) purchased for its own account initially or (ii) itself or through related entities, directly or indirectly, been involved in the original agreement which created such obligations and (c) during the relevant CLO's reinvestment period, agreeing to sell investments to the relevant CLO from time to time so that, for so long as the securities of that CLO are outstanding, over 50 per cent. of the total securitised exposures held by the relevant CLO issuer have come from the Issuer (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any Issuer sourced assets). Further information in this regard is set out in the section of the Offering Circular entitled "Retention Requirements" below.

TRANSACTION PARTIES

The Issuer

The Issuer was incorporated as a private limited company on 16 April 2014 with registered number 542626 and has its registered office at 3rd Floor, Europa House, Harcourt Centre, Harcourt Street, Dublin 2, Ireland. The telephone number of the registered office of the Issuer is +353 1 416 1239 and the fax number is +353 1 4161290. The Issuer has been established specifically for the purposes of entering into the transactions envisaged by the Transaction Documents, as described in these Listing Particulars, and for no other purpose. The Issuer's investment objective and policy is to initially invest predominantly in senior secured loans, and subsequently (with the exception of any financing under any Revolving Credit Facility) in CLO Income Notes issued by CLOs it originates.

The Initial Noteholder

Blackstone / GSO Loan Financing Limited, a closed-ended investment company limited by shares incorporated under the laws of Jersey with registered number 115628, (the "**Initial Noteholder**") will purchase all of the Notes on the Issue Date in accordance with the terms of the Profit Participating Note Issuing and Purchasing Agreement.

The Service Support Provider

Blackstone / GSO Debt Funds Management Europe Limited (in such capacity, the "**Service Support Provider**") has been appointed by the Issuer pursuant to an agreement dated 3 June 2014 (the "**Portfolio Service Support Agreement**"). Pursuant to the Portfolio Service Support Agreement, the Service Support Provider will provide certain support services to the Issuer. The Issuer will be self-managed but the Service Support Provider will be responsible for ensuring that the Issuer has the required human resources available to it in order to make necessary business decisions and to carry on the day-to-day management of the Issuer's business.

The Registrar

Intertrust Management (Ireland) Limited will be appointed pursuant to the Profit Participating Note Issuing and Purchasing Agreement to act as registrar (in such capacity, the "**Registrar**") in respect of the Notes.

The Custodian and Account Bank

Citibank, N.A. London Branch will be appointed as custodian (the "**Custodian**") pursuant to the terms of an agreement (the "**Custody Agreement**") and account bank (the "**Account Bank**") pursuant to an agreement (the "**Account Bank Agreement**") in each case between the Issuer and Citibank, N.A. London Branch and to be dated on or around the Issue Date. Pursuant to these agreements, the Custodian will act as custodian of certain of the Issuer's investments and other assets and the Account Bank will maintain certain bank accounts on behalf of the Issuer.

The Corporate Services Provider

Intertrust Management (Ireland) Limited has been appointed as corporate services provider (the "**Corporate Services Provider**") to the Issuer pursuant to the terms of an agreement dated 15 May 2014 (the "**Corporate Services Agreement**").

The Administrator

The Issuer on 18 July 2014 entered into an agreement (the "**Administration Agreement**") with State Street Fund Services (Ireland) Limited (the "**Administrator**"). Pursuant to the Administration Agreement, the Administrator agreed to provide the Issuer with certain valuation, financial reporting and fund accounting services as outlined out therein.

The Administrator is a private limited company incorporated in Ireland with company registration number 186184**,** having its registered office at 78 Sir John Rogerson's Quay, Dublin 2, Ireland. For further information on the Administrator and on the terms of the Administration Agreement, see "*Summary of the Transaction Documents - Valuation, Fund Accounting and Financial Reporting Agreement".*

THE NOTES

Amount of the Notes

The Notes will be issued by the Issuer on the Issue Date in a principal amount of EUR 245,250,000. The Initial Noteholder will subscribe for all of the Notes on the Issue Date. Pursuant to the terms of the Profit Participating Note Issuing and Purchasing Agreement, the Issuer can issue additional notes from time to time. The Initial Noteholder will have the right to subscribe for any such additional notes.

Status of the Notes

The Notes will constitute unsecured, limited recourse obligations of the Issuer. The Notes will be issued in definitive registered format and will not have a credit rating from any rating agency.

Interest on the Notes

Interest will be payable on the principal amount outstanding under the Notes in arrears on each Payment Date.

Interest will be computed as being the difference between the accumulated net accounting profits of the Issuer (as determined in accordance with IFRS), before the calculation of the interest arising under the Notes, having properly accrued for any Irish corporation tax expense of the company as computed under Irish tax principles applicable to the Issuer in relation to the Interest Period in question, and €300 (i.e. €1,200 per annum will be retained by the Issuer as annual profit).

Cash in respect of interest accrued or to be accrued for each Interest Period will be in an amount to enable the Initial Noteholder to make payments due under the Initial Noteholder's dividend policy and to cover the Initial Noteholder's ongoing costs and expenses.

In circumstances where the Noteholders wish to receive an amount of interest which is less than the amount of interest which has accrued for the account of the Noteholders, the Noteholders will be entitled to notify the Issuer of such lesser amount of interest which the Noteholders wish to receive. The remainder of such accrued interest which is not paid to the Noteholders shall be reinvested at the discretion of the Issuer.

Term of the Notes

The Notes will have an initial term of five years from the Issue Date, which such five year term will automatically be reset for a further five year term on each Renewal Date (being each two year anniversary of the Issue Date) save where the Noteholders have given the Issuer at least 12 months' notice prior to a Renewal Date that the Noteholders do not wish to extend the term of the Notes.

The Notes shall in any event be repayable on 1 June 2044.

Redemption of the Notes

Final Redemption

Unless previously redeemed in accordance with the Conditions, the Notes will be redeemed by the Issuer on the Maturity Date at their principal amount plus any accrued but unpaid interest thereon.

Optional Redemption by the Issuer

The Issuer shall, following consultation with the Service Support Provider, have the right to redeem the Notes in full or in part on any Payment Date with the consent of the Initial Noteholder.

Optional Redemption by the Initial Noteholder

Subject to the Regulatory Requirements, the Initial Noteholder may, following consultation with the Issuer, have the right to redeem in part some of its Notes on any Payment Date in order to fund any share buybacks or dividend payments by the Initial Noteholder and to cover the Initial Noteholder's ongoing costs and expenses.

Redemption for Taxation Reasons

If the Issuer is (or would be, were a payment to be required to be made) required to withhold or deduct for or on account of any Taxes (as defined in Condition 9 (*Taxation*)), then the Issuer shall, if so directed by each of the Noteholders, acting by way of Extraordinary Resolution, redeem the Notes in whole but not in part at their principal amount plus any accrued but unpaid interest thereon.

In order to effect such redemption, the Issuer shall liquidate the Portfolio and the Notes will be redeemed pursuant to the Priorities of Payment.

Priorities of Payments

Subject to there being no Event of Default then outstanding and the Regulatory Requirements (as defined below) being satisfied, (a) at any time prior to the earlier of (i) the Maturity Date and (ii) any Early Redemption Date, in respect of the whole or part of any Available Funds; and (b) otherwise, in respect of the whole of any Available Funds and any amounts in the Origination Reserve Accounts, the Issuer shall on each Payment Date or, as applicable, the Maturity Date, pay or cause to be paid amounts in the following order of priority:

(i) firstly, in or towards payment or discharge of all tax liabilities owed or expected to be owed by the Issuer and all reasonable fees, costs and expenses of the Issuer;

(ii) secondly, the payment of €300 to the Issuer as its retained annual profit (with such annual profit of the Issuer being €1,200);

(iii) thirdly, to credit the Origination Reserve Cash Account with the Origination Reserve Shortfall (each as defined in the Conditions);

(iv) fourthly, in or towards payment of some or all of the interest due and payable, or expected to be due and payable to the Noteholders on a *pari passu* and a pro-rata basis by reference to the principal amount outstanding under each Note;

(v) fifthly, in or towards payment of some or all of the principal due and payable to the Noteholders on a *pari passu* and a pro-rata basis by reference to the principal amount outstanding under each Note;

(vi) sixthly, at the discretion of the Issuer, to the purchase of new Collateral Obligations (or designation for such purchase in which case the Issuer shall retain such designated funds and apply them to the purchase of new Collateral Obligations prior to the next Payment Date); and

(vii) finally, the surplus (if any) to the Noteholders on a *pari passu* and a pro-rata basis by reference to the principal amount outstanding under each Note.

Limited Recourse

Pursuant to the Conditions, the Noteholders will agree that, if the net proceeds from a liquidation of the Collateral Obligations available to unsecured creditors of the Issuer are less than the aggregate amount payable by the Issuer in respect of its obligations under the Notes (such negative amount being referred to as a "**shortfall**"), the obligations of the Issuer in respect of the Notes will be reduced

to such amount of the net proceeds as shall be applied in accordance with the Priorities of Payment as set out above.

Non-Petition

Noteholders will not be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, examinership, reorganisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligation of the Issuer under the Conditions, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgement as to the obligations of the Issuer in relation thereto.

Listing

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its Global Exchange Market.

Governing Law

The Notes will be governed by English law.

USE OF PROCEEDS

The Issuer will use the proceeds of issue of the Notes (together with other resources available to the Issuer): (i) to redeem the Class B1 Shares issued by it prior to the date of this Offering Circular; (ii) to repay all amounts outstanding under the Subordinated Loan Facility (as more particularly described in "*The Warehouse Arrangements*" below); (iii) to credit the Origination Reserve Cash Account with the Origination Reserve Required Amount; and (iv) to acquire Collateral Obligations.

SOURCE OF FUNDS FOR PAYMENTS ON THE NOTES

The principal source of finance available to the Issuer to finance the payment of interest and repayment of principal on the Notes will be the income deriving from and proceeds of disposal of the Collateral Obligations.

THE INVESTMENT OBJECTIVE

The Issuer's investment policy is to invest predominantly in a diverse portfolio of senior secured loans and CLO Income Notes and generate attractive risk-adjusted returns from such portfolios. The Issuer intends to pursue its investment policy by using the proceeds from the issue of the Notes (together with other resources available to it) to initially invest predominantly in senior secured loans. Subsequently, on the availability of appropriate market opportunities, the Issuer will also invest in CLO Income Notes issued by CLOs originated by it. Initially, the Issuer's investments will be focussed predominantly in European senior secured loans, but the Issuer may in due course also invest in U.S. senior secured loans. As such, there is no limit on the maximum U.S. or European exposure. The Issuer does not intend to invest directly in senior secured loans domiciled outside North America, Canada and the United States of America or, inWestern Europe, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

Please see further the section below entitled "*Investment Objective*" for further information in this regard.

RISK FACTORS

The following is a summary of the principal risks associated with an investment in the Notes. These risk factors are material to an investment in the Notes and in the Issuer. Prospective Noteholders should carefully read and consider all the information contained in this Offering Circular, including the risk factors set out in this section, prior to making any investment decision.

Investment in the Notes should be regarded as long-term in nature and involving a high degree of risk. Accordingly, prospective investors should consider carefully all of the information set out in this Offering Circular including, in particular, the risks described below which are not presented in any order of priority and may not be an exhaustive list or explanation of all the risks which investors may face when making an investment in the Notes and should be used as guidance only.

Only those risks which are believed to be material and currently known to the Issuer in relation to itself and its industry as at the date of this Offering Circular have been disclosed. Additional risks and uncertainties not currently known to the Issuer may also have an adverse effect on the business, results of operations, financial conditions and prospects of the Issuer and the market price of the Notes. Potential investors should review this Offering Circular carefully and in its entirety and consult with their professional advisers before making an application to invest in the Notes.

RISKS RELATING TO THE ISSUER

The Issuer is a newly formed company incorporated under the laws of Ireland with no operating history and no revenues, and investors have no basis on which to evaluate the Issuer's ability to achieve its investment objective.

The Issuer was incorporated under the laws of Ireland on 16 April 2014, and is a newly formed company with no operating results. As the Issuer lacks an operating history, investors have no basis on which to evaluate the Issuer's ability to achieve its investment objective or implement its investment strategy and provide a satisfactory investment return. An investment in the Issuer is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Issuer will not achieve its investment objective and that the value of an investment in the Notes could decline substantially as a consequence. Any failure by the Issuer to do so may adversely affect its business, financial condition, results of operations and/or the market price of the Notes.

The Company's returns and operating cash flows will depend on many factors, including the price and performance of the investments, the availability and liquidity of investment opportunities falling within the Company's investment objective and policy, the level and volatility of interest rates, readily accessible short-term borrowings, the conditions in the financial markets and economy, the financial performance of obligors under the investments and the Company's ability successfully to operate its business and execute its investment strategy. There can be no assurance that the Company's investment strategy will be successful.

Investment in the Notes will be a speculative investment of a long-term nature and involving a high degree of risk. A Noteholder could lose all or a substantial portion of their investment in the Notes. Noteholders must have the financial ability, sophistication, experience and willingness to bear the risks of an investment in the Notes.

Material changes affecting global debt and equity capital markets may have a negative effect on the Issuer's business, financial condition, results of operations and/or the market price of the Notes

The global financial markets have experienced extreme volatility and disruption in recent years, as evidenced by a lack of liquidity in the equity and debt capital markets, significant write-offs in the financial services sector, the re-pricing of credit risk in the credit market and the failure of major financial institutions. Despite actions of governmental authorities, these events contributed to general

economic conditions that have materially and adversely affected the broader financial and credit markets and reduced, and in certain circumstances, significantly reduced, the availability of debt and equity capital.

Further, within the banking sector, the default of any institution could lead to defaults by other institutions. Concerns about, or default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect other third parties with whom the Issuer deals. The Issuer may therefore be exposed to systemic risk when the Issuer deals with various third parties whose creditworthiness may be exposed to such systemic risk.

Recurring market deterioration may materially adversely affect the ability of an issuer whose debt obligations form part of the portfolio to service its debts or refinance its outstanding debt. Further, such financial market disruptions may have a negative effect on the valuations of the investments and on the potential for liquidity events involving such investments. In the future, non-performing assets in the Issuer's portfolio may cause the value of that portfolio to decrease (and the market price of the Notes to decrease). Adverse economic conditions may also decrease the value of any security obtained in relation to any of the investments.

Conversely, in the event of sustained market improvement, the Issuer may have access to a reduced number of attractive potential investment opportunities, which also may result in limited returns to Noteholders.

The Issuer's failure to comply with its contractual obligations to manage its assets in accordance with the Issuer's investment policy could have adverse tax and other consequences which could have a significant adverse effect on the Issuer's business, financial condition and results of operations

Pursuant to the Profit Participating Note Issuing and Purchasing Agreement, the Issuer is contractually obliged to ensure that its portfolio is managed in accordance with the Issuer's investment objective and policy. In the event that the Issuer fails to comply with these contractual obligations, the Noteholders can, subject to and in accordance with the terms of the Profit Participating Note Issuing and Purchasing Agreement, elect to give notice to the Issuer that the Notes are, and shall immediately become, due and repayable (subject to the Regulatory Requirements). There is no guarantee that the applicable legal, contractual and regulatory restrictions would permit the Issuer immediately to repay the Notes on the Noteholders making such an election, and if it does, this could also have significant adverse consequences from a tax perspective both at the time of the repayment of the Notes and on an ongoing basis until another tax efficient vehicle could be introduced into the structure to own the portfolio.

The Issuer is to some extent reliant on DFME (in its various capacities) and other third party service providers to carry on its business and a failure by one or more service providers may materially disrupt the businesses of the Issuer

The Issuer has no employees and its directors have all been appointed on a non-executive basis. The Service Support Provider will, as part of the services to be provided under the terms of the Portfolio Service Support Agreement, be responsible for providing the Issuer with the necessary human resources, credit and other service support resources to perform the functions necessary to the business of the Issuer. In addition, DFME or its affiliates will also act as CLO Manager in respect of the Issuer CLOs from time to time. Therefore, the Issuer is to some extent reliant upon the performance of DFME and/or its affiliates and other third party service providers for the performance of certain functions.

Failure by any service provider to carry out its obligations to the Issuer in accordance with the applicable duty of care and skill, or at all, or termination of any such appointment may adversely

affect the Issuer's business, financial condition, results of operations, NAV and/or the market price of the Notes.

In the event that it is necessary for the Issuer to replace any third party service provider, it may be that the transition process takes time, increases costs and may adversely affect the Issuer's business, financial condition, results of operations, NAV and/or the market price of the Notes. See further risk factor titled "*The performance of the Issuer has some dependence on the skills and the personnel of DFME and the human resources it provides to the Issuer in its capacity as the Service Support Provider* " below.

The Notes issued by the Issuer are unsecured and limited recourse obligations of the Issuer and will be subordinated to the rights of the provider of any secured Revolving Credit Facility.

The Notes are unsecured obligations of the Issuer and amounts payable on the Notes will be made solely from amounts received in respect of the assets of the Issuer available for distribution to its unsecured creditors (subject to further conditions as further described in "*Summary of Transaction Documents – Profit Participating Note Issuing and Purchase Agreement*"). The Issuer is permitted to incur secured debt in the form of one or more Revolving Credit Facilities. Such secured debt will rank ahead of the Notes in respect of any distributions or payments by the Issuer. In an enforcement scenario under any Revolving Credit Facility, the provider(s) of such facilities will have the ability to enforce their security over the assets of the Issuer and to dispose of or liquidate (on their own behalf or through a security trustee or receiver) the assets of the Issuer in a manner which is beyond the control of the Issuer. In such an enforcement scenario, there is no guarantee that there will be sufficient proceeds from the disposal or liquidation of the Issuer assets to repay any amounts due and payable on the Notes.

The Notes have limited liquidity

Application has been made for the Notes to be admitted to the official list and trading on the Global Exchange Market of the Irish Stock Exchange ("**GEM**"). There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained. Notwithstanding the foregoing, there is currently no secondary market for the Notes. There can be no assurance that any secondary market for the Notes will develop or, if a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes.

Consequently, in the event of a material adverse event occurring in relation to the Issuer or the market generally, the ability of a Noteholder to realise its investment and prevent the possibility of further losses could, therefore, be limited by its restricted ability to realise its investment in the Notes. This delay could materially affect the value of the Notes and the timing of when the Issuer is able to realise its investments, which may adversely affect the market price of the Notes.

The Issuer is subject to risks, including the location of its COMI and tax residence, the appointment of examiners, enforcement of the security, claims of preferred creditors and floating charges.

COMI

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its centre of main interests ("**COMI**") is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the European Court of Justice ("**ECJ**") in relation to Eurofood IFSC Limited, the ECJ restated the presumption in Council Regulation (EC) No. 1346/2000 of May 29, 2000 on insolvency proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Ireland, has a majority

of directors which are resident in Ireland, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, Irish insolvency proceedings would not be applicable to the Issuer.

Tax Residence

The Issuer believes that it is tax resident in Ireland and does not have a permanent establishment for tax purposes outside of Ireland. However, there is no guarantee that the Irish Revenue Commissioners or any other tax authorities will not take a different view. If the tax residence of the Issuer is found to be otherwise than in Ireland or if the Issuer is held to have a permanent establishment outside of Ireland, this could have adverse consequences for the Issuer and therefore for the Noteholders.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended (the "**1990 Act**") to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the Directors, a contingent, prospective or actual creditor of the Issuer or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to halt, prevent or rectify acts or omissions, by or on behalf of the company after his appointment and, in certain circumstances, negative pledges given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when a minimum of one class of creditors, whose interests are impaired under the proposals, has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and the proposals are not unfairly prejudicial to any interested party.

If an examiner were appointed while any amounts due by the Issuer under the Notes were unpaid, the primary risks to the holders of Notes would be as follows:

(i) the Noteholders would not be able to enforce rights against the Issuer during the period of examinership;

(ii) the examiner can deal with properties the subject of a floating charge; and

(iii) a scheme of arrangement may be approved involving the writing down of the debt due by the Issuer to the Noteholders irrespective of the Noteholders' views.

Preferred Creditors

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular:

(i) under Irish law, the claims of the Noteholders may rank behind other creditors (namely fees, costs and expenses of any examiner appointed and certain capital gains tax liabilities) and may rank behind claims of the Irish Revenue Commissioners for PAYE, PRSI, VAT and LPT; and

(ii) in an insolvency of the Issuer, the claims of certain other creditors (including the Irish Revenue Commissioners for certain unpaid taxes) and secured creditors with the benefit of fixed security interests over assets of the Issuer, as well as those of creditors mentioned above, will rank in priority to claims of unsecured creditors and claims of creditors holding floating charges.

RISKS RELATING TO THE INVESTMENT STRATEGY

The investments may be difficult to value accurately

The Issuer's portfolio may at any given time include securities or other financial instruments or obligations which are very thinly traded, for which no market exists or which are restricted as to their transferability under applicable securities laws. These investments may be extremely difficult to value accurately. Further, because of overall size or concentration in particular markets of positions held by the Issuer, the value of its investments which can be liquidated may differ, sometimes significantly, from their valuations. Third party pricing information may not be available for certain positions held by the Issuer. Investments to be held by the Issuer may trade with significant bid-ask spreads. The Issuer is entitled to rely, without independent investigation, upon pricing information and valuations furnished by third parties, including pricing services and valuation sources. In the absence of fraud, gross negligence (under New York law), bad faith or manifest error, valuation determinations in accordance with the Issuer's valuation policy will be conclusive and binding.

Market factors may result in the failure of the investment strategy

Strategy risk is associated with the failure or deterioration of an investment strategy such that most or all investment managers employing that strategy suffer losses. 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). Furthermore, an imbalance of supply and demand favouring borrowers could result in yield compression, higher leverage and less favourable terms to the detriment of all investors in the relevant asset class. The investment strategy employed by the Issuer is speculative and involves substantial risk of loss in the event of a failure or deterioration in the financial markets, although the Issuer has certain investment limits which define to a degree how it invests. As a result, the Issuer's investment strategy may fail, and it may be difficult for the Issuer to amend the investment strategy quickly or at all should certain market factors appear, which may adversely affect the performance of the Issuer and/or the market price of the Notes.

The investment strategy of the Issuer includes investing predominantly in senior secured loans and CLO Income Notes which are subject to a risk of loss of principal

The investment strategy of the Issuer consists of investing predominantly in senior secured loans and in CLO Income Notes. Such securities may be considered to be subject to a level of risk in the case of deterioration of general economic conditions, which might increase the risk of loss of principal. This could result in losses to the Issuer which could have a material adverse effect on the performance of the Issuer and/or the market price of the Notes.

In the event of a default in relation to an investment, the Issuer will bear a risk of loss of principal and accrued interest

Performance and investor yield on the Issuer's investments may be affected by the default or perceived credit impairment of investments made by the Issuer and by general or sector specific credit spread widening. Credit risks associated with the investments include (among others): (i) the possibility that earnings of an obligor may be insufficient to meet its debt service obligations; (ii) an obligor's assets declining in value; and (iii) the declining creditworthiness, default and potential for insolvency of an obligor during periods of rising interest rates and economic downturn. An economic downturn and/or rising interest rates could severely disrupt the market for the investments and adversely affect the value of the investments and the ability of the obligors thereof to repay principal and interest. In turn, this may adversely affect the performance of the Issuer and/or the market price of the Notes.

In the event of a default in relation to an investment held by it, the Issuer will bear a risk of loss of principal and accrued interest on that investment. Any such investment may become defaulted for a variety of reasons, including non-payment of principal or interest, as well as breaches of contractual covenants. A defaulted investment may become subject to workout negotiations or may be restructured by, for example, reducing the interest rate, a write-down of the principal, and/or changes to its terms and conditions. Any such process may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on the defaulted investment. In addition, significant costs might be imposed on the lender, further affecting the value of the investment. The liquidity in such defaulted investments may also be limited and, where a defaulted investment is sold, it is unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest owed on that investment. This would adversely affect the value of the portfolio of the Issuer and/or the market price of the Notes.

In the case of secured loans, restructuring can be an expensive and lengthy process which could have a material negative effect on the Issuer's anticipated return on the restructured loan. By way of example, it would not be unusual for any costs of enforcement to be paid out in full before the repayment of interest and principal. This would substantially reduce the Issuer's anticipated return on the restructured loan.

The illiquidity of investments may have an adverse impact on their price and the Issuer's ability to trade in them or require significant time for capital gains to materialise

Credit markets may from time to time become less liquid, leading to valuation losses on the investments making it difficult to acquire or dispose of them at prices the Issuer considers their fair value. Accordingly, this may impair the Issuer's ability to respond to market movements and the Issuer may experience adverse price movements upon liquidation of such investments. Liquidation of portions of the portfolio under these circumstances could produce realised losses. The size of the Issuer's positions may magnify the effect of a decrease in market liquidity for such instruments. Settlement of transactions may be subject to delay and uncertainty. Such illiquidity may result from various factors, such as the nature of the instrument being traded, or the nature and/or maturity of the market in which it is being traded, the size of the position being traded, or lack of an established market for the relevant securities. Even where there is an established market, the price and/or liquidity of instruments in that market may be materially affected by certain factors.

Investments which are in the form of loans are not as easily purchased or sold as publicly traded securities due to the unique and more customised nature of the debt agreement and the private syndication process. As a result, there may be a significant period between the date that the Issuer makes an investment and the date that any capital gain or loss on such investment is realised. Moreover, the sale of restricted and illiquid securities may result in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Further, the Issuer may not be able readily to

dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time, which could materially and adversely affect the performance of the Issuer and/or the market price of the Notes. See further the risk factor titled "*The Issuer will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Income Notes until such time as the securities of the relevant CLO have been redeemed in full (whether at final maturity or early redemption)*" below.

The Issuer may hold a relatively concentrated portfolio

The Issuer may hold a relatively concentrated portfolio. There is a risk that the Issuer could be subject to significant losses if any obligor, especially one with whom the Issuer had a concentration of investments, were to default or suffer some other material adverse change. The level of defaults in the portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions. Any of these factors could adversely affect the value of the portfolio and/or the market price of the Notes.

The Issuer may be exposed to foreign exchange risk, which may have an adverse impact on the value of its assets and on its results of operations

The base currency of the Issuer is the Euro. Certain of the Issuer's assets may be invested in securities and other investments which are denominated in other currencies. Accordingly, the Issuer will necessarily be subject to foreign exchange risks and the value of its assets may be affected unfavourably by fluctuations in currency rates. Although the Issuer may utilise financial instruments to hedge against declines in the value of such assets as a result of changes in currency exchange rates, it is not obliged to do so and may terminate any hedge contract at any time. Moreover, it may not be possible for the Issuer to hedge against a particular change or event at an acceptable price or at all. In addition, there can be no assurance that any attempt to hedge against a particular change or event would be successful, and any such hedging failure could materially and adversely affect the performance of the Issuer and/or the market price of the Notes.

The hedging arrangements of the Issuer may not be successful

The Issuer's economic risks cannot be effectively hedged. However, in connection with the financing of certain investments, the Issuer may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities' prices and/or currency exchange rates. However, some residual risk may remain as a result of imperfections and inconsistencies in the market and/or in the hedging contract. While such hedging transactions may reduce certain risks, they create others. The Issuer will not be permitted to enter into hedging with respect to the CLO Retention Income Notes.

The Issuer may utilise certain derivative instruments (including, without limitation, single-name credit default swaps, credit default swap and loan credit default swap indexes, equity futures and equity indexes) for hedging purposes. However, even if used primarily for hedging purposes, the prices of derivative instruments are highly volatile, and acquiring or selling such instruments involves certain leveraged risks. There may be an imperfect correlation between the instrument acquired for hedging purposes and the investments or market sectors being hedged, in which case, a speculative element is added to the highly leveraged position acquired through a derivative instrument primarily for hedging purposes. In particular, the investments which are in the form of loans may, in certain circumstances, be repaid at any time on short notice at no cost, and accordingly the hedging of interest rate or currency risk in such circumstances may be less precise than is the case with investments in the public securities market.

Furthermore, default by any hedging counterparty in the performance of its obligations could subject the investments to unwanted credit and market risks. Accordingly, although the Issuer may benefit from the use of hedging strategies, failure to properly hedge the market risk in the investments and/or default of a counterparty in the performance of its obligations under a hedging contract may have a material adverse effect on the performance of the Issuer and/or the market price of the Notes, and

such material adverse effects may exceed those which may have resulted had no hedging strategy been employed.

Under certain hedging contracts that the Issuer may enter into, the Issuer may be required to grant security interests over some of its assets to the relevant counterparty as collateral

In connection with certain hedging contracts, the Issuer may be required to grant security interests over some of its assets to the relevant counterparty to such hedging contract as collateral. Such hedging contracts typically will give the counterparty the right to terminate the agreement upon the occurrence of certain events. Such termination events may include, among others, a failure by the Issuer to pay amounts owed when due, a failure to provide required reports or financial statements, a decline in the value of the investments secured as collateral, a failure to maintain sufficient collateral coverage, a failure by the Issuer to comply with the investment policy and any investment restrictions, key changes in the Issuer's management, a significant reduction in the Issuer's net asset value, and material violations of the terms, representations, warranties or covenants contained in the hedging contract, as well as other events determined by the counterparty. If a termination event were to occur, there may be a material adverse effect on the performance of the Issuer and/or the market price of the Notes.

The use of leverage by the Issuer may increase the volatility of returns and providers of leverage would rank ahead of investors in the Issuer in the event of insolvency

The Issuer may employ leverage in order to increase investment exposure with a view to achieving its target return, subject to a maximum permitted leverage of 250 per cent. of: (i) the net proceeds received from the placing of shares to be issued by the Initial Noteholder to one or more investors on or about 10 July 2014 (together with the net proceeds from any additional share issues and less the value of any shares repurchased); plus (ii) retained net income from time to time; less (iii) the aggregate amount invested in CLO Income Notes at cost.

While leverage presents opportunities for increasing total returns, it can also have the effect of increasing the volatility of the performance of the Issuer and, by extension, the Notes, including the risk of total loss of the amount invested. If income and capital appreciation on investments made with borrowed funds are less than the costs of the leverage, the Issuer's net asset value will decrease. The effect of the use of leverage is to increase the investment exposure, the result of which is that, in a market that moves adversely, the possible resulting loss to investors' capital would be greater than if leverage were not used. As a result of leverage, small changes in the value of the underlying assets may cause a relatively large change in the value of the Issuer. Many financial instruments used to employ leverage are subject to variation or other interim margin requirements, which may force premature liquidation of investments. Noteholders should be aware that the use of leverage by the Issuer can be considered to multiply the leverage effect on their investment returns in the Issuer. As described above, while this effect may be beneficial when markets' movements are favourable, it may result in a substantial loss of capital when markets' movements are unfavourable.

In addition, such leverage may involve granting of security or the outright transfer of specific investments in the portfolio. Since the Notes are unsecured, on any insolvency of the Issuer, Noteholders could rank behind the Issuer's financing and hedging counterparties, whose claims will be considered as indebtedness of the Issuer and may be secured. Leverage does create opportunities for greater total returns on the investments but simultaneously may create special risk considerations by exaggerating changes in the total value of the Issuer's net asset value and in the yield on the investments and, subsequently, the yield on the Notes.

In addition, to the extent leverage is employed the Issuer may be required to refinance transactions from time to time. On each refinancing, the applicable counterparty may choose to re-negotiate the terms of each transaction or indeed not to refinance the transaction at all. To the extent refinancing facilities are not available in the market at economic rates or at all, the Issuer may be required to sell assets at disadvantageous prices. Any such deleveraging may result in losses on investments which

could be severe and accordingly could have a material adverse effect on the performance of the Issuer and/or the market price of the Notes.

Interest rate fluctuations could expose the Issuer to additional costs and losses

The prices of the investments that may be held by the Issuer tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments. Further, the Issuer may invest in both floating and fixed rate securities and interest rate movements will affect those respective securities differently. In particular, when interest rates rise significantly the value of fixed interest rate securities often fall. Furthermore, to the extent that interest rate assumptions underlie the hedging of a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose the Issuer to additional costs and losses. Any of the above factors could materially and adversely affect the performance of the Issuer and/or the market price of the Notes.

In the event of the insolvency of an obligor in respect of an investment, or of an underlying obligor in respect of an investment, the return on such investment to the Issuer may be adversely impacted by the insolvency regime or insolvency regimes which may apply to that obligor or underlying obligor and any of their respective assets

In the event of the insolvency of an obligor in respect of an investment (and in the case of the CLO Income Notes, the obligors of the assets within the relevant CLO's portfolio), the Issuer's (or the CLO issuer's, in the case of CLO Income Notes) recovery of amounts outstanding in insolvency proceedings may be impacted by the insolvency regimes in force in the jurisdiction of incorporation of such obligor or in the jurisdiction in which such obligor mainly conducts its business (if different from the jurisdiction of incorporation), and/or in the jurisdiction in which the assets of such obligor are located. Such insolvency regimes impose rules for the protection of creditors and may adversely affect the ability to recover such amounts as are outstanding from the insolvent obligor under the investment, which may adversely affect the performance of the Issuer (or the CLO, if applicable) and/or the market price of the Notes.

Similarly, the ability of obligors to recover amounts owing to them from insolvent underlying obligors may be adversely impacted by any such insolvency regimes applicable to those underlying obligors, which in turn may adversely affect the abilities of those obligors to make payments due under the investment to the Issuer on a full or timely basis.

In particular, it should be noted that a number of European jurisdictions operate unpredictable insolvency regimes which may cause delays to the recovery of amounts owed by insolvent obligors or underlying obligors subject to those regimes. The different insolvency regimes applicable in the different European jurisdictions result in a corresponding variability of recovery rates for senior secured loans, entered into or issued in such jurisdictions, any of which may have a material adverse effect on the performance of a CLOs or the Issuer and/or the market price of the Notes.

The Issuer or a CLO Issuer may be subject to losses on investments as a result of insolvency or clawback legislation and/or fraudulent conveyance findings by courts

Various laws enacted for the protection of creditors and stakeholders may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary between jurisdictions. For example, if a court were to find that an obligor did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest securing such investment, and, after giving effect to such indebtedness, the obligor: (i) was insolvent; (ii) was engaged in a business for which the assets remaining in such obligor constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court may: (a) invalidate such

indebtedness and such security interest as a fraudulent conveyance; (b) subordinate such indebtedness to existing or future creditors of the obligor; or (c) recover amounts previously paid by the obligor (including to the Issuer or a CLO Issuer) in satisfaction of such indebtedness or proceeds of such security interest previously applied in satisfaction of such indebtedness. In addition, if an obligor in whose debt the Issuer or a CLO Issuer has an investment becomes insolvent, any payment made on such investment may be subject to avoidance, cancellation and/or clawback as a "preference" if made within a certain period of time (which for example under some current laws may be as long as two years) before insolvency.

In general, if payments on an investment are voidable, whether as fraudulent conveyances, extortionate transactions or preferences, such payments may be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from the Issuer or a CLO Issuer, there will be an adverse effect on the performance of the Issuer or a CLO Issuer and/or the market price of the Notes.

The due diligence process that the Issuer plans to undertake in evaluating specific investment opportunities may not reveal all facts that may be relevant in connection with such investment opportunities and any corporate mismanagement, fraud or accounting irregularities may materially affect the integrity of the Issuer's due diligence on investment opportunities

When conducting due diligence and making an assessment regarding an investment, the Issuer will be required to rely on resources available to it, including internal sources of information as well as information provided by existing and potential obligors, any equity sponsor(s), lenders and other independent sources. The due diligence process may at times be required to rely on limited or incomplete information.

The Issuer will select investments in part on the basis of information and data relating to potential investments filed with various government regulators and publicly available or made directly available to the Issuer by the entities filing such information or third parties. Although the Issuer will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, the Issuer will not be in a position to confirm the completeness, genuineness or accuracy of such information and data. The Issuer is dependent upon the integrity of the management of the entities filing such information and of such third parties as well as the financial reporting process in general.

The value of an investment made by the Issuer may be affected by fraud, misrepresentation or omission on the part of an obligor, underlying obligor, any related parties to such obligor or underlying obligor, or by other parties to the investment (or any related collateral and security arrangements). Such fraud, misrepresentation or omission may adversely affect the value of the investment and/or the value of the collateral underlying the investment in question and may adversely affect the Issuer's ability to enforce its contractual rights relating to that investment or the relevant obligor's ability to repay the principal or interest on the investment.

Investment analyses and decisions by the Issuer may be undertaken on an expedited basis in order to make it possible for the Issuer to take advantage of short-lived investment opportunities. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete. Furthermore, the Issuer may not have sufficient time to evaluate fully such information even if it is available.

Accordingly, the Issuer cannot guarantee that the due diligence investigation it carries out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by the Issuer to identify relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which may have a material adverse effect on the performance of the Issuer and/ or the market price of the Notes.

The collateral and security arrangements attached to an investment may not have been properly created or perfected, or may be subject to other legal or regulatory restrictions

The collateral and security arrangements in relation to secured obligations in which the Issuer may invest (and the security arrangements relating to the underlying assets of CLOs) will be subject to such security or collateral having been correctly created and perfected and any applicable legal or regulatory requirements which may restrict the giving of collateral or security by an obligor, such as, for example, thin capitalisation, over-indebtedness, financial assistance and corporate benefit requirements. If the investments do not benefit from the expected collateral or security arrangements, this may adversely affect the value of, or in the event of a default, the recovery of principal or interest from, such investments. Accordingly, any such failure properly to create or perfect collateral and security interests attaching to the investments may adversely affect the performance of the CLO issuer and/or the Issuer and/or the market price of the Notes.

The investments will be based in part on valuations of collateral which are subject to assumptions and factors that may be incomplete, inherently uncertain or subject to change

A component of the Issuer's analysis of the desirability of making a given investment relates to the estimated residual or recovery value of such investments in the event of the insolvency of the obligor (and in the case of the CLO Income Notes, the obligors of the assets within the relevant CLO's portfolio). This residual or recovery value will be driven primarily by the value of the anticipated future cashflows of the obligor's business and by the value of any underlying assets constituting the collateral for such investment. The anticipated future cashflows of the obligor's business and the value of collateral can, however, be extremely difficult to predict as in certain circumstances market quotations and third party pricing information may not be available. If the recovery value of the collateral associated with the investments in which the Issuer or a CLO Issuer invests decreases or is materially worse than expected by the Issuer or a CLO Issuer (as applicable), such a decrease or deficiency may affect the value of the investments made by the Issuer or a CLO Issuer. Accordingly, there will be an adverse effect on the performance of the CLO issuer and/ or the Issuer and/or the market price of the Notes.

CLO Income Notes are volatile and interest and principal payments payable on the CLO Income Notes are not fixed

CLO Income Notes are the most subordinated tranche of a CLO and all payments of principal and interest on such CLO Income Notes are fully subordinated. Interest and principal payments are not fixed but are based on residual amounts available to make such payments. As a result, payments on such CLO Income Notes will be made by the CLO issuer to the extent of available funds, and no payments thereon will be made until amongst other things (a) the payment of certain costs, fees and expenses have been made and (b) interest and principal (respectively) has been paid on the more senior notes of the CLO. Non-payment of interest or principal on such CLO Income Notes will be unlikely to cause an event of default in relation to the CLO issuer.

CLO Income Notes represent a highly leveraged investment in the underlying assets of the CLO issuer. Accordingly, it is expected that changes in the market value of such CLO Income Notes will be greater than changes in the market value of the underlying assets of the CLO issuer, which themselves are subject to credit, liquidity, interest rate and other risks. Utilisation of leverage is a speculative investment technique and involves certain risks to investors and will generally magnify the CLO Income Notes investors' opportunities for gain and risk of loss. In certain scenarios, the CLO Income Notes may be subject to a partial or a 100 per cent. loss of invested capital. CLO Income Notes represent the most junior securities in a leveraged capital structure. As a result, any deterioration in performance of the asset portfolio of a CLO issuer, including defaults and losses, a reduction of realised yield or other factors, will be borne first by holders of such CLO Income Notes prior to the rest of the capital structure.

CLO Income Notes are a limited recourse obligation of the CLO issuer

CLO Income Notes are a limited recourse obligation of a CLO issuer and amounts payable on CLO Income Notes are payable solely from amounts received in respect of the collateral of the CLO issuer. Payments on CLO Income Notes prior to and following enforcement of the security over the collateral of a CLO issuer are subordinated to the prior payment of certain costs, fees and expenses of, or payable by, the CLO issuer and to payment of principal and interest on more senior notes of the CLO issuer. The holders of CLO Income Notes must rely solely on distributions on the collateral of the CLO for payment of principal and interest, if any, on the CLO Income Notes. There can be no assurance that the distributions on the collateral of a CLO will be sufficient to make payments on the CLO Income Notes. If distributions are insufficient to make payments on the CLO Income Notes, no other assets of the CLO issuer will be available for payment of the deficiency and following realisation of the collateral and the application of the proceeds thereof, the obligations of the CLO issuer to pay such deficiency shall be extinguished. Such shortfall will be borne in the first instance by the CLO Income Notes.

In addition, at any time whilst the CLO Income Notes are outstanding in a CLO, no CLO Income Notes holder shall be entitled at any time to institute against the related CLO issuer, or join in any institution against such CLO issuer of, any bankruptcy, reorganization, arrangement, insolvency, examinership, winding up or liquidation proceedings under any applicable bankruptcy or similar law in connection with any obligations of the CLO issuer relating to the CLO Income Notes or otherwise owed to the CLO Income Notes holder, save for lodging a claim in the liquidation of the CLO issuer which is initiated by another party or taking proceedings to obtain a declaration as to the obligations of the CLO issuer, nor shall it have a claim arising in respect of the share capital of the CLO issuer.

CLO Income Notes have limited liquidity

In addition to the restrictions mentioned in the section titled "*The Issuer will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Income Notes until such time as the securities of the relevant CLO have been redeemed in full (whether at final maturity or early redemption)*", there will usually be a limited market for notes representing collateralised loan obligations (including the CLO Income Notes). There is no guarantee that any party to a CLO transaction will make a secondary market in relation to the CLO Income Notes. There can be no assurance that a secondary market for any CLO Income Notes will develop or, if a secondary market does develop, that it will provide the holders of CLO Income Notes with liquidity of investment or that it will continue for the life of such notes. As a result, the Issuer may have to hold the CLO Income Notes for an indefinite period of time or until their early redemption date or maturity date. Where a market does exist, to the extent that an investor wants to sell the CLO Income Notes, the price may, or may not, be at a discount from the outstanding principal amount. There may be additional restrictions on divestment in the terms and conditions of CLO Income Notes.

The Issuer will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Income Notes until such time as the securities of the relevant CLO have been redeemed in full (whether at final maturity or early redemption)

The CLOs in which the Issuer may invest are intended to be compliant with the European risk retention requirements for securitisation transactions, namely Part Five of Regulation No 575/2013 of the European Parliament and of the Council (the "**CRR**") as amended from time to time and including any guidance or any technical standards published in relation thereto (the "**CRR Retention Requirements**") and Article 51 of Regulation (EU) No 231/2013 as amended from time to time and Article 17 of the AIFMD, as implemented by Section 5 of Chapter III of the European Union Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012, supplementing the AIFMD, including any guidance published in relation thereto and any implementing laws or regulations in force in any Member State of the European Union (together with the CRR Retention Requirements, the "**Retention Requirements**"). In connection with this intention, the Issuer will need

to, amongst other things, (a) on the closing date of a CLO, commit to purchase an amount of the CLO Income Notes equal to at least 5 per cent. of the maximum portfolio principal amount of the assets in the CLO (the "**CLO Retention Income Notes**") and (b) undertake that, for so long as any securities of the CLO remain outstanding (including the CLO Retention Income Notes), it will retain its interest in the CLO Retention Income Notes and will not (except to the extent permitted by the Retention Requirements, the accompanying regulatory technical standards or any other related guidance published by the European Securities and Markets Authority) sell, hedge or otherwise mitigate its credit risk under or associated with such CLO Retention Income Notes. The Issuer may make certain representations and/or give certain undertakings in favour of Issuer CLOs (and/or certain other transaction parties) in respect of its ongoing retention of the CLO Retention Income Notes and regarding its agreement to sell certain assets to such Issuer CLO from time to time. There are currently transactions in the market which are similar to the Issuer CLOs, however if an applicable regulatory authority supervising investors in an Issuer CLO were to conclude that the Issuer was not holding the CLO Retention Income Notes in accordance with the CRR, it is possible, but far from certain, that this may negatively impact upon the investors in such Issuer CLO. If such investors decided to take action against the Issuer as a result of any negative impact, this may have an adverse effect on the Issuer's business and financial position.

In addition, with the intention of achieving classification as an "originator" (as defined in the CRR) and complying with the CRR Retention Requirements, the Issuer will be required to commit to: (a) establishing the relevant CLO, (b) selling investments to the relevant CLO which it has (i) purchased for its own account initially or (ii) itself or through related entities, directly or indirectly, been involved in the original agreement which created such obligations and (c) during each relevant CLO's reinvestment period agreeing to sell investments to the relevant CLO from time to time so that, for so long as the securities of the CLO are outstanding, over 50 per cent. of the total securitised exposures held by the CLO issuer have come from the Issuer (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any Issuer sourced assets).

As a result of the above commitments, the Issuer will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Income Notes until such time as the securities of the relevant CLO have been redeemed in full (whether at final maturity or early redemption). Consequently, if the Notes were to become due and repayable in connection with an early redemption or were subject to partial-redemption, the Issuer will not be obliged under the Conditions and the Profit Participating Note Issuing and Purchasing Agreement to immediately sell, transfer or liquidate the CLO Retention Income Notes and the proceeds of such CLO Retention Income Notes (if any) will not be available until the final maturity or early redemption in full of the securities of the relevant CLO. In addition, cash held by the Issuer will not be able to be used to repay the Notes to the extent that such repayment could leave the Issuer unable to continue to originate and sell assets to the CLO issuers in order to ensure during the relevant CLO's reinvestment period it has provided that over 50 per cent. of the total securitised exposures of each CLO issuer (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any Issuer sourced assets).

The Issuer will hold a controlling equity stake in the Issuer CLOs; accordingly, upon exercise by the Issuer, an early redemption option will result in a full redemption of the applicable CLO securities. The Issuer will generally not be able to exercise any early redemption options until two years from the closing date of the CLO. As a result of this feature and the Risk Retention Requirements, the relevant CLO Retention Income Notes will not be permitted to be sold, transferred or liquidated during this time. In addition, even after an early redemption option is permitted to be exercised, such an option usually contains a number of conditions to its exercise including, but not limited to, a threshold that the liquidation value of the CLO collateral exceed an amount which would pay (a) all expenses of the CLO and (b) principal and accrued interest on the CLO notes senior to the CLO Income Notes. If the liquidation value of the portfolio will not achieve this threshold at the time the Issuer intends to exercise its early redemption option, the CLO will not be able to be optionally redeemed by the Issuer at such time. In such circumstances the CLO Retention Income Notes may not redeem until their final

stated maturity (which may be in excess of 20 years), therefore producing no proceeds to repay the Notes until this point. See further the risk factor titled "*The Notes have limited liquidity*".

Potential non-compliance with or changes to the European risk retention requirements

The purchase and retention of the CLO Retention Income Notes in a CLO will be undertaken by the Issuer with the intention of achieving compliance with the Retention Requirements by the relevant CLO. As at the publication of this Offering Circular, the European Commission has published and adopted its delegated regulation supplementing the CRR by way of regulatory technical standards (the "**RTS**") and such standards were published in the Official Journal of the European Union on 13 June 2014. The RTS specifies the requirements for investors, sponsors, original lenders and originator institutions relating to exposure to transferred credit risk in securitisations and provides greater detail on the interpretation and implementation of the CRR Retention Requirements.

The Retention Requirements may be amended, supplemented or revoked from time to time. There is no guarantee that existing CLOs will be grandfathered into the regime which results from such amendments, supplements or revocations and, as such, the CLOs in which the Issuer is retaining the CLO Retention Income Notes, may become non-compliant with the Retention Requirements.

Liability for breach of a risk retention letter

The arranger and certain other parties of a CLO in which the Issuer agrees to hold the CLO Retention Income Notes will require the Issuer to execute a risk retention letter. Under a risk retention letter the Issuer will typically be required to, amongst other things, make certain representations, warranties and undertakings: (a) in relation to its acquisition and retention of the CLO Retention Income Notes for the life of the CLO; and (b) regarding its agreement to sell assets to the relevant CLO from time to time. If the Issuer sells or is forced to sell the CLO Retention Income Notes prior to the maturity of the relevant CLO, or the Issuer holds insufficient cash or investments to continually sell the assets to the CLO as described above or for any other reason the Issuer is not considered to be an "originator" (as such term is defined in the CRR), the Issuer may be in breach of the terms of the related risk retention letter. In such circumstances the arranger of the relevant CLO and the other parties to the related risk retention letter would have recourse to the Issuer for losses incurred as a result of such breach. Such claims may reduce, or entirely diminish any cash or assets of the Issuer which may have been available to pay principal or interest on the Notes.

RISKS RELATING TO DFME

The performance of the Issuer has some dependence on the skills and the personnel of DFME and the human resources it provides to the Issuer in its capacity as the Service Support Provider

In accordance with the Portfolio Service Support Agreement, DFME (in its capacity as the Service Support Provider) is responsible for providing certain service support and assistance to the Issuer. The Service Support Provider will also be responsible for providing the necessary human resources to the Issuer so that the business and management functions of the Issuer can be carried on. The Issuer's directors, acting on the advice of the human resources provided to the Issuer by the Service Support Provider, will have responsibility for managing the business affairs of the Issuer, in accordance with the Profit Participating Note Issuing and Purchasing Agreement, the applicable laws and its constitutional documents and the Issuer's directors will have overall responsibility for the activities of the Issuer. While the Issuer's directors will have responsibility for and oversight of the Issuer's business and such business will be managed by the Issuer's directors, the Issuer's day-to-day performance will also be reliant on service support received from the Service Support Provider. As a result, if the Service Support Provider were no longer able to provide the service support under the Portfolio Service Support Agreement or failed to provide the service support in the manner required by the Issuer's directors to manage the Issuer's portfolio and business, this could have a material adverse effect on the performance of the Issuer and/or the market price of the Notes. DFME, in its capacity as the CLO Manager, will also manage Issuer CLOs. Consequently, the Issuer will be

dependent on the advisory and management experience of the individuals employed by DFME, some of whom will be made available to the Issuer pursuant to the Portfolio Service Support Agreement. As a result, DFME will be providing services in several different capacities, which may result in conflicts of interest. If such conflicts of interest arise, they may need to be resolved in a manner which adversely affects one of the parties which DFME provides services. This could have a material adverse effect on the performance of a CLO Issuer and/or the Issuer and/or the market price of the Notes.

Further, the future ability of the Issuer to pursue its investment policy successfully may depend on DFME's ability to retain its existing staff and/or to recruit individuals of similar experience and calibre. Whilst DFME has endeavoured to ensure that the principal members of its advisory and service support team are suitably incentivised, the retention of key members of the teams cannot be guaranteed. In the event of a departure of a key DFME employee, there is no guarantee that DFME would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Issuer. Events impacting but not entirely within DFME's control, such as its financial performance, its being acquired or making acquisitions or changes to its internal policies and structures could in turn affect its ability to retain key personnel. If key personnel of DFME were to depart or DFME were unable to recruit individuals with similar experience and calibre, DFME may not be able to provide services to the requisite level expected or required by the Issuer. This could have a material adverse effect on the performance of the Issuer and/or the market price of the Notes.

Under the Portfolio Service Support Agreement, the DFME agrees to perform its obligations to a specified Standard of Care (defined below); provided that DFME will not be liable for any loss or damages resulting from any failure to satisfy the Standard of Care except in certain limited circumstances. If a liability were to be incurred by the Issuer in a situation where DFME had acted in accordance with its Standard of Care, the Issuer would (except in certain limited circumstances) have no recourse to DFME and such liabilities would be for the account of the Issuer. This could have a material adverse effect on the performance of the Issuer and/or the market price of the Notes. Additionally under the Portfolio Service Support Agreement, the Issuer will be required to indemnify DFME and its affiliates, managers, directors, officers, partners, agents and employees, from and against all liabilities incurred in connection with the Portfolio Service Support Agreement (except to the extent such liabilities are incurred as a result of any acts or omissions of DFME that constitute a Service Support Provider Breach). As a result, if such liabilities arise, the Issuer will be required to make payment under the Service Support Provider's indemnity, which could have a material adverse effect on the performance of the Issuer and/or the market price of the Notes. Further details in respect of the Portfolio Service Support Agreement are set out in the section titled “Summary of Transaction Documents” below.

DFME is able to resign its role as Service Support Provider under the Portfolio Service Support Agreement upon 90 days' written notice to the Issuer. Whilst a resignation of the Service Support Provider under the Portfolio Service Support Agreement will not be effective until the date as of which a successor adviser has been appointed, it may be difficult to locate a successor to the role. If a successor cannot be found for the role, the Issuer may not have the resources it considers necessary to manage its portfolio or to make investments appropriately and, as a result, there may be a material adverse effect on the performance of the Issuer and/or the market price of the Notes. In addition, the Service Support Provider under the Portfolio Service Support Agreement may immediately resign by providing written notice to the Issuer upon the occurrence of certain events relating to the Issuer (in respect of the Portfolio Service Support Agreement) such as, amongst others, the failure of the Issuer to comply in any material respect with its investment policy, a wilful breach or knowing violation by the Issuer of a material provision of the Portfolio Service Support Agreement or the occurrence of insolvency proceedings in respect of the Issuer. If any of these events were to occur and resulted in the resignation of the Service Support Provider, the Issuer may not have the expertise available to it in order to manage its assets and may experience difficulty in locating an alternative service support provider and, as a result, there may be a material adverse effect on the performance of the Issuer and/or the market price of the Notes.

In the event of the removal of DFME as CLO Manager in respect of an Issuer CLO, it will continue as CLO Manager of the relevant Issuer CLO, and will continue to receive any CLO Management Fees and expenses accrued to the date of actual termination of its duties.

RISKS RELATING TO THE NOTEHOLDER

The tax position of the Issuer could be negatively impacted where a Noteholder is connected with the Issuer.

A Noteholder may be required by the Issuer to provide a representation to the Issuer that the Noteholder is not be a "specified person" with respect to the Issuer. The term "specified person" is defined in Section 110 of the TCA and broadly refers to a person in relation to the Issuer which is:

1. a company which directly or indirectly

    1.1 controls the Issuer;

    1.2 is controlled by the Issuer; or

    1.3 is controlled by a third company which also directly or indirectly controls the Issuer

where "control" is defined in Section 11 of the TCA and means the power to secure (through shares and/or voting power or through by virtue of powers contained in the articles of association or other document regulating the Issuer or any other company) that the affairs of the Issuer are conducted in accordance with the wishes of that person; or

2. a person, or persons who are connected with each other-

    2.1 from whom assets were acquired; or

    2.2 to whom the Issuer has made loans or advances; or

    2.3 with whom the Issuer has entered into "specified agreements" (as defined in Section 110 of the TCA and including principally swap agreements)

where the aggregate value of such assets, loans, advances or agreements represents not less than 75% of the aggregate value of the qualifying assets of the Issuer.

Any Noteholder should consider whether it may be a "specified person" in relation to the Issuer. If a Noteholder is or becomes a "specified person" in relation to the Issuer that could have an adverse impact on the tax position of Issuer leading to a lower return on the Notes for any Noteholder.

There is no trustee to represent the interests of the Noteholders

The Notes will be constituted pursuant to the Profit Participating Note Issuing and Purchase Agreement and represent a direct contractual obligation between the Issuer and the Noteholders. The Notes may only be transferred if the transferee agrees to accede to the terms of the Profit Participating Note Issuing and Purchase Agreement and as such any transfer of the Notes will not affect the direct contractual obligation between the Issuer and the Noteholders. As the Notes have been documented to provide direct contractual rights between the Issuer and each Noteholder, the absence of a trustee to represent the interests of the Noteholders will not prejudice the rights of the Noteholders but may, only in circumstances where there is a large number of Noteholders, (i) inhibit or delay communications between the Issuer and the Noteholders and between the Noteholders themselves; and/or (ii) complicate or delay the Noteholders in taking decisions.

The Issuer will finance the payment of interest and repayment of principal on the Notes from income generated by, and proceeds of disposal of, the Collateral Obligations

The Issuer will finance the payment of interest and repayment of principal on the Notes from income generated by, and proceeds of disposal of, the Collateral Obligations. Pursuant to the Profit Participating Note Issuing and Purchasing Agreement, if the net proceeds from a liquidation of the Collateral Obligations available to unsecured creditors of the Issuer (the "**Liquidation Funds**") are less than the aggregate amount payable by the Issuer to the Noteholders in respect of its obligations under the Profit Participating Note Issuing and Purchasing Agreement (such negative amount being referred to for the purposes of this paragraph as a "**shortfall**"), the amount payable by the Issuer to the Noteholders in respect of the Issuer's obligations under the Profit Participating Note Issuing and Purchasing Agreement will be reduced to such amount of the net proceeds as shall be applied in accordance with the Priorities of Payment.

RISKS RELATING TO CONFLICTS OF INTEREST

The following briefly summarises various potential and actual conflicts of interest that may arise from the overall advisory, investment, capital markets, lending and other activities of DFME and its affiliates and their respective clients and employees, but it is not intended to be an exhaustive list of all such conflicts. References in this conflicts discussion to DFME include its affiliates unless otherwise specified or the context otherwise requires.

DFME is entitled to receive CLO Management Fees from the Issuer CLOs and managed by DFME as CLO Manager out of proceeds received by the Issuer CLOs from the collateral obligations such Issuer CLO holds. DFME is under no obligation to manage Issuer CLOs in a manner which will favour the CLO Income Notes held by the Issuer in such Issuer CLO. If the Issuer CLO is not managed in a manner which favours the CLO Income Notes this may have a material adverse effect on the performance of the Issuer and/or the market price of the Notes.

Certain inherent conflicts of interest arise from the fact that DFME and its affiliates that operate under the credit business of The Blackstone Group LP (collectively, "**GSO Affiliates**") will provide investment management, advisory and service support services to the Issuer CLOs, or the Issuer and to other clients, including other collateralised debt obligation vehicles, other investment funds, and any other investment vehicles that the GSO Affiliates may establish from time to time (the "**Other GSO Funds**"), as well as client accounts (including one or more managed accounts (or other similar arrangements, including those that may be structured as one or more entities) (collectively, the "**GSO Managed Accounts**") and proprietary accounts managed by GSO Affiliates in which none of the Issuer CLOs or the Issuer will have an interest (such other clients, funds and accounts, collectively the "**Other GSO Accounts**"). In addition, The Blackstone Group LP and its affiliates (collectively, "**Blackstone Affiliates**") provide investment management services to other clients, including other investment funds, and any other investment vehicles that Blackstone Affiliates may establish from time to time (such funds, other than the Other GSO Funds, the "**Other Blackstone Funds**", and together with the Other GSO Funds, the "**Other Funds**"), client accounts, and proprietary accounts in which none of the Issuer CLOs, or the Issuer will have an interest (such other clients, funds and accounts, other than the Other GSO Accounts, collectively the "**Other Blackstone Accounts**" and together with the Other GSO Accounts, the "**Other Accounts**"). The respective investment programs of the Issuer CLOs, the Issuer and the Other Accounts may or may not be substantially similar. GSO Affiliates and Blackstone Affiliates may give advice and recommend securities to Other Accounts that may differ from advice given to, or securities recommended or purchased on behalf of, the Issuer CLOs, or the Issuer even though their investment objectives may be the same or similar to those of the Issuer CLOs. As a result, there is no guarantee that the performance of Other Accounts will match that of the Issuer CLOs, or the Issuer and the performance of the Issuer CLOs, may differ substantially from that of Other Accounts.

Allocation of opportunities between the Issuer CLOs, the Issuer and the Other Accounts

DFME and the Issuer (as applicable) will seek to manage potential conflicts of interest in good faith, in circumstances where the portfolio strategies employed by the GSO Affiliates and Blackstone

Affiliates in managing their respective Other Accounts could conflict with the transactions and strategies employed (a) by DFME in managing the portfolio on behalf of the Issuer CLOs and in providing services to the Issuer (b) by the Issuer in managing its portfolio, and may affect the prices and availability of the securities and instruments in which the Issuer CLOs invest and in which the Issuer itself invests. Notwithstanding this, if conflicts of interest do arise, there is no guarantee that they will be resolved in a manner which the Issuer or, the Issuer CLOs consider favourable to their respective business or investments and, as a result, the performance of the Issuer CLOs, and the Issuer and/or the market price of the Notes may not be as favourable as it would be if a conflict were resolved with a different result. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the Issuer CLOs, the Issuer itself and Other Accounts. It is the policy of the GSO Affiliates and Blackstone Affiliates to generally share appropriate investment opportunities (including purchase and sale opportunities) with the Other Accounts (and by association, with the Issuer and Issuer CLOs). In general and except as provided below, this means that such opportunities will be allocated pro rata among the Issuer CLOs, the Issuer (if the Issuer wishes to invest in any such opportunity) and the Other Accounts based on targeted acquisition size (generally based on available capacity) or targeted sale size (or, in some sales cases, the aggregate positions), taking into account available cash and the relative capital of the respective entities.

Nevertheless, investment opportunities may be allocated other than on a pro rata basis, if GSO Affiliates, Blackstone Affiliates or DFME (including certain of the human resources provided by DFME under the Portfolio Service Support Agreement) (as applicable), deem in good faith that the Issuer CLOs, the Issuer (if the Issuer wishes to invest in any such opportunity) and the Other Accounts (as applicable) receive fair and equitable treatment and determine that a different allocation among the Issuer CLOs, the Issuer and the Other Accounts is appropriate, taking into account, among other considerations, (a) the risk-return profile of the proposed investment relative to the current risk profiles of the Issuer CLOs, the Issuer or the Other Accounts; (b) the investment guidelines, restrictions and objectives of the Issuer CLOs, the Issuer or the Other Accounts, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of the respective portfolio's overall holdings; (c) the need to re-size risk in the portfolios of the Issuer CLOs, the Issuer or Other Accounts, including the potential for the proposed investment to create an industry, sector or issuer imbalance among the portfolios of the Issuer CLOs, the Issuer and the Other Accounts; (d) liquidity considerations of the Issuer CLOs, the Issuer and Other Accounts, including during a ramp-up or wind-down of the Issuer CLOs, the Issuer or Other Accounts, proximity to the end of the specified term of the Issuer CLOs, the Issuer's investment period or Other Accounts, any redemption/withdrawal requests, anticipated future contributions and available cash; (e) tax consequences; (f) regulatory restrictions or consequences; (g) when a pro rata allocation could result in *de minimis* or odd lot allocations; (h) degree of leverage availability and any requirements or other terms of any existing leverage facilities; (i) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals or service support teams dedicated to the Issuer CLOs, the Issuer or an Other Account (as applicable); and (j) any other considerations deemed relevant by DFME (including certain of the personnel provided by DFME under the Portfolio Service Support Agreement), the Issuer or the applicable investment adviser to an Other Account.

In addition, orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which DFME, the Issuer in providing services under the Portfolio Service Support Agreement (including the personnel provided by DFME) or their respective affiliates consider equitable. From time to time, the Issuer CLOs, the Issuer and the Other Accounts may make investments at different levels of an issuer's capital structure or otherwise in different classes of an issuer's securities. Such investments may inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities.

Neither the Blackstone Affiliates nor the Other Accounts are under any obligation to offer investment opportunities of which they become aware to the Issuer CLOs or the Issuer or to share with the Issuer CLOs or the Issuer or to inform the Issuer CLOs or the Issuer of any such transaction or any benefit received by them from any such transaction or to inform the Issuer CLOs or the Issuer of any investments before offering any investments to other funds or accounts that they manage or advise. Furthermore, Blackstone Affiliates and/or GSO Affiliates may make an investment on their own behalf or on behalf of their clients without offering the opportunity to add such investment, or adding such investment, to the portfolios of the Issuer CLOs or the Issuer. Affirmative obligations may exist or may arise in the future, whereby affiliates of DFME may be obligated to offer certain investments to funds or accounts that such affiliates manage or advise before or without DFME offering those investments to the Issuer CLOs or the Issuer. DFME may invest in or, in its capacity as Service Support Provider or CLO Manager (as applicable), provide services in respect of, assets on behalf of the Issuer CLOs or the Issuer (as applicable) that it or any of its clients has declined to invest in for its own account, the account of any of its affiliates or the account of its other clients.

All the different bases for determination on allocations as described above may result in the Issuer CLOs or the Issuer failing to achieve the return from their portfolio that they would have achieved had a particular asset or assets been allocated to them any this may have a material adverse effect on the general performance of the Issuer and/or the market price of the Notes.

DFME may invest in or, in its capacity as Service Support Provider or CLO Manager (as applicable), provide services or advice (as applicable) in respect of, assets on behalf of the Issuer CLOs or the Issuer (as applicable) that it or any of its clients has declined to invest in for its own account, the account of any of its affiliates or the account of its other clients.

Co-investments among the Issuer CLOs, the Issuer and the Other Accounts

To the extent the Issuer CLOs or Issuer may hold securities that are different (including with respect to their relative seniority) from those held by an Other Account, the Blackstone Affiliates may be presented with decisions when the interests of the Issuer CLOs, the Issuer and the Other Account are in conflict. If the Issuer CLOs or the Issuer make or have an investment in, or, through the purchase of debt obligations become a lender to, a company in which an Other Account has a debt or an equity investment, DFME may have conflicting loyalties between their duties to the Issuer CLOs, the Issuer and to other Blackstone Affiliates. In addition, conflicts may arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. In that regard, actions may be taken for the Other Accounts that are adverse to the Issuer CLOs or the Issuer. In connection with negotiating senior loans and bank financings in respect of transactions sponsored by one or more Blackstone Affiliates, Blackstone Affiliates or GSO Affiliates may obtain the right to participate on its own behalf (or on behalf of vehicles that it manages) in a portion of the senior term financings with respect to such transactions on an agreed upon set of terms. DFME does not however believe that the foregoing arrangements have an effect on the overall terms and conditions negotiated with the arrangers of such senior loans. Notwithstanding this, there is no guarantee that such conflicts will be resolved in favour of any of the Issuer CLOs, or the Issuer and, if the conflict is resolved in a manner which is considered by such entities (or their investors) to be adverse to their interests, this may have a material adverse effect on the performance of the Issuer and/or the market price of the Notes.

The collateral obligations to be held by the Issuer CLOs or the Issuer may include obligations issued by entities in which Blackstone Affiliates or Other Accounts have made investments, obligations that Blackstone Affiliates have assisted in structuring but in which they have or have not chosen to invest and obligations in respect of which Blackstone Affiliates or Other Accounts participated in the original lending group and/or acted or act as an agent. In addition, the collateral obligations may include obligations previously held by Blackstone Affiliates or Other Accounts, and the Issuer CLOs or the Issuer may purchase collateral obligations from, or sell collateral obligations to, one or more Blackstone Affiliates or Other Accounts. Although any such purchase or sale must comply with

certain criteria set forth in the management and administration agreement and other transaction documents entered into by such Issuer CLOs or the Issuer (including the requirement that any such purchase or sale be on an arm's length basis), DFME may take into consideration the interests of the Other Accounts when making decisions regarding the purchase and sale of collateral obligations on behalf of the Issuer CLOs under the management and administration agreement or in providing the services or human resources it provides to the Issuer under the Portfolio Service Support Agreement. DFME's consideration of the interests of Other Accounts may result in the Issuer or the Issuer CLOs purchasing different assets than they would have purchased had DFME not considered such interests, and depending on the performance of such assets, this may have a material adverse effect on the performance of the Issuer.

Acquisition of Issuer CLO Income Notes by third parties

Blackstone Affiliates or Other Accounts may from time to time purchase any of the CLO Income Notes issued by the Issuer CLOs (in this risk factor, referred to as the "**Issuer CLO Income Notes**") or other classes of notes of the Issuer CLOs ("**Other Notes**"). Blackstone Affiliates or Other Accounts (other than the Issuer in relation to the CLO Income Notes) will not be required to retain all or any part of the Issuer CLO Income Notes or Other Notes acquired by them. If Blackstone Affiliates or Other Accounts were to purchase any Issuer CLO Income Notes or Other Notes, DFME may face a conflict of interest in the performance of its duties as the CLO Manager because of the conflicting interests of the holders of the Issuer CLO Income Notes or Other Notes held by Blackstone Affiliates or Other Accounts. If the CLO Manager were to perform its duties in a manner which was considered favourable to the interests of the Other Notes, this may have a material adverse effect on the performance of the Issuer due to a lower relative return on its investment in Issuer CLO Income Notes and/or the market price of the Notes may be adversely affected. DFME may have an incentive to manage the Issuer CLOs' investments in a manner as to seek to maximise the yield on the collateral obligations and maximise the yield on subordinated notes but which may result in an increase of defaults or volatility that adversely affects the return on Other Notes.

In addition, DFME may enter into agreements with one or more holders of Issuer CLO Income Notes or Other Notes pursuant to which DFME may agree, subject to its obligations under the relevant share trust deeds, management and administration agreements and applicable law, to take actions with respect to such noteholder or noteholders that it will not take with respect to all of the noteholders (including the Issuer). If DFME were to enter into such agreements, the information or rights which the Issuer receives regarding the relevant Issuer CLO may differ from that received by an investor in Other Notes. This could result in a differing relative performance between the notes held by the Issuer and the Other Notes.

DFME may arrange for the Issuer CLOs to acquire or sell, or provide support to the Issuer in connection with its acquisition or sale of, collateral obligations from and to Blackstone Affiliates or Other Accounts from time to time subject to the applicable procedures in the relevant management and administration agreement or the Portfolio Service Support Agreement (as applicable). DFME will be required to use commercially reasonable endeavours to obtain the best prices and execution for all orders placed with respect to the collateral obligations (or assistance given to the Issuer in this respect), considering all circumstances that are relevant in its reasonable determination. Subject to the objective of obtaining best prices and execution, DFME may take into consideration research and other brokerage services furnished to it or its affiliates by brokers and dealers that are not affiliates of DFME. Such services may be used by Blackstone Affiliates and Other Accounts in connection with their other advisory activities or investment operations. There is no guarantee that any such prices and execution will be achieved and that the brokerage services furnished by non-affiliate parties will be able to achieve the same level of price and execution as the level which is DFME's objective. If such prices and execution were not achieved as a result of these factors, it may have an adverse effect on the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes. In addition, DFME may aggregate sales and purchase orders of securities placed with similar orders being made simultaneously for other accounts managed by DFME or with accounts of the affiliates of DFME's if

in DFME's reasonable judgment such aggregation shall result in an overall economic benefit to the accounts, taking into consideration the advantageous selling or purchase price, brokerage commission and other expenses. There is no guarantee that DFME will be able to aggregate orders in a way which achieves such overall economic benefit, and if such benefit is not achieved this may have a material adverse effect of the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes.

Neither the Blackstone Affiliates nor the Other Accounts are under any obligation to offer investment opportunities of which they become aware to the Issuer CLOs or the Issuer, to share with the Issuer CLOs or the Issuer or to inform the Issuer CLOs or the Issuer of any such transaction or any benefit received by them from any such transaction, or to inform the Issuer CLOs or the Issuer of any investments before offering any investments to other funds or accounts that they manage or advise. Furthermore, affiliates of DFME may make an investment on their own behalf or on behalf of their clients without offering the opportunity to add such investment, or adding such investment, to the portfolios of the Issuer CLOs or the Issuer. Affirmative obligations may exist or may arise in the future, whereby affiliates of DFME may be obligated to offer certain investments to funds or accounts that such affiliates manage or advise before or without DFME offering those investments to the Issuer CLOs or the Issuer. DFME may invest in assets on behalf of the Issuer CLOs that it or any of its clients has declined to invest in for its own account, the account of any of its affiliates or the account of its other clients. The Issuer may also invest in any such assets.

Allocation of expenses

DFME and/or any of its affiliates may from time to time incur expenses jointly on behalf of the Issuer CLOs, the Issuer (in accordance with the Portfolio Service Support Agreement) or other accounts managed by them and one or more subsequent entities established or advised by them. Although DFME and/or its affiliates will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will, in all cases, be allocated appropriately among such parties. The level of expenses allocated to the Issuer CLOs and the Issuer may have has an adverse effect on the Issuer. A high level of expenses may: (i) in relation to the Issuer CLOs, result in a decreased return on the Issuer CLO Income Notes; and (ii) in relation to the Issuer, result in a significant reduction in its cash reserves available for investment. In each case, the level of expenses may have a material adverse effect on the performance of the Issuer CLOs and/or the market price of the Notes.

Risks arising out of the broad spectrum of activities engaged in by Blackstone Affiliates

Blackstone Affiliates engage in a broad spectrum of activities. In the ordinary course of their business activities, Blackstone Affiliates may engage in activities where the interests of certain divisions of Blackstone Affiliates or the interests of their clients may conflict with the interests of the holders of the Issuer CLO Income Notes or Other Notes or the Issuer. Other present and future activities of Blackstone Affiliates may give rise to additional conflicts of interest. In the event that a conflict of interest arises, DFME will attempt to resolve such conflicts in a fair and equitable manner. DFME will have the power to resolve, or consent to the resolution of, conflicts of interest on behalf of, and such resolution will be binding on, the Issuer CLOs or the Issuer (as applicable). Investors should be aware that conflicts will not necessarily be resolved in favour of the Issuer CLOs' or the Issuer's interests. As a result, if conflicts were resolved in a manner perceived to be adverse to the Issuer CLOs, or the Issuer, this may have a material adverse effect on the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes.

Specified policies and procedures implemented by DFME and its affiliates to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across Blackstone Affiliates' various businesses that the Issuer CLOs or the Issuer expect to draw on for the purposes of pursuing attractive investment opportunities. Because Blackstone Affiliates have many different asset management and advisory businesses, they are subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which they would otherwise be subject if they had just one

line of business. In addressing both these conflicts and the regulatory, legal and contractual requirements across their various businesses, Blackstone Affiliates have implemented certain policies and procedures (e.g. information walls) that may reduce the positive synergies that the Issuer CLOs or the Issuer expect to utilise for purposes of finding attractive investments. The effect of a reduction in positive synergies may be a relative decrease in the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes. For example, Blackstone Affiliates may come into possession of material non-public information with respect to companies in which the Issuer CLOs or the Issuer may be considering making an investment or companies that are Blackstone Affiliates' advisory clients. In certain situations, the Issuer CLOs' or the Issuer's activities could be restricted even if such information, which could be of benefit to the Issuer CLOs or the Issuer, was not made available to DFME. Additionally, the terms of confidentiality or other agreements with or related to companies in which any fund of Blackstone Affiliates has or has considered making an investment or which is otherwise an advisory client of Blackstone Affiliates may restrict or otherwise limit the ability of the Issuer CLOs or the Issuer to make investments in or otherwise engage in businesses or activities competitive with such companies, and Blackstone Affiliates may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although may be intended to provide greater opportunities for the Issuer CLOs (in connection with the management services DFME or its affiliates provide to them) or the Issuer (in connection with the service support DFME provides under the Portfolio Service Support Agreement), may require the Issuer CLOs or the Issuer to share such opportunities or otherwise limit the amount of an opportunity the Issuer CLOs or the Issuer can otherwise take. Any of the foregoing restrictions on Blackstone Affiliates may (either directly, or indirectly via restrictions on the Issuer's or Issuer CLOs' ability to participate in any relevant investments), result in a relative decrease in the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes.

As part of its regular business, Blackstone Affiliates provide a broad range of investment banking, advisory, underwriting, placement agent services and other services. In addition, Blackstone Affiliates may provide services in the future beyond those currently provided. Neither the Issuer CLOs nor the Issuer will receive a benefit from the fees or profits derived from such services. As a result of these and other obligations, Blackstone Affiliates are not exclusively dedicated to the Issuer or the Issuer CLOs and there may be a relatively lower performance of the Issuer CLOs, and/or the market price of the Notes as compared to a situation where Blackstone Affiliates are exclusively dedicated to providing services to them. In addition, future services Blackstone Affiliates agree to provide as part of their business may create a conflict of interest with the Issuer or Issuer CLOs that has an adverse effect on the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes.

In the regular course of its investment banking and advisory businesses, Blackstone Affiliates represent potential purchasers, sellers and other involved parties, including corporations, financial buyers, management, shareholders and institutions, with respect to transactions that could give rise to investments that are suitable for the Issuer CLOs or the Issuer. In such a case, a client of a Blackstone Affiliate would typically require the Blackstone Affiliate to act exclusively on its behalf, thereby precluding the Issuer CLOs or the Issuer from participating in such transactions. Blackstone Affiliates will be under no obligation to decline any such engagements in order to make an investment opportunity available to the Issuer CLOs or to provide the Issuer with the service support under the Portfolio Service Support Agreement and as a result, the relative return of the Issuer CLOs and the Issuer on their investments may be lower than a situation where they were able to invest in such transactions. In connection with its investment banking, advisory and other businesses, Blackstone Affiliates may come into possession of information that limits its ability to engage in potential transactions. The Issuer CLOs' or the Issuer's activities may be constrained as a result of the inability of the personnel of Blackstone Affiliates to use such information. For example, employees of Blackstone Affiliates may be prohibited by law or contract from sharing information with members of DFME's investment team. Additionally, there may be circumstances in which one or more of certain individuals associated with Blackstone Affiliates will be precluded from providing services related to the Issuer CLOs' or the Issuer's activities because of certain confidential information available to those individuals or to other Blackstone Affiliates. In certain sell-side and fundraising assignments, the

seller may permit the Issuer CLOs or the Issuer to act as a participant in such transaction, which would raise certain conflicts of interest inherent in such a situation (including as to the negotiation of the purchase price). Any of the foregoing restrictions on Blackstone Affiliates may (either directly, or indirectly via restrictions on the Issuer's or Issuer CLOs' ability to participate in any relevant investments) result in a relative decrease in the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes.

Blackstone Affiliates have long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on behalf of the Issuer CLOs, in providing the service support under the Portfolio Service Support Agreement to the Issuer. DFME will consider those relationships, which may result in certain transactions that DFME will not undertake on behalf of the Issuer CLOs or will not assist the Issuer in relation to such relationships. This may result in a lack of availability of the resources, support or advice of the Issuer, and the Issuer CLOs require to manage effectively their respective businesses and investments. The Issuer CLOs or the Issuer may also co-invest with clients of Blackstone Affiliates in particular investment opportunities, and the relationship with such clients could influence the decisions made by DFME with respect to such investments. Any such relationships may have an adverse relative effect on the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes.

Blackstone Affiliates may from time to time participate in underwriting or lending syndicates with respect to an obligor of a debt security, or may otherwise be involved in the public offering and/or private placement of debt or equity securities issued by, or loan proceeds borrowed by, such obligors, or otherwise in arranging financing (including loans) for such obligors. Such underwritings may be on a firm commitment basis or may be on an uncommitted "best efforts" basis. A broker-dealer from Blackstone Affiliates may act as the managing underwriter or a member of the underwriting syndicate and purchase securities from issuers of collateral obligations. Blackstone Affiliates may also, on behalf of the obligor of a debt security or other parties to a transaction involving such obligors, effect transactions, including transactions in the secondary markets where it may nonetheless have a potential conflict of interest regarding such obligors and the other parties to those transactions to the extent it receives commissions or other compensation from the obligors and such other parties. Subject to applicable law, Blackstone Affiliates may receive underwriting fees, discounts, placement commissions, lending arrangement and syndication fees or other compensation with respect to the foregoing activities, which are not required to be shared with the obligors, the Issuer CLOs, the Issuer or DFME. In addition, the management or service support fee (as applicable) payable by the Issuer CLOs or the Issuer to DFME or its affiliates (as applicable) generally will not be reduced by such amounts. Blackstone Affiliates may nonetheless have a potential conflict of interest regarding the obligors of collateral obligations and the other parties to those transactions to the extent it receives commissions, discounts or such other compensation from such other parties. DFME will approve any transactions in which a broker-dealer that is a Blackstone Affiliate acts as an underwriter, as broker for the obligors of collateral obligations, or as dealer, broker or advisor, on the other side of a transaction with such obligor only where DFME believes in good faith that such transactions are appropriate for such obligor. Where a Blackstone Affiliate serves as underwriter with respect to an obligor's securities or loans, the Issuer or Issuer CLOs (if they hold such securities or loans in their portfolio) may be subject to a "lock-up" period following the offering under applicable regulations during which time its ability to sell any securities that it continues to hold is restricted. This may prejudice the Issuer's or Issuer CLOs' ability to dispose of such securities or loans at an opportune time which could have a material adverse effect on the performance of the Issuer CLOs or the Issuer and/or the market price of the Notes.

Blackstone Affiliates may represent creditors or debtors in proceedings under Chapter 11 of the United States Bankruptcy Code or prior to such filings. From time to time, Blackstone Affiliates may serve as advisor to creditor or equity committees. This involvement, for which Blackstone Affiliates may be compensated, may limit or preclude the flexibility that the Issuer CLOs or Issuer may otherwise have to participate in restructurings or the Issuer CLOs or Issuer may be required to liquidate any existing positions of the applicable issuer. The inability to transact in any security,

derivative or loan held by the Issuer CLOs or Issuer could result in significant losses to the Issuer CLOs or Issuer and/or the market price of the Notes.

Blackstone Affiliates may come into possession of material non-public information with respect to an issuer. Should this occur, DFME would be restricted from buying or selling securities, derivatives or loans of the issuer on behalf of the Issuer CLOs or providing service support under the Portfolio Service Support Agreement to the Issuer in respect thereof until such time as the information became public or was no longer deemed material to preclude the Issuer CLOs or Issuer from participating in an investment. As a result, the Issuer CLOs and/or the Issuer may miss out on opportunities which could have resulted in greater returns on their investments. Disclosure of such information to DFME's personnel responsible for the affairs of the Issuer CLOs or providing service support under the Portfolio Service Support Agreement to the Issuer will be on a need-to-know basis only, and the Issuer CLOs or Issuer may not be free to act upon any such information. Therefore, the Issuer CLOs or Issuer may not have access to material non-public information in the possession of Blackstone Affiliates which might be relevant to an investment decision to be made by the Issuer CLOs or the Issuer, and the Issuer CLOs or Issuer may initiate a transaction or sell an asset which, if such information had been known to it, may not have been undertaken. Due to these restrictions, the Issuer CLOs or the Issuer may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold, all of which could have a material adverse effect on the performance of the Issuer CLOs or the Issuer and/or the market price of the Notes.

Investments by the Issuer CLOs, the Issuer and Other Accounts in separate securities issued by an obligor

The Issuer CLOs' or Issuer's service providers (including lenders, brokers, attorneys and investment banking firms) may be investors in Other Funds, Other Accounts and/or sources of investment opportunities and counterparties therein. This may influence DFME or any of its affiliates in deciding whether to select such a service provider or have other relationships with Blackstone Affiliates. In situations where DFME or its affiliates were influenced to not use a particular service provider as a result of the above and it was considered that the refused service provider would have performed in a manner considered to be relatively better than the service provider actually chosen, this may be perceived to have an adverse relative effect on the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes. Notwithstanding the foregoing, investment transactions for the Issuer CLOs or the Issuer that require the use of a service provider will generally be allocated to service providers on the basis of best execution (and possibly to a lesser extent in consideration of such service provider's provision of certain investment-related and other services that are believed to be of benefit for the Issuer CLOs or the Issuer). The allocation is not guaranteed, however, and if an allocation was not able to be made on the basis of best execution, this could result in an adverse relative effect on the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes.

DFME's activities (including, without limitation, the holding of securities positions or having one of its employees on the board of directors of an obligor) could result in securities law restrictions on transactions in securities held by the Issuer CLOs or the Issuer, affect the prices of such securities or the ability of such entities to purchase, retain or dispose of such investments, or otherwise create conflicts of interest, any of which could have an adverse impact on the performance of the Issuer CLOs or the Issuer.

DFME and its affiliates may expand the range of services that they provide over time. Except as described in this Prospectus, DFME and its affiliates will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. If such conflicts do arise as a result of expansion in scope of the services provided to DFME and its affiliates, these conflicts could have an adverse impact on the performance of the Issuer CLOs or the Issuer. DFME and its affiliates have, and will continue to develop, relationships with a

significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by the Issuer CLOs or the Issuer. These clients may themselves represent appropriate investment opportunities for the Issuer CLOs or the Issuer or may compete with the Issuer CLOs or the Issuer for investment opportunities. As compared to a situation where DFME and its affiliates were bound not to advise clients on similar (and potentially competing) interests as those held by the Issuer CLOs or the Issuer, the relative performance of the Issuer CLOs and the Issuer may be lower.

DFME and its members, partners, officers and employees will devote as much of their time to the activities of the Issuer CLOs (under the CLO management agreements to be entered into with DFME) or the Issuer (under the Portfolio Service Support Agreement) as they deem necessary and appropriate, in accordance with the relevant agreement and reasonable commercial standards. Blackstone Affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Issuer CLOs, or the Issuer and/or may involve substantial time and resources of DFME. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of DFME and its officers and employees will not be devoted exclusively to the business of the Issuer CLOs, or to the service it provides to the Issuer but will be allocated between the business of the Issuer CLOs, the Issuer and the management of the monies of other clients of DFME. In the event that sufficient DFME resources are not (or not able to be) devoted to the Issuer CLOs or the Issuer, the Issuer's ability to implement its investment policy may be adversely affected. This could have an adverse effect on the financial performance of the Issuer CLOs or the Issuer.

The Issuer CLOs or Issuer may acquire a security from an obligor in which a separate security has been acquired by an Other Account or a Blackstone Affiliate. When making such investments, the CLO Manager may have conflicting interests. To the extent that the Issuer CLOs or the Issuer hold interests that are different (or more senior) from those held by such other vehicles, accounts and clients, DFME may be presented with decisions involving circumstances where the interests of such vehicles and accounts are in conflict with those of the Issuer CLOs or the Issuer. Furthermore, it is possible that the Issuer CLOs' or Issuer's interest may be subordinated or otherwise adversely affected by virtue of such other vehicle's or account's involvement and actions relating to its investment. For example, conflicts could arise where the Issuer CLOs or the Issuer become a lender to a company where another client owns equity securities of such a company. In this circumstance, for example, if such company goes into bankruptcy, becomes insolvent or is otherwise unable to meet its payment obligations or comply with its debt covenants, conflicts of interest could arise between the holders of different types of securities as to what actions the company should take. If the aforementioned conflicts were resolved in a manner perceived to be adverse to the Issuer CLOs, or the Issuer, this may have a material adverse effect on the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes.

The officers, directors, members, managers, and employees of DFME may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law or the policies of Blackstone Affiliates, or otherwise determined from time to time by DFME. Conflicts of interest may arise between such parties and the Issuer CLOs or the Issuer due to the fact that such parties could hold an interest in the same or similar assets as those held by the Issuer CLOs or the Issuer. If such parties act in a way which differs from the strategies or approaches of the Issuer CLOs or the Issuer, this could have an adverse effect on the financial performance of the Issuer CLOs or the Issuer.

Any relevant management and administration agreements for an Issuer CLO may place significant restrictions on DFME's ability to invest in and dispose of collateral obligations. Accordingly, during certain periods or in certain circumstances, DFME may be unable as a result of such restrictions to invest in or dispose of collateral obligations or to take other actions that it might consider to be in the best interests of the Issuer CLOs and the holders of the Issuer CLO Income Notes. This may lead to a

reduced relative return on the Issuer CLO's investments and/or those of the Issuer and/or the market price of the Notes.

None of DFME nor any of its affiliates has any obligation to obtain for the Issuer CLOs or the Issuer any particular investment opportunity, and DFME may be precluded from offering to the Issuer CLOs or (in the case of the Issuer) providing service support in respect of, particular securities in certain situations including, without limitation, where DFME or its affiliates may have a prior contractual commitment with other accounts or clients. This may restrict the Issuer's or the Issuer CLOs' ability to find suitable investment opportunities which may have a material adverse effect on the Issuer's or the Issuer CLOs' financial performance.

No provision in the relevant management and administration agreement, or the Portfolio Service Support Agreement will prevent DFME or any Blackstone Affiliates from rendering services of any kind, including but not limited to acting as corporate services provider, to any person or entity (including the issuer of any obligation included in the portfolio of an Issuer CLO or the Issuer) and their respective affiliates, any trustee, the holders of the Issuer CLO Income Notes and hedge counterparties. Without limiting the generality of the foregoing, Blackstone Affiliates and the directors, officers, employees and agents of Blackstone Affiliates may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for any issuer of any obligation included in the collateral obligations; (b) receive fees for services rendered to the issuer of any obligation included in the collateral obligations or any affiliate thereof; (c) be retained to provide services unrelated to the relevant management and administration agreement to the Issuer CLOs or the service support provided to the Issuer and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any obligation included in the collateral obligations; (e) sell or terminate any collateral obligations or eligible investments to, or purchase or enter into any collateral obligations from, the Issuer CLOs or the Issuer while acting in the capacity of principal or agent; and (f) serve as a member of any "creditors' board" with respect to any obligation included in the collateral obligations which has become or may become a defaulted obligation. Services of this kind may lead to conflicts of interest with DFME, the Issuer and the Issuer CLOs and may lead individual officers or employees of DFME to act in a manner adverse to the Issuer CLOs or the Issuer which could have an adverse effect on the financial performance of the Issuer CLOs or the Issuer.

Blackstone Affiliates may also have ongoing relationships with, render services to or engage in transactions with, companies whose securities are pledged to secure the CLO Income Notes or other Issuer investments and may own equity or debt securities issued by issuers of and other obligors on collateral obligations. As a result, Blackstone Affiliates may possess information relating to issuers of collateral obligations which is not known to the individuals at DFME responsible for monitoring the collateral obligations and performing the other obligations under the relevant management and administration agreement, advisory agreement or service support agreement. As a result of the relevant DFME individuals not having access to such information, the relative performance of the Issuer CLOs and the Issuer may be lower. In addition, Blackstone Affiliates may invest in loans and securities that are senior to, or have interests different from or adverse to, the collateral obligations that are pledged to secure the CLO Income Notes or that form part of the Issuer's portfolio. This could result in conflicts due to the different strategy or views of such Blackstone Affiliates, and if such Blackstone Affiliates act in a way which is adverse to the Issuer CLOs or the Issuer as a result of having a different or adverse interest in an obligation, this could have an adverse effect on the financial performance of the Issuer CLOs or the Issuer. Notwithstanding this, it is intended that all collateral obligations will be purchased and sold by the Issuer CLOs on terms prevailing in the market.

In addition, Blackstone Affiliates may own equity or other securities of obligors of collateral obligations and may have provided investment advice, investment management and other services to issuers of collateral obligations. From time to time, DFME may, on behalf of the Issuer CLOs, purchase or sell collateral obligations through DFME or its affiliates. In connection with the foregoing

activities, Blackstone Affiliates may from time to time come into possession of material non-public information that limits the ability of DFME to effect or advise on a transaction for the Issuer CLOs or provide service support in connection therewith in relation to the Issuer. The Issuer CLOs' or Issuer's investments may be constrained as a consequence of DFME's inability to use such information for advisory purposes or service support (as applicable) or otherwise to effect transactions or provide the service support (as applicable) that otherwise may have been initiated on behalf of its clients, in the Issuer CLOs and the Issuer. This could have an adverse effect on the financial performance of the Issuer CLOs or the Issuer.

The Issuer CLOs and/or the Issuer may invest in the securities of companies affiliated with Blackstone Affiliates or companies in which DFME or its affiliates have an equity or participation interest. The purchase, holding and sale of such investments by the Issuer CLOs or the Issuer may enhance the profitability of Blackstone Affiliates' own investments in such companies. No such profits are expected to be passed on to the Issuer CLOs or the Issuer and so they will not benefit from this factor. It is possible that one or more affiliates of DFME may also act as counterparty with respect to one or more participations.

Blackstone Affiliates may purchase Issuer CLO Income Notes or Other Notes creating potential and/or actual conflicts of interest between DFME and/or its affiliates and other investors in the Issuer CLO Income Notes or Other Notes. Such purchases may be in the secondary market. Resulting conflicts of interest could include (a) divergent economic interests between DFME and the Blackstone Affiliates that hold such notes, on the one hand, and other investors in the Issuer CLO Income Notes or Other Notes, on the other hand, and (b) voting of Issuer CLO Income Notes or Other Notes by Blackstone Affiliates, or a recommendation to vote by the same, to cause, among other things, an early redemption of the Issuer CLO Income Notes, Other Notes and/or an amendment of the transaction documents relating to the Issuer CLO Income Notes or Other Notes. There is no guarantee that such conflicts will be resolved in favour of any of the Issuer CLOs, or the Issuer and, if a conflict is resolved in a manner which is considered by such entities (or their investors) to be adverse to their interests, this may have a material adverse effect on the performance of the Issuer CLOs, the Issuer and/or the market price of the Notes.

DFME may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect owners of the Issuer CLO Income Notes or Other Notes) in respect of obligations being considered for acquisition by the Issuer CLOs or the Issuer. Some of those same third parties may have interests adverse to those of the holders of the Issuer CLO Income Notes or Other Notes and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities. If the third parties were to act in such a manner, this may be adverse to the interests of the Issuer CLOs or the Issuer and may result in a decreased overall financial performance of the Issuer CLOs, the Issuer and/or the market price of the Notes.

There is no limitation or restriction on DFME or any of its affiliates with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities of DFME and/or its affiliates may give rise to additional conflicts of interest. Such conflicts, and the fact that DFME will not be exclusively devoted to the activities of the Issuer CLOs and the Issuer, may have an adverse effect on the financial performance of the Issuer CLOs or the Issuer.

DFME's duties and obligations under the relevant management and administration agreement will be owed solely to the Issuer CLOs (and, to the extent of the Issuer CLOs' assignment of its rights under the relevant management and administration agreement, the relevant trustee), and under the Portfolio Service Support Agreement, solely to the Issuer. DFME will not be in contractual privity with, and will owe no separate duties or obligations to, any of the holders of the Issuer CLO Income Notes.

The Investment Company Act prohibits certain "joint" transactions with certain of GSO's Affiliates and GSO Accounts, which could include investment in the same portfolio company (whether at the

same of different time). These limitations may limit the scope of the investment opportunities that would otherwise be available to the Issuer CLOs or the Issuer and this could have a material adverse effect on the Issuer CLOs' or the Issuer's ability to find suitable investments and consequently on the Issuer CLOs' or Issuer's financial performance.

Cross Transactions and Principal Transactions

It is expected that a portion of the assets the Issuer acquires may be loans or other securities in respect of which Blackstone Affiliates or Other Accounts either participated in the original lending group or structured or originated the asset (in each case, a "**GSO-Related Loan**"). Additionally, a significant portion of the assets the Issuer acquires may be purchased from and will be sold to funds or Other Accounts that Blackstone Affiliates or GSO Affiliates manage or otherwise provide advice in respect of ("Related Accounts"). Any of the aforementioned transactions may be considered to be affiliate transactions (as defined below). In the case of (a) an asset purchase or sale by the Issuer from an entity in which a Blackstone Affiliate and/or GSO Affiliate has an ownership interest of 25 per cent. or more, or (b) a transaction between the Issuer and a Blackstone Affiliate or GSO Affiliate, where a Blackstone Affiliate or GSO Affiliate has an ownership interest of 25 per cent. or more in the Issuer, the consent of the board of directors of the Issuer to such purchase will be obtained prior to the settlement of such transaction. In any other case, the Issuer's board of directors must consent to the applicable transaction on a quarterly basis, and such consent may occur after the applicable transaction has settled. The Issuer's board of directors will be authorised by the Issuer to consent or decline to consent, on the Issuer's behalf, to the terms of any affiliate transaction where a potential conflict of interest may arise by reason of, amongst other things, the involvement of GSO Affiliates or GSO Accounts, such as a purchase or sale of an asset (including a GSO-Related Loan) from Blackstone Affiliates or Other Accounts, or the purchase of assets by the Issuer from Related Accounts. If any transaction is subject to the disclosure and consent requirements of Section 206(3) of the U.S. Investment Advisers Act of 1940, as amended, such requirements will be deemed to be satisfied with respect to the Issuer if the procedures described above are followed. Each investor in the Notes will be deemed to have consented to the procedures described herein with respect to affiliate transactions.

For the purposes of this section, an "affiliate transaction" shall mean (i) a purchase or sale of an asset between the Issuer and a fund managed by Blackstone Affiliates or GSO Affiliates; (ii) a transaction involving the Issuer and a Blackstone Affiliate or a GSO Affiliate, where the Blackstone Affiliate or GSO Affiliate is acting as principal for its own account; or (iii) a transaction in which a Blackstone Affiliate or GSO Affiliate, acts as broker for another person on the other side of the transaction.

RISKS RELATING TO THE NOTES

Noteholders have limited rights to have their Notes redeemed or repurchased by the Issuer

Save in the limited circumstances described in Condition 8.3, Noteholders will have no entitlement to have their Notes redeemed or repurchased by the Issuer.

The amount of interest payable on the Notes will be dependent on the performance of the portfolio

If the portfolio of collateral obligations held by the Issuer does not perform as expected, the amount of interest payable on the Notes will reduce and may even reduce to zero.

RISKS RELATING TO REGULATION AND TAXATION

Changes in law or regulations, or a failure to comply with any laws or regulations, may adversely affect the respective businesses, investments and performance of the Issuer

The laws and regulations affecting the Issuer are evolving and any changes in such laws and regulations may have an adverse effect on the ability of the Issuer to carry on its business. Any such changes may also have an adverse effect on the ability of the Issuer to pursue its investment policy and/or the market price of the Notes.

European Directive on Alternative Investment Fund Managers

The European Union Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") regulates alternative investment fund managers ("**AIFMs**") and provides in effect that each alternative investment fund (an "**AIF**") within the scope of the AIFMD must have a designated AIFM responsible for ensuring compliance with the AIFMD.

Based on guidance issued by the Central Bank of Ireland in November 2013, the Issuer considers that it does not constitute an AIF.

However, if the Issuer were to constitute an AIF (either because it does not satisfy the conditions set down by the Central Bank of Ireland or because of a change in the guidance from the Central Bank of Ireland or the European Securities and Markets Association), then it would be necessary for the Issuer to appoint an AIFM which would be subject to AIFMD and would need to be appropriately regulated. The AIFM would be subject to certain duties and responsibilities in respect of its management of the Issuer's investments, which could result in significant additional costs and expenses being incurred which may be reimbursable by the Issuer and which may materially adversely affect the Issuer's ability to carry on its business.

Changes in taxation legislation, or the rate of taxation, may adversely affect the Company and the Issuer

Any change in the tax status of the Issuer, or in taxation legislation or practice in Ireland or elsewhere could affect the value of the investments held by the Issuer or the Issuer's ability to achieve its investment objectives. Statements in this Offering Circular concerning the taxation of Noteholders and/or the Issuer are based upon current Irish law and published practice as at the date of this Offering Circular, which law and practice is, in principle, subject to change (potentially with retrospective effect) that could adversely affect the ability of the Issuer to meet its investment objective and which could adversely affect the taxation of Noteholders and/or the Issuer.

Potential investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Company.

Different regulatory, tax or other treatment of the Issuer or the Notes in different jurisdictions, or changes to such treatment in different jurisdictions, may adversely impact shareholders in certain jurisdictions

For regulatory, tax and other purposes, the Issuer and the Notes may be treated in different ways in different jurisdictions. In certain jurisdictions, the treatment of the Issuer and/or the Notes may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosure by the Issuer of that information. The Issuer may be subject, therefore, to financially and logistically onerous requirements to disclose any or all of such information or to prepare or disclose such information in a form or manner which satisfies the regulatory, tax or other authorities in certain jurisdictions. The Issuer may elect not to disclose such information or prepare such information in a form which satisfies such authorities. Therefore Noteholders in such jurisdictions may be unable to satisfy the regulatory requirements to which they are subject.

Changes in taxation legislation, or the rate of taxation, may adversely affect the Issuer

Any change in the tax status of the Issuer, or in taxation legislation or practice in Ireland or elsewhere could affect the value of the investments held by the Issuer or the Issuer's ability to achieve its investment objectives. Statements in this Listing Particulars concerning the taxation are based upon current Irish law and published practice as at the date of this Listing Particulars, which law and practice is, in principle, subject to change (potentially with retrospective effect) that could adversely affect the ability of the Issuer to meet its investment objective and which could adversely affect the taxation of the Issuer.

Potential investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Notes.

Further, on 14 February 2013, the European Commission published a proposal for a Directive for a common financial transaction tax (the "FTT") in certain EU Member States. Discussions between these Member States are on-going and the UK had challenged the legality of EU Council Decision 2013/52/EU authorising enhanced co-operation in the area of FTT. On 30 April 2014, the Court of Justice of the European Union rejected the UK's challenge.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to financial transactions where at least one party is a financial institution and: (a) one party is established in a participating Member State; or (b) the financial instrument which is subject to the transaction is issued in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including by transacting with a person established in a participating Member State. The FTT will be payable by each financial institution established or deemed established in a participating Member State which is either a party to the financial transaction, or acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, will become jointly and severally liable for the payment of the FTT due.

The issuance of the Notes should, in principle, not be subject to the FTT. There are no broad exemptions for financial intermediaries or market makers. While the FTT proposal remains subject to negotiation between the Member States, and may therefore be altered, if adopted in its current proposed form any investments the Issuer may be affected by the FTT and it may have an adverse effect on the market price of the Notes.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are strongly advised to seek their own professional advice in relation to the FTT.

U.S. Foreign Account Tax Compliance Withholding

The application of the foreign account tax compliance act of the United States contained in Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") to interest, principal or other amounts paid in respect of the Notes is unclear. Ireland has entered into an intergovernmental agreement (the "**IGA**") with the United States to help implement FATCA for certain Irish entities. The full impact of the IGA on the Issuer and the Issuer's reporting and withholding responsibilities under FATCA is unclear. The Issuer may be required to report certain information on its U.S. account holders, which may include holders of Notes, to the Irish Revenue Commissioners in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable Irish law. It is not yet certain how the United States and Ireland will address withholding on "foreign pass-thru payments" (which may include payments on the Notes) or if such withholding will be required at all.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, the Issuer would not pursuant to the Conditions be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

In addition, if the Issuer fails to comply with any legislation or other rules implementing the IGA, and becomes subject to the 30% withholding tax, the Issuer may have less cash to make interest and principal payments on the Notes.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

INVESTMENT POLICY

Introduction

The Issuer has been established specifically for the purposes of entering into the transactions envisaged by the Transaction Documents, as described in these Listing Particulars, and for no other purpose. The Issuer will predominantly purchase floating rate senior secured loans and subsequently, on the availability of appropriate market opportunities, establish new special purpose vehicles which issue notes backed by a pool of collateral consisting primarily of loans ("**CLOs**"). Each time the Issuer establishes a new CLO it will transfer some or all of the senior secured loans it owns at that time to the new CLO and will ensure that it retains at least 51 per cent. of the most subordinated tranche of debt issued (which may be represented by a debt or equity security) ("**CLO Income Notes**") in each Issuer CLO.

In addition to the assets transferred to it by the Issuer, the new CLO will also comprise other senior secured loans and other eligible assets purchased from the market. During the relevant CLO's reinvestment period, over 50 per cent. of the total securitised exposures comprising any Issuer CLO will comprise assets transferred to it by the Issuer (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any Issuer sourced assets). The CLOs will be managed by Blackstone/GSO Debt Funds Management Europe Limited ("DFME") or an affiliate of DFME (in such capacity, the "**CLO Manager**"). DFME will also (in its capacity as the Service Support Provider) provide human resources, service support and certain other assistance to the Issuer. However, the Issuer will be self-managed, and all investment decisions will be taken by the Directors of the Issuer.

It is expected that the CLOs established by it will be consolidated in the Issuer's IFRS financial statements, although such assessment will depend on the facts and circumstances.

Investment policy

The Issuer's investment policy is to invest predominantly in a diverse portfolio of senior secured loans and CLO Income Notes. The Issuer intends to pursue its investment policy by using the proceeds from the issue of the Notes (together with other resources available to it) to initially invest in senior secured loans. Subsequently, on the availability of appropriate market opportunities, the Issuer will also invest in CLO Income Notes issued by the Issuer CLOs. Initially, the Issuer's investments will be focussed predominantly in European senior secured loans, but the Issuer may in due course also invest in U.S. senior secured loans. As such, there is no limit on the maximum U.S. or European exposure. The Issuer does not intend to invest directly in senior secured loans domiciled outside North America or Western Europe.

Investment Limits and Risk Diversification

The Issuer's investment strategy is to implement its investment policy by investing predominantly in a portfolio of predominantly senior secured loans. It is intended that the Issuer will periodically securitise these loans into Issuer CLOs managed by DFME (or any affiliate) in its capacity as the CLO Manager. The Issuer will retain CLO Income Notes equal to between 51 per cent. and 100 per cent. of the CLO Income Notes in the CLOs it originates. It is anticipated that once substantially invested, the Issuer will retain CLO Income Notes in no less than four CLOs, and will also continue to directly hold floating rate senior secured loans. It is further intended that the value of the CLO Income Notes retained by the Issuer in any Issuer CLO will not exceed 25 per cent. of the Issuer's net asset value at the time of investment.

The following limits (the "**Eligibility Criteria**") apply to senior secured loans (and, to the extent applicable, other corporate debt instruments) directly held by the Issuer (and not through CLO Income Notes):

Maximum Exposure	*%of Issuer's gross asset value*
Per obligor	5
Per industry sector	15 (with the exception of one industry which may be up to 20 per cent.)
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 Income Notes and any undrawn commitment amount of any gearing under any term Revolving Credit Facility. Further, for the avoidance of doubt, the 'maximum exposures' set out in the Eligibility Criteria shall apply on a trade date basis.

Each of these Eligibility Criteria will be measured at the close of each Business Day on which a new investment is made, and there will be no requirement to sell down in the event the limits are breached at any subsequent point (for instance, as a result of movement in the gross asset value, or the sale or downgrading of any assets held by the Issuer).

In addition, each CLO in which the Originator holds CLO Income Notes will have its own eligibility criteria and portfolio limits. These limits are designed to ensure the portfolio of assets within the CLO meets a prescribed level of diversity and quality as set by the relevant rating agencies rating securities issued by such CLO. The CLO Manager will seek to identify and actively manage assets which meet those criteria and limits within each CLO. The eligibility criteria and portfolio limits within a CLO will 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 the Issuer may hold CLO Income Notes are also expected to have certain other criteria and limits, including:

- 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 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. For an indication of the type of limits and further eligibility criteria that are expected to apply to the Portfolio and Issuer CLOs see "*Expected principal conditions and criteria of the collateral obligations that will comprise the Portfolio and Issuer CLOs*".

Changes to Investment Policy

If the Issuer proposes to make any changes (material or otherwise) to its investment policy, it must consult with the Service Support Provider and give 60 days' notice of such changes to the Initial Noteholder (or other such notice period as may be agreed between the Issuer and the Initial Noteholder). If the Issuer makes a material change to its investment policy which would require the Initial Noteholder to seek approval from its shareholders to make an equivalent change to the Initial Noteholder's investment policy and the shareholders of the Initial Noteholder do not approve such change, this shall constitute and Event of Default under the Notes.

Investment strategy

It is the Issuer's intention that the portfolios of senior secured loans or other assets and CLO Income Notes will be actively managed (by the Issuer or the CLO Manager, as the case may be) to minimise default risk and potential loss through comprehensive credit analysis performed by the Issuer (including via the service support provided to it under the Portfolio Service Support Agreement) or the CLO Manager (as applicable).

The Issuer will be cognisant of the positioning of the loan portfolios against relevant indices. Accordingly, the Issuer 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 Issuer will typically look to diversify its portfolios to avoid the risk that any one obligor or industry will adversely impact overall returns. The Issuer also places an emphasis on loan portfolio liquidity to ensure that if its credit outlook changes, it is free to respond quickly and effectively to reduce or mitigate risk in its portfolio.

Fee rebates arising from Issuer CLOs

DFME or any affiliate (in its capacity as the CLO Manager) will manage the Issuer CLOs. In consideration of the Issuer's role in originating these CLOs, DFME will rebate up to 20 per cent. of the management fee it earns in its capacity as CLO Manager of the Issuer CLOs (excluding anyincentive/performance management fee the CLO Manager is entitled to receive), pro rata to the CLO Income Notes held by the Originator in such CLOs. After the deduction of all costs (calculated at arm's length) attributable to the Originator, it is expected that the net rebate will be at least 10 per cent. of the management fee earned by the CLO Manager in respect of the Issuer CLOs (excluding any incentive/performance management fee the CLO Manager is entitled to receive) pro rata to the CLO Income Notes held by the Originator in such CLOs. In addition, the Issuer is also expected to receive an upfront fee on the closing of each Issuer CLO, which is expected to be between 1 per cent. and 5 per cent. of the value of the CLO Retention Income Notes in relation to such CLO.

Leverage and borrowing

It is expected that the Issuer will have access to a committed revolving credit facility which will equal no more than 250 per cent. of: (i) the net proceeds received from the placing of shares to be issued by the Initial Noteholder to one or more investors on or about 10 July 2014 (together with the net proceeds from any additional share issues and less the value of any shares repurchased); plus (ii) retained net income from time to time; less (iii) the aggregate amount invested in CLO Income Notes at cost. It is anticipated that any borrowing will be in the form of a term multi-currency revolving credit facility ("**Revolving Credit Facility**") and such loans purchased using such borrowings will typically be held for no more than 12 months before being sold to a CLO. Except in relation to the CLO Income Notes it holds, the Issuer may enter into hedging and derivatives transactions pursuant to its investment activities, for the purposes of efficient portfolio management.

Although not a profit forecast, the Issuer expects to generate gross annual cash returns of 10-11 per cent. from loans (including leverage through the term Revolving Credit Facility) and 15-20 per cent. from CLO Income Notes with the risk adjusted internal rates of return ("**IRRs**") on CLO Income Notes being in the range of 12-15 per cent. per annum. The Originator also benefits from: (i) the ability to evaluate the best time to establish a new CLO and; (ii) through CLO Income Notes, call rights over CLOs, thereby having the ability to maximise IRRs.

Until such time that the Issuer is unable to fund CLO Income Notes, no CLO established by GSO which is investing in European loans will be structured outside of the Issuer. For such period, the Issuer will also have most favoured status over the terms relating to CLO Income Notes it purchases, which will ensure that no other holder of CLO Income Notes in such CLOs will benefit from any economic or material contractual terms more favourable than those offered to the Issuer.

Prior investment activity of the Issuer

Prior to the date of this Offering Circular, the Issuer has invested in senior secured loans (the "**Warehouse Assets**") financed by a subordinated loan facility provided by Blackstone Treasury Asia Pte Ltd ("**Blackstone Singapore**") and a senior loan facility provided by Bank of America N.A., London Branch. Further details of these financing arrangements are set out in the "*Summary of Transaction Documents – Warehouse Arrangements – Senior Facility Agreement*" section of this Offering Circular.

The Warehouse Assets will, subject to certain conditions (such as the assets being eligible for the Seed CLO on its closing date and the closing date occurring) form the initial part of the portfolio for a new Issuer CLO (the "**Seed CLO**"), and the Originator intends to subsequently acquire CLO Income Notes issued by the Seed CLO. The Seed CLO was priced on 27 June 2014 and all Warehouse Assets are anticipated to be transferred to the Seed CLO, subject to certain conditions such as the assets being eligible for the Seed CLO on its closing date and the closing date occurring. It is anticipated that the Seed CLO will close on or around 24 July 2014. The senior and subordinated warehouse financing arrangements described above are intended to terminate on the closing date of the Seed CLO.

The Issuer will acquire further assets and originate new CLOs from time to time. The Issuer may also, from time to time: (i) hold assets within its portfolio to maturity; (ii) sell assets within its portfolio to the market; or (iii) sell assets within its portfolio to another CLO which is not an Issuer CLO.

Jurisdiction of portfolio assets

The Issuer does not intend to invest directly in senior secured loans domiciled outside North America, Canada and the United States of America or, inWestern Europe, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

Maturity and amount of assets

With respect to the Warehouse Assets which will form the initial part of the Seed CLO, the Issuer purchased loans of par €163,673,462 at a cost of €163,681,120 with a weighted average spread of 4.11 per cent. and a weighted average maturity of 4 years and 7 months. All of these loans were added to the Seed CLO Forward Purchase Agreement for the value of €163,681,120.

Similarly, each time the Issuer establishes a new CLO it will transfer some or all of the senior secured loans it owns at that time to the new CLO and will ensure that it retains the CLO Income Notes each Issuer CLO. The maturities and amounts of such loans will vary for each Issuer CLO, as will the maturities and amounts of the relevant CLO Income Notes (the maturities for which may be in excess of 20 years). For example, the Seed CLO has a target par amount of €400 million.

In addition to the assets transferred to it by the Issuer, each new CLO will also comprise other senior secured loans and other eligible assets purchased from the market, which will also vary in respect of maturity and amount. Each CLO Issuer may from time to time hold assets within its portfolio to maturity, sell assets within its portfolio to the market or sell assets within its portfolio to another CLO.

Level of collateralisation

The Issuer's investment policy is to invest predominantly in a diverse portfolio of senior secured loans, the Eligibility Criteria for which are set out in "*Investment Limits and Risk Diversification*" above, and in CLO Income Notes, which will be secured by security granted over, *inter alia*, the portfolio of collateral obligations held by the relevant CLO Issuer but (i) will be a limited recourse obligation of that CLO issuer; (ii) will be the most subordinated tranche of that CLO; and (iii) all payments of principal and interest on such CLO Income Notes will be fully subordinated.

Method of origination and principal lending criteria

As discussed further in this section "*Investment Policy*", the Issuer, will invest in a portfolio of predominantly senior secured loans. It is intended that the Issuer will periodically securitise these loans into Issuer CLOs managed by DFME (or any affiliate) in its capacity as the CLO Manager. The Issuer has been established specifically for the purposes of entering into the transactions envisaged by the Transaction Documents, as described in these Listing Particulars, and for no other purpose. The Issuer will predominantly purchase floating rate senior secured loans and subsequently, on the availability of appropriate market opportunities, establish new special purpose vehicles which issue notes backed by a pool of collateral consisting primarily of loans. Each time the Issuer establishes a new CLO it will transfer some or all of the senior secured loans it owns at that time to the new CLO established by it.

The principal lending criteria for the Portfolio is the Eligibility Criteria set out in "*Investment Limits and Risk Diversification*" above. The principal lending criteria for the relevant portfolio of collateral obligations in respect of each CLO will vary from CLO to CLO, but in each case will include the non-exhaustive lists of eligibility criteria, portfolio limits and certain other criteria set out in "*Investment Limits and Risk Diversification*" above.

Expected principal conditions and criteria of the collateral obligations that will comprise the Portfolio and Issuer CLOs

The assets acquired from time to time by the Issuer for the Portfolio in anticipation of transferring such assets to Issuer CLOs, and the further assets acquired by Issuer CLOs, will be subject to conditions determined by market conditions and negotiations in respect of that CLO. It is expected that such conditions will be similar in nature to the conditions for the Warehouse Assets acquired by the Issuer to be transferred to the Seed CLO. Each Warehouse Asset, at the time of entering into a binding commitment to acquire such obligation by the Issuer satisfied the following conditions as determined by the Issuer in its reasonable discretion:

- it is an obligation in respect of which, following acquisition thereof by the Issuer by the

selected method of transfer, payments to the Issuer will not be subject to withholding tax imposed by any jurisdiction unless the obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis;

- it does not require the Issuer or the pool of collateral to be registered as an investment company under the US Investment Company Act 1940, as amended;

- its acquisition by the Issuer does not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer, unless such stamp duty or stamp duty reserve tax has been included in the purchase price of such asset;

- upon acquisition, the asset is capable of being, and is, the subject of a first fixed charge, a first priority security interest or comparable security arrangement having substantially the same effect in favour of the security trustee for the benefit of the secured parties;

- it has not been called for, and is not subject to a pending, redemption;

- it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions or of any legal or regulatory requirements and the Issuer does not require any authorisations, consents, approvals or filings (other than such as have been obtained or effected) as a result of or in connection with any such sale, assignment or participation under any applicable law;

- it is not an obligation whose acquisition by the Issuer will cause the Issuer to be deemed to have participated in a primary loan origination in the United States;

- it is in registered form for U.S. federal income tax purposes, unless it is not a "registration-required obligation" as defined in Section 163(f) of the U.S. Internal Revenue Code; and

- it is a "qualifying asset" for the purposes of section 110 of the Taxes Consolidation Act 1997, as amended, of Ireland.

RETENTION REQUIREMENTS

The Issuer intends to invest in CLOs which are compliant with the Retention Requirements (as defined below). In connection with this intention, and pursuant to the final Regulatory Technical Standards ("**RTS**") on securitisation risk retention published in the Official Journal of the European Union on 13 June 2014, the Issuer will need to, amongst other things: (a) on the closing date of a CLO it establishes, commit to purchase an amount of the CLO Income Notes equal to at least 5 per cent. of the maximum portfolio principal amount of the assets in the CLO and (b) undertake that, for so long as any securities of the CLO remain outstanding (including the CLO Retention Income Notes), it will retain its interest in the CLO Retention Income Notes and will not (except to the extent permitted by the Retention Requirements, the accompanying regulatory technical standards or any other related guidance published by the European Securities and Markets Authority) sell, hedge or otherwise mitigate its credit risk under or associated with such CLO Retention Income Notes. This 5 per cent. of the capital structure of the securitisation retained can, amongst other methods, be retained through the holding of a vertical strip of issued tranches (AAA-rated notes to equity) or a retention holding in the subordinated note tranche, however the Issuer will only retain via an investment in the subordinated note tranche of a CLO. The RTS prohibits most European investors from investing in any securitisation which does not comply with the RTS. To date, most European managers, including GSO, have sought to comply with the RTS on a "sponsor" basis, whereby the MIFID regulated CLO manager is the sponsor and retains the risk

In addition, with the intention of achieving classification as an "originator" (as defined in the CRR) and complying with the CRR Retention Requirements, the Issuer will be required to commit to: (a) establishing the relevant CLO, (b) selling investments to the relevant CLO which it has (i) purchased for its own account initially or (ii) itself or through related entities, directly or indirectly, been involved in the original agreement which created such obligations and (c) during the relevant CLO's reinvestment period, agreeing to sell investments to the relevant CLO from time to time so that, for so long as the securities of that CLO are outstanding, over 50 per cent. of the total securitised exposures held by the relevant CLO issuer have come from the Issuer (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any Issuer sourced assets).

As a result of the above commitments, the Issuer will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the CLO Retention Income Notes until such time as the securities of the relevant CLO have been redeemed in full (whether at final maturity or early redemption). Consequently, if the Notes were to become due and repayable in connection with an early redemption or were subject to partial-redemption, the Issuer will not be obliged under the terms of the Notes and the Profit Participating Note Issuing and Purchasing Agreement to immediately sell, transfer or liquidate the CLO Retention Income Notes and the proceeds of such CLO Retention Income Notes (if any) will not be available until the final maturity or early redemption in full of the securities of the relevant CLO. In addition, cash held by the Issuer will not be able to be used to repay the Notes to the extent that such repayment could leave the Issuer unable to continue to originate and sell assets to the CLO issuers in order to ensure, during the relevant CLO's reinvestment period, that it has provided over 50 per cent. of the total securitised exposures of each CLO issuer (such percentage calculated including the principal proceeds received by the relevant CLO in respect of any Issuer sourced assets).

DFME believes that there is an opportunity for investors to participate on a "wholesale" basis in a new loan origination company. DFME will seek to adopt the "originator" model in Europe to address the Retention Requirements for its CLOs.

The Issuer intends to buy predominantly floating rate senior secured loans from the primary and secondary market before selling the assets on to one or more CLOs that the Issuer initiates and the Issuer will act as a retention provider on all CLOs it initiates. The Issuer will offer investors wholesale

access to senior secured loans acquired by it and retained CLO Income Notes.

The Issuer will be responsible for selecting and monitoring the performance of the investments. The Issuer's sale and purchase decisions (with certain exceptions) will be taken by the directors of the Issuer, having been advised by the human resources made available to it by the Service Support Provider pursuant to the Portfolio Service Support Agreement. For further details on the investment process, see "The Investment Policy".

In this Offering Circular:

"**CLO Retention Income Notes**" the CLO Income Notes equalling at least 5 per cent. of the maximum portfolio principal amount of the assets in a CLO retained by the Issuer;

"**CRR**" means Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms; and

"**CRR Retention Requirements**" means the CRR as amended from time to time and including any

guidance or any technical standards published in relation thereto;

SUMMARY OF TRANSACTION DOCUMENTS

Transaction Documents entered into on or prior to the Issue Date

The Issuer has entered into, or will on or about the Issue Date, enter into the following material documents in connection with its business and the issue of the Notes (the "**Transaction Documents**"):

1. **Profit Participating Note Issuing and Purchase Agreement**

1.1 The Notes will be constituted pursuant to a profit participating note issuing and purchase agreement (the "**Profit Participating Note Issuing and Purchasing Agreement**") entered into on 1 July 2014 between the Issuer, the Initial Noteholder, the Service Support Provider and the Registrar.

1.2 The Profit Participating Note Issuing and Purchasing Agreement will have an initial term of 5 years, which will (subject to a longstop redemption date of 1 June 2044) be extended for a further 5 year term every 2 years unless the Initial Noteholder gives notice to the Issuer at least 12 months prior to such renewal date that it does not wish to extend the term. The Profit Participating Note Issuing and Purchasing Agreement will provide that the Notes will be listed on the GEM, or, with the agreement of the Initial Noteholder and the Issuer, on another appropriate exchange which achieves the benefit of the Eurobond exemption (an "**Appropriate Exchange**"), and that the Notes will remain listed on either the GEM or an Appropriate Exchange (as applicable). The Profit Participating Note Issuing and Purchasing Agreement further requires that the Issuer and the Notes comply with applicable law (including applicable U.S. securities provisions). The Notes will be unsecured obligations of the Originator. The Issuer may issue additional Notes, subject to the first refusal of existing holders.

1.3 The Profit Participating Note Issuing and Purchasing Agreement will contain covenants customarily included in loan note terms and conditions (e.g. maintenance of corporate status/payment of debts as they fall due/keeping proper books/not creating any security over its assets (except for security in favour of a provider of any Revolving Credit Facility, or any secured party in connection with the warehouse phase of the Seed CLO)/maintenance of its tax residency in Ireland).

1.4 The Profit Participating Note Issuing and Purchasing Agreement will require the Issuer to manage its portfolio in accordance with its investment policy which may not be amended without consultation with DFME and notification to the Company. The Issuer will be required to comply with the terms of its Portfolio Service Support Agreement with the Service Support Provider.

1.5 Under the Profit Participating Note Issuing and Purchasing Agreement, the Initial Noteholder will have the right to review and query the following but will not have any rights of veto: (i) all CLO engagement letters prior to signing by the Issuer; (ii) CLO term sheets including GSO fees, target returns, etc. prior to broad CLO marketing for all new CLOs; and (iii) CLO call rights.

1.6 In addition, the Issuer will, if required: (i) provide the Initial Noteholder with all such assistance (including the provision of information) as it might require in order to comply with the Financial Conduct Authority's Listing Rules, Disclosure and Transparency Rules and Prospectus Rules, as well as any other applicable laws or regulations and also to facilitate with the production of accounts in accordance with the Disclosure and Transparency Rules; (ii) provide to the Initial Noteholder all such

information as the Initial Noteholder may require to satisfy its obligations under AIFMD and in the proper exercise of the Initial Noteholder's board of directors' risk management and portfolio management functions; (iii) provide the Initial Noteholder with all such assistance as it might require in order to maintain its tax residence in Jersey; and (iv) provide the Initial Noteholder with all such assistance as it might require in order to make regular announcements of its net asset value and the composition of the underlying portfolio to the market via a regulatory information service.

1.7 The Issuer will supply support services to the Initial Noteholder including drafting monthly factsheets to be distributed by the Initial Noteholder to its shareholders and drafting investment sections of interim and final accounts.

1.8 The Notes provide for an Event of Default where the Issuer makes a material change to its investment policy which would require the Initial Noteholder to seek approval from its shareholders to make an equivalent change to the Initial Noteholder's investment policy and the shareholders of the Initial Noteholder do not approve such change. Other Events of Default occur on default in the payment of any sum due, breach of agreement, insolvency or administration or significant court judgments. Upon the occurrence of an Event of Default, the Initial Noteholder may elect for the Notes to become immediately due and repayable subject to certain conditions.

1.9 Interest is computed as being the difference between the accumulated net accounting profits of the Issuer (as determined in accordance with IFRS), before the calculation of the interest arising under the Notes, having properly accrued for any Irish corporation tax expense of the company as computed under Irish tax principles applicable to the Issuerin relation to the interest period in question, and €300 (i.e. €1,200 per annum will be retained by the Issuer as annual profit).

1.10 Cash in respect of interest accrued or to be accrued on the Notes on a quarterly basis (subject to availability of funds) shall be paid to the Noteholders. In circumstances where a Noteholder wishes to receive an amount of interest which is less than the amount of interest which has accrued for the account of that Noteholder, such Noteholder is entitled to notify the Issuer of such lesser amount of interest which it wishes to receive. The remainder of such accrued interest which is not paid to the relevant Noteholder may be designated by the Issuer to fund the purchase of additional assets and any funds remaining following such designation for investment shall be payable to the relevant Noteholder at the bottom of the Issuer's priorities of payments pursuant to the terms of the Profit Participating Note Issuing and Purchasing Agreement. The Issuer shall, following consultation with the Service Support Provider, have the right to redeem the Notes in full or in part on any Payment Date with the consent of the Noteholders. The Noteholders may also, following consultation with the Issuer and subject to the conditions listed in 1.11 below, have the right to redeem in part some of their Notes.

1.11 All payments in relation to the Notes, including payments following an Event of Default or partial redemption, are subject to legal, contractual and regulatory restrictions on the Issuer, including: (a) a restriction on the Issuer being able to dispose of CLO Retention Income Notes; and (b) an obligation on the Issuer to maintain a reserve of 10 per cent. of the net proceeds of the Notes so as to have sufficient funds to, during the relevant CLO's reinvestment period, originate and sell to each CLO over 50 per cent. of the CLO's total securitised exposures. Such reserve, along with any proceeds from the CLO Retention Income Notes, will be distributable to Noteholders when all CLOs in which the Originator is invested have matured or been redeemed.

1.12 The Profit Participating Note Issuing and Purchasing Agreement and the Notes are governed by English law.

1.13 Pursuant to the Profit Participating Note Issuing and Purchase Agreement, the Initial Noteholder has agreed that in the event of any transfer by a Noteholder of all or part of its Notes, the transferee must accede to the Profit Participating Note Issuing and Purchase Agreement and be bound by the terms of and perform the obligations under the Profit Participating Note Issuing and Purchase Agreement as if it had been an original party to such agreement. The form of accession certificate to be executed by any transferee Noteholder is contained in Schedule 2 of the Profit Participating Note Issuing and Purchase Agreement and any such transfer may only be effected subject to and in accordance with Condition 3.1 (*Transfers*) of the Conditions, which provides that that the Notes may only be transferred to a party which accedes to the Profit Participating Note Issuing and Purchase Agreement.

2. **Portfolio Service Support Agreement**

2.1 The Issuer has entered into a portfolio service support agreement dated 3 June 2014 with the Service Support Provider (the "**Portfolio Service Support Agreement**") , pursuant to which the Issuer has appointed the Service Support Provider to provide certain service support and assistance (including back middle office functions), human resources and credit and market research and analysis in connection with the origination and ongoing management of the portfolio by the Originator.

2.2 The Portfolio Service Support Agreement may be automatically terminated in the event of:

(a) the Issuer determining in good faith that the Issuer or the portfolio has become required to register as an investment company under the provisions of the US Investment Company Act 1940 (where there is no available exemption), and the Issuer has given prior notice to the Service Support Provider of such requirement;

(b) the date on which the portfolio has been liquidated in full and the Issuer's financing arrangements (as described in the Portfolio Service Support Agreement) have been terminated or redeemed in full; and

(c) such other date as agreed between the Issuer and the Service Support Provider.

2.3 In addition, the Portfolio Service Support Agreement may be terminated, and the Service Support Provider removed for cause (as described in the Portfolio Service Support Agreement) by the Issuer upon 10 business days' prior written notice to the Service Support Provider.

2.4 Any resignation or removal of the Service Support Provider will only be effective on the satisfaction of certain conditions set out in the Portfolio Service Support Agreement.

2.5 The Issuer has given certain market standard indemnities in favour of the Service Support Provider in respect of the Service Support Provider's potential liabilities it may occur in carrying on its responsibilities under the Portfolio Service Support Agreement.

2.6 Under the Portfolio Service Support Agreement, the Service Support Provider agrees to perform its obligations thereunder, with reasonable care (a) using a degree of skill

and attention no less than that which the Service Support Provider exercises with respect to comparable assets that it manages for itself and others having similar investment objectives and restrictions, and (b) to the extent not inconsistent with the foregoing, in a manner consistent with the Service Support Provider's customary standards, policies and procedures in performing its duties under the Portfolio Service Support Agreement (the "**Standard of Care**"); provided that the Service Support Provider will not be liable for any loss or damages resulting from any failure to satisfy the Standard of Care except to the extent any act or omission of the Service Support Provider constitutes a Service Support Provider Breach (as defined below). The Standard of Care may change from time to time to reflect changes by the Service Support Provider to its customary standards, policies and procedures provided that such customary standards, policies and procedures are at least as rigorous as the foregoing.

2.7 The Service Support Provider will not be liable (whether directly or indirectly, in contract or in tort or otherwise) to the Issuer under the Portfolio Service Support Agreement for liabilities incurred by the Issuer as a result of or arising out of or in connection with the performance by the Service Support Provider under the Portfolio Service Support Agreement, or for any losses or damages resulting from any failure to satisfy the Standard of Care except to the extent such liabilities were incurred by reason of acts or omissions constituting bad faith, fraud, wilful misconduct or due to the gross negligence (with such term given its meaning under New York law) or reckless disregard of the duties and obligations of the Service Support Provider (a "**Service Support Provider Breach**").

2.8 Under the Portfolio Service Support Agreement, the Issuer will be required to indemnify the Service Support Provider and its affiliates, managers, directors, officers, partners, agents and employees, from and against all liabilities incurred in connection with the Portfolio Service Support Agreement (except to the extent such liabilities are incurred as a result of any acts or omissions of the Service Support Provider which constitute a Service Support Provider Breach).

2.9 The Service Support Provider is able to resign its role under the Portfolio Service Support Agreement upon 90 days' written notice to the Issuer. Whilst the resignation will not be effective until the date as of which a successor adviser has been appointed, it may be difficult to locate an alternative adviser as a successor. In addition, the Service Support Provider may immediately resign by providing written notice to the Issuer upon the occurrence of certain events relating to the Issuer such as, amongst others, the failure of the Issuer to comply in any material respect with any investment policy or investment objective to which it is bound to comply, a wilful breach or knowing violation by the Issuer of a material provision of the Portfolio Service Support Agreement or the occurrence of insolvency proceedings in respect of the Issuer.

2.10 Under the Portfolio Service Support Agreement, the Service Support Provider agrees to the provision of certain human resources as may be necessary to enable the Issuer to conduct any matters related to its portfolio of assets.

2.11 Further, in respect of each Issuer CLO, the Issuer and DFME will enter into a fee rebate letter in the form appended to the Portfolio Service Support Agreement (the "**CLO Fee Rebate Letter**"), pursuant to which DFME will rebate to the Issuer 20 per cent. of the CLO Management Fee received by DFME or one of its affiliates (in its capacity as the CLO Manager) in proportion to the CLO Income Notes held by the Issuer in each CLO (excluding any incentive/performance management fee the CLO Manager receives).

2.12 Under the Portfolio Service Support Agreement, the Issuer shall pay to the Service Support Provider as full compensation for the services performed thereunder, the totality of amounts comprising:

(a) a fee as may be determined from time to time on an arm's length basis; and

(b) an amount equivalent to all reasonable third party costs and expenses incurred by the Service Support Provider in the performance of its obligations thereunder, together with any irrecoverable VAT arising on such costs and expenses

2.13 The Portfolio Service Support Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

2.14 The Portfolio Service Support Agreement is governed by English law

3. **Account Bank Agreement**

3.1 On 2 July 2014, the Issuer entered into an account bank agreement (the "**Account Bank Agreement**") with Citibank, N.A., London Branch (in such capacity, the "**Account Bank**") pursuant to which the Issuer appointed the Account Bank to act as account bank of the Issuer for an annual fee.

3.2 The Account Bank Agreement contains terms requiring the Account Bank to establish cash accounts in the name of the Issuer and to deposit and withdraw certain amounts from such cash accounts upon the instructions of an authorised person of the Issuer.

3.3 The Account Bank may be replaced by the Issuer giving 30 clear days' written notice to the Account Bank.

3.4 The Account Bank may at any time resign as account bank for any reason by giving at least 45 days' written notice to the Issuer.

3.5 The Issuer has given certain market standard indemnities in favour of the Account Bank in respect of the Account Bank's potential losses in carrying on its responsibilities under the Account Bank Agreement.

3.6 The Account Bank Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

3.7 The Account Bank Agreement is governed by English law.

4. **Custody Agreement**

4.1 On 2 July 2014, the Issuer entered into a custody agreement (the "**Custody Agreement**") with Citibank, N.A., London Branch (in such capacity, the "**Custodian**") pursuant to which the Custodian will be appointed to act as custodian of certain of the Issuer's investments and other assets.

4.2 The Custodian will provide custody services in respect of such of the property of the Issuer will on or about the Issue Date enter into which is delivered to and accepted by the Custodian as and when such custody services may be required. Securities are held by the Custodian in one or more custody accounts in the name of the Issuer and separately designated in the books of the Custodian as belonging to the Issuer.

4.3 Pursuant to the Custody Agreement, the Custodian will be entitled to receive fees in an agreed amount.

4.4 The Custody Agreement may be terminated by either party giving not less than 60 days' notice in writing to the other. It may be terminated without notice in certain specified circumstances including the insolvency of either party.

4.5 The Custodian will have a market standard indemnity from the Issuer in relation to liabilities incurred other than as a result of its negligence, wilful misconduct or fraud in carrying out its responsibilities under the Custody Agreement.

4.6 The Custody Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

4.7 The Custody Agreement is governed by English law.

5. **Corporate Services Agreement**

5.1 The Issuer has appointed Intertrust Management Ireland Limited (in such capacity, the "Corporate Services Provider"), as corporate administrator pursuant to the terms of an agreement (the "**Corporate Services Agreement**") dated 15 May 2014.

5.2 Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider performs various management functions on behalf of the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses.

5.3 The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least 30 days' written notice to the other party.

5.4 The Corporate Services Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

5.5 The Corporate Services Agreement is governed by Irish law.

6. **Valuation, Fund Accounting and Financial Reporting Agreement**

6.1 The Issuer on 18 July 2014 entered into an agreement (the "**Administration Agreement**") with State Street Fund Services (Ireland) Limited (the "**Administrator**").

6.2 Pursuant to the Administration Agreement, the Administrator agreed to provide the Issuer with certain valuation, financial reporting and fund accounting services as outlined out therein. In consideration of the foregoing, the Administrator is entitled to receive various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses.

6.3 The Administration Agreement provides that either party may terminate the agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Administration Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the

Administration Agreement at any time by giving at least 90 days' written notice to the other party.

6.4 The Administration Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

6.5 The Administration Agreement is governed by Irish law.

Warehouse Arrangements

In connection with its proposed Seed CLO, the Issuer has also entered into the following documents:

7. **Senior Facility Agreement**

7.1 A senior facility agreement dated 3 June 2014 between (i) the Issuer (as the "**Borrower**"), (ii) Bank of America N.A., London Branch (as "**Senior Lender**" and "**Senior Agent**"), (iii) Citibank, N.A. London Branch (as "**Security Trustee**") and (iv) Blackstone Singapore (as "Subordinated Lender") (the "**Senior Facility Agreement**"), pursuant to which the Senior Lender has agreed to make available a multi-currency revolving credit facility of a maximum principal amount of €366,670,000 for the purposes of the Issuer's acquisition of loan obligations (the "**Warehouse Portfolio**") .

7.2 The Senior Facility Agreement includes certain standard loan facility events of default. If any event of default occurs under the Senior Facility Agreement, the Senior Agent may, with consent or direction of the Senior Lender, terminate the Senior Lender's commitment and declare the senior loans due and payable.

7.3 Under the Senior Facility Agreement the Issuer provides market standard indemnities to the Senior Agent and Senior Lender for liabilities incurred by each of them in connection with the Senior Facility Agreement.

7.4 The Senior Facility Agreement contains a market standard increased costs clause requiring the issuer to compensate the Senior Lender for increased costs or reduced return incurred as a result of changes in law and regulation (including the interpretation and application thereof) and compliance by the Senior Lender with any governmental authority's request or directive.

7.5 The maturity date of the Senior Facility Agreement (the "**SFA Maturity Date**") is the earlier of (i) the closing date of the Seed CLO, (ii) the date which is 18 months after the date of the Senior Facility Agreement or 6 weeks after the pricing date of the Seed CLO, (iii) the date on which the loans under the Senior Facility Agreement have been repaid and cancelled in full, (iv) the date on which certain other adverse events occur with respect to the Borrower or DFME, (v) the date of the adoption of a change in law making it unlawful for the Senior Lender to make, maintain or fund the loans under the Senior Facility Agreement.

7.6 If the SFA Maturity Date occurs other than on the closing date of the Seed CLO or there is an event of default under the Senior Facility Agreement, the Senior Agent may instruct the Borrower to sell and liquidate all of the Warehouse Portfolio and the Borrower shall arrange such sale and liquidation in accordance with the liquidation procedures set out in the Senior Facility Agreement.

7.7 The Senior Facility Agreement contains standard limited recourse and non-petition provisions with respect to the Borrower.

7.8 All payments under the Senior Facility Agreement are subject to the priorities of payment contained in the Subordination Deed (as defined and described below).

7.9 The governing law of the Senior Facility Agreement is English law.

8. **Subordinated Facility Agreement**

8.1 A subordinated facility agreement dated 3 June 2014, between (i) the Issuer, (ii) the Senior Agent, (iii) the Security Trustee and (iv) the Subordinated Lender (the "**Subordinated Facility Agreement**"), pursuant to which the Subordinated Lender has agreed to make available a credit facility of a maximum principal amount of €45,000,000 for the purposes of the Issuer's acquisition of loan obligations for the Warehouse Portfolio.

8.2 There is no applicable spread on the amounts drawn under the Subordinated Facility Agreement (the "**Subordinated Loan**"), however the Subordinated Lender is entitled to be repaid its principal and any excess spread from residual cash (if any) after the loans under the Senior Facility Agreement have been discharged and certain other costs and expenses of the Issuer have been paid.

8.3 Events of default under the Subordinated Facility Agreement include, among others, (i) failure to pay interest or principal on the Subordinated Loan, (ii) failure to pay other amounts due under the Subordinated Facility Agreement; (iii) failure to remedy a materially incorrect or untrue representation, warranty, certification or statement made by the Issuer in the Senior Facility Agreement and (iv) the Issuer becomes insolvent or the subject of insolvency or similar proceedings.

8.4 If any event of default occurs under the Subordinated Facility Agreement, the Subordinated Lender may terminate the Subordinated Lender's commitment and declare the Subordinated Loan due and payable.

8.5 Under the Subordinated Facility Agreement the Issuer has provided a market standard indemnity to the Subordinated Lender for liabilities incurred by it in connection with the Subordinated Facility Agreement.

8.6 The Issuer has agreed to repay the Subordinated Loan on (i) on the closing date of the Seed CLO in full or (ii) if the Maturity Date is not the closing date of the Seed CLO, by applying any available proceeds on the date on which the senior loans under the Senior Facility Agreement have been discharged.

8.7 The Subordinated Facility Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

8.8 All payments under the Subordinated Facility Agreement are subject to the priorities of payment contained in the Subordination Deed (as defined and described below).

8.9 The governing law of the Subordinated Facility Agreement is English law.

9. **Interim Agency Agreement**

9.1 An interim agency agreement dated 3 June 2014, between (i) the Issuer, (ii) the Senior Agent, (iii) the Security Trustee; (v) Citibank, N.A. London Branch ("**Citibank**") and (vi) Virtus Group LP (as "**Collateral Administrator**") (the "**Interim Agency Agreement**"), pursuant to which the Issuer has appointed (i) Citibank to open a custody account to accept custody of all assets forming part of the Warehouse Portfolio; (ii) Citibank to open cash accounts in relation to which cash

amounts (representing certain cash of the Issuer, interest proceeds and principal proceeds) will be deposited and any payments required to be made under the terms of the Subordinated Deed will be withdrawn from; and (iii) the Collateral Administrator to provide certain administrative services with respect to the Warehouse Portfolio.

9.2 The Interim Agency Agreement contains standard limited recourse and non-petition provisions with respect to the Originator.

9.3 Under the Interim Agency Agreement the Originator provides a market standard indemnity to the Collateral Administrator and Citibank for liabilities incurred by it in connection with the Interim Agency Agreement.

9.4 The governing law of the Interim Agency Agreement is English law.

10. Subordination Deed

10.1 A subordination deed dated 3 June 2014 between (i) the Issuer, (ii) the Senior Agent, (iii) the Senior Lender (iv) the Security Trustee (v) the Subordinated Lender and (vi) the Collateral Administrator (the "**Subordination Deed**"), pursuant to which the parties agree the priorities of payment between themselves.

10.2 The Subordinated Deed contains four priorities of payment:

(a) a standard interest proceeds priority of payment describing how interest proceeds (including cash payments of interest on the Warehouse Portfolio) will be distributed on each payment date;

(b) a standard principal proceeds priority of payment describing how principal proceeds (including all sale proceeds of assets other than interest proceeds) will be distributed on each payment date;

(c) an interest priority of payment describing how available interest proceeds (excess spread) will be distributed on the closing date of the Seed CLO; and

(d) a principal priority of payment describing how CLO closing principal amounts (the proceeds from the issuance of securities by the Seed CLO and cash not representing excess spread) will be distributed on the closing date of the Seed CLO.

10.3 The Issuer proposes to use the proceeds of the Notes to, among other things, repay the Subordinated Loan.

10.4 The general order of priority in each of the above priorities of payment is: (i) taxes, fees, costs and expenses owed by the Issuer, (ii) the Senior Lender and (iii) the Subordinated Lender (or, after the repayment of the Subordinated Loan, the Issuer).

10.5 The Subordination Deed contains standard limited recourse and non-petition provisions with respect to the Originator.

10.6 The governing law of the Subordination Deed is English law.

11. Deed of Charge and Assignment

11.1 A deed of charge and assignment dated 3 June 2014, between (i) the Issuer, (ii) the Senior Agent, (iii) the Senior Lender (iv) the Security Trustee (v) the Subordinated Lender and (vi) the Collateral Administrator (the "**Deed of Charge and Assignment**"), pursuant to which the Issuer has created a security interest in favour

of the Security Trustee for itself and on behalf of the Senior Lender, the Subordinated Lender, the Senior Agent and certain other service providers (the "**Warehouse Secured Parties**") for the payment and discharge of all present and future obligations and liabilities of the Issuer to the Warehouse Secured Parties (or any of them) under the Senior Facility Agreement, the Subordinated Facility Agreement, the Deed of Charge and Assignment and the Interim Agency Agreement (together, the "**Warehouse Financing Documents**") (the "**Warehouse Security**").

11.2 The security interest is granted over all of the assets, rights, interest of the Issuer in (i) the Warehouse Portfolio, (ii) the custody and cash accounts opened under the Interim Agency Agreement and (iii) all rights of the Issuer with respect to the Warehouse Portfolio, the Warehouse Financing Documents and the underlying instruments relating to the assets in the Warehouse Portfolio (the "**Warehouse Secured Assets**") .

11.3 The Warehouse Security is enforceable by the Security Trustee upon the occurrence of an event of default and acceleration under the Senior Facility Agreement or the Subordinated Facility Agreement. In such circumstances, the Security Trustee would enforce the Warehouse Security by taking possession of, holding or disposing of all or any part of the Secured Assets or appoint a receiver to exercise any such powers.

11.4 The Deed of Charge and Assignment contains standard limited recourse and non-petition provisions with respect to the Issuer.

11.5 Under the Deed of Charge and Assignment the Issuer provides a market standard indemnity to the Security Trustee for liabilities incurred by it in connection with the Deed of Charge and Assignment.

11.6 The governing law of the Deed of Charge and Assignment is English law.

12. **Forward Purchase Agreement**

12.1 A forward purchase agreement dated 3 June 2014 between (i) the Issuer and (ii) Phoenix Park CLO Limited (the "**Seed CLO Issuer**") pursuant to which the Issuer has agreed to sell and the Seed CLO Issuer has agreed to purchase at an agreed price certain assets of the Issuer, subject to the satisfaction of various contracts. The purpose of the Forward Purchase Agreement is to mitigate the exposure of the parties thereto to market price volatilities.

12.2 The Forward Purchase Agreement will contain standard limited recourse and non-petition provisions with respect to the Originator and with respect to the relevant CLO.

12.3 The governing law of the Forward Purchase Agreement is English law.

Future documents

The issuer anticipates entering into a variety of contractual arrangements after the date of this Offering Circular with the intention of giving effect to the investment policy. Without limitation, these types of contractual arrangements are likely to include:

(a) new revolving credit facilities, pursuant to which the Issuer gains access to additional leverage in order to investment in eligible assets;

(b) sale and purchase agreements (whether by way of forward sales, participation arrangements or otherwise) relating to the assets comprising the Issuer's portfolio from time to time;

(c) retention undertakings and related arrangements in connection with the Retention Requirements;

(d) A multi-currency revolving credit facility may be entered into from time to time between (i) the Issuer and (ii) a revolving credit facility provider (the "**Revolving Credit Facility**"), pursuant to which the Issuer is able to draw multi-currency loans from time to time in order purchase assets for its portfolio. The Revolving Credit Facility will be entered into on market standard terms, as negotiated between the Issuer and the relevant revolving credit facility provider in each case and will include a senior security package in favour of the revolving credit facility provider; and

(e) Forward Purchase Agreements may be entered into from time to time, between (i) the Issuer and (ii) a CLO (each, a "**Forward Purchase Agreement**"), pursuant to which the Issuer may, from time to time enter into sale and purchase contracts with a CLO with respect to the assets of the Issuer ("**Forward Sales**"). Such Forward Sales are with a view to effectively managing its access to wholesale funding and exposure to unnecessary market price volatilities of its portfolio. Such Forward Purchase Agreements may be entered into at the same time or shortly after the origination or acquisition of the relevant asset by the Issuer, at a later date, or not at all. Where a loan becomes subject to the Forward Purchase Agreement the Issuer will neither receive the gain nor bear the loss that occurs between the date when the loan is added to the Forward Purchase Agreement and the date when the transfer occurs.

(i) Each Forward Sale will be conditional upon:

(A) the occurrence of the closing date of the relevant CLO; and

(B) the assets that are the subject of such Forward Sale satisfying a set of eligibility criteria on the closing date of the relevant CLO as agreed between the Issuer and the relevant CLO.

(ii) The Forward Purchase Agreements will contain standard limited recourse and non-petition provisions with respect to the Issuer and with respect to the relevant CLO.

(iii) The governing law of the Forward Purchase Agreements will be English law.

THE ISSUER

General

The Issuer was incorporated in Ireland on 16 April 2014, under the Irish Companies Acts 1963 to 2013 with registration number 542626. The registered office and principal place of business of the Originator is 3rd Floor, Europa House, The Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

Share capital

The shares in the Originator are divided into three classes – Ordinary Shares, Class B1 Shares and Class B2 Shares (together, the "Class B Shares"). The rights attaching to the shares are set out in the Originator's memorandum and articles of association.

As at the date of this Offering Circular, the issued and fully paid up share capital of the Originator consists of 200 Ordinary Shares of €1.00 each and 5 Class B1 shares of €1.00 each.

The issued share capital of the Originator is held as follows:

Intertrust Nominees (Ireland) Limited	200 Ordinary Shares
Blackstone Treasury Asia Pte Ltd	5 Class B1 Shares

On or about the date of this Offering Circular, it is anticipated that the Class B1 Shares will be redeemed in their entirety and that the Originator will instead issue 15 Class B2 Shares to Blackstone/GSO Loan Financing 2 Limited.

Principal Activities

The principal objects of the Issuer are set forth in clause 2 of its Memorandum of Association and permit the Issuer, among other things, to carry on the business of financing and re-financing of any assets whatsoever and in any currency, with or without security, including, without limitation, by way of debentures, loan participation notes, credit and derivative-linked securities, securitisation and collateralised debt obligations.

The Issuer has been established specifically for the purposes of entering into the transactions envisaged by the Transaction Documents, as described in these Listing Particulars, and for no other purpose. The Issuer will invest predominantly in a diverse portfolio of senior secured loans, other corporate debt instruments and in CLO Income Notes, and generate attractive risk-adjusted returns from such portfolios.

Directors and Company Secretary

The Issuer's articles of association provide that the board of directors of the Issuer will consist of at least two Directors.

The directors of the Issuer (the "**Directors**") and their business addresses are as follows:

Anne Flood	3rd Floor, Europa House, The Harcourt Centre, Harcourt Street, Dublin 2, Ireland
Imelda Shine	3rd Floor, Europa House, The Harcourt Centre, Harcourt Street, Dublin 2, Ireland

The Company Secretary is Intertrust Management (Ireland) Limited having its registered address at 3rd Floor, Europa House, The Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

The Directors do not hold any direct, indirect, beneficial or economic interest in any of the Notes.

The Directors of the Issuer may engage in other activities and have other interests which may conflict with the interests of the Issuer.

Save as disclosed herein, there has been no material adverse change in the financial position or prospects of the Issuer since 16 April 2014 (being the date of incorporation of the Issuer). Save for its entry into of the material contracts summarised in the section entitled "Warehouse Arrangements" above and certain non-material contracts, the Originator has not since the date of its incorporation incurred borrowings, issued any debt securities, incurred any contingent liabilities or made any guarantees, nor granted any charges or mortgages.

Financial Statements

Since its date of incorporation, the Issuer has commenced operations but no audited or unaudited financial statements have been produced as of the date of these Listing Particulars. The Issuer intends to publish its first financial statements with respect to the period ending on 31 December 2014. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each year.

Each year, a copy of the audited profit and loss account and balance sheet of the Issuer together with a report of the directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the Issuer and is available for inspection. The profit and loss account and balance sheet can be obtained free of charge from the registered office of the Issuer. The Issuer must hold its first annual general meeting within 18 months of the date of its incorporation (and no more than nine months after the financial year end) and thereafter the gap between its annual general meetings must not exceed 15 months. One annual general meeting must be held in each calendar year.

The auditors of the Originator are Deloitte & Touche of Earlsfort Terrace, Dublin 2, Ireland, who are

chartered accountants and are members of the Institute of Chartered Accountants of Ireland and registered auditors qualified in practice in Ireland.

USE OF PROCEEDS

The Issuer will use the proceeds of issue of the Notes (together with other resources available to the Issuer): (i) to redeem the Class B1 Shares issued by it prior to the date of this Offering Circular; (ii) to repay all amounts outstanding under the Subordinated Loan Facility (as more particularly described in "*The Warehouse Arrangements*" below); (iii) to credit the Origination Reserve Cash Account with the Origination Reserve Required Amount; and (iv) to acquire Collateral Obligations.

CONDITIONS OF THE NOTES

The following is the text of the Conditions which will be endorsed on the definitive registered Certificates issued in respect of the PPNs:

The profit participating notes (each a "**Note**" and together, the "**PPNs**") are issued by Blackstone / GSO Corporate Funding Limited (the "**Issuer**") on the Issue Date. Each Noteholder is entitled to the benefit of, is bound by and is deemed to have notice of all of the provisions of this Agreement.

1 DEFINITIONS

1.1 Capitalised terms used and not otherwise defined herein shall have the meanings given to them in the Profit Participating Note Issuing and Purchase Agreement entered into on 1 July 2014 between, *inter alios*, the Issuer and the Initial Noteholder.

1.2 In these Conditions, the expression:

"**Account Bank**" means Citibank N.A., London Branch.

"**Accounting Period**" means an "accounting period" for the purposes of Section 27 of the Taxes Consolidation Act 1997 (as amended).

"**AIFM Directive**" means the European Union Directive 2011/61/EU on Alternative Investment Fund Managers.

"**Available Funds**" means any Collateral Obligation Proceeds and any other amounts received by the Issuer, subject to the Regulatory Requirements.

"**Business Day**" means (save in relation to Condition 3.2 (*Delivery of New Certificates*)) a day on which the commercial banks and foreign exchange markets settle payments in London, Jersey and Dublin (other than a Saturday, Sunday or public holiday) and if such reference relates to a date for the payment or purchase of any sum denominated in Euro, such day is also a day on which the TARGET2 is open.

"**BX CLO**" means a CLO which the Issuer establishes.

"**CLO**" means a collateralised loan obligation transaction.

"**CLO Income Notes**" means the most subordinated tranche of debt issued by a BX CLO.

"**Collateral Obligation**" means any debt obligation, CLO Income Note or other obligation (including by way of a participation) (and for avoidance of doubt, Collateral Obligations shall include any assets transferred to the Issuer pursuant to an elevation under a participation) purchased by or on behalf of the Issuer from time to time in accordance with the Investment Policy.

"**Collateral Obligation Proceeds**" means, in respect of a Collateral Obligation, (i) any proceeds of sale received by, or on behalf of, and any interest or principal proceeds thereof paid to the Issuer and (ii) any amount received by the Issuer in respect of such Collateral Obligation, whether by way of principal, interest or fees.

"**Conditions**" means these terms and conditions.

"**Custodian**" means Citibank N.A., London Branch.

"**Enforcement Event**" means the occurrence of an Early Redemption Date pursuant to the terms of Condition 11 (*Events of Default*).

"**Event of Default**" has the meaning given to it in Condition 11 (*Events of Default*).

"**Forward Purchase Agreement**" means any agreement between the Issuer and a BX CLO pursuant to which the BX CLO agrees to acquire Collateral Obligations from the Issuer.

"**IFRS**" means the international financial reporting standards as adopted by the European Union.

"**Interest Period**" means the period from and including one Payment Date or, in respect of the first Interest Period, the Issue Date, to but excluding the next following Payment Date or, if earlier, the Maturity Date or Early Redemption Date.

"**Issue Date**" means 30 July 2014.

"**Maturity Date**" means the earlier of (a), the fifth anniversary of the date hereof or if the PPNs are extended on any Renewal Date, the fifth anniversary of the most recent Renewal Date, or (b) an Early Redemption Date.

"**Obligor**" means, in respect of a Collateral Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Issuer).

"**Origination Reserve Accounts**" means, together, the Origination Reserve Cash Account and the Origination Reserve Collateral Account.

"**Origination Reserve Cash Account**" means an interest bearing account in the name of the Issuer so entitled and held with the Account Bank.

"**Origination Reserve Collateral Account**" means the collateral account in the name of the Issuer so entitled and held with the Account Bank.

"**Origination Reserve Initial Amount**" means on the Issue Date, an amount equal to 10 per cent. of the proceeds of the PPNs.

"**Origination Reserve Required Amount**" means on the Issue Date, the Origination Reserve Initial Amount and following the issue of any Additional PPNs or Further Additional PPNs, an amount equal to 10 per cent. of the proceeds of all PPNs which may comprise both cash and Collateral Obligations which are eligible for purchase by CLOs sponsored by the Issuer.

"**Origination Reserve Shortfall**" means, as reasonably determined by the Issuer, the extent to which cash and collateral standing to the credit of the Origination Reserve Accounts are in aggregate less than the Origination Reserve Required Amount.

"**Participation Deed**" means any agreement between the Issuer and a BX CLO in relation to participations between the parties.

"**Payment Date**" means (a) the 21st day of each October, January, April and July commencing on 21 January 2015 to the date on which the PPNs are repaid in full and (b) the Maturity Date, provided that if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day.

"**Portfolio**" means the Collateral Obligations to be held by or on behalf of the Issuer from time to time.

"**Portfolio Service Support Agreement**" means the agreement dated 3 June 2014 between the Issuer and the Service Support Provider.

"**Priorities of Payment**" means priorities of payment set out in Condition 5 (*Priorities of Payment*) (as the same may be amended and/or supplemented from time to time).

"**Regulatory Requirements**" means the requirements that:

(a) the CLO Income Notes be held on an ongoing basis with the intention of achieving compliance with the Retention Requirements; and

(b) the Origination Reserve Required Amount be maintained.

"**Renewal Date**" means each two year anniversary of the date hereof.

"**Retention Requirements**" means, as applicable:

(a) Article 17 of the AIFM Directive, as implemented by Section 5 of the European Union Commission Delegated Regulation (EU) No 231/2013, including any guidance published in relation thereto, any implementing laws or regulations in force in any member state of the European Union, and any successor or replacement provisions thereto; and

(b) Articles 404-410 (inclusive) of Regulation (EU) No 575/2013 (as amended from time to time), together with any guidance published in relation thereto including any regulatory and/or implementing technical standards, and any successor or replacement provisions thereto.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer system (or, if such system ceases to be operative, such other system (if any) determined by the Issuer to be a suitable replacement).

2 FORM, TITLE, TERM AND DENOMINATION

2.1 Form

The PPNs are issued in registered form. A Note certificate (each a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of PPNs (substantially in the form set out in Schedule 1 (*Form of Certificate*) to the Profit Participating Note Issuing and Purchase Agreement). Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

2.2 Title

Title to the PPNs passes only by registration in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Noteholder**" and (in relation to a Note) "**holder**" means the person in whose name a Note is registered in the Register.

2.3 Term

The PPNs shall have an initial term of five years which such five year term will automatically be reset for a further five year term on each Renewal Date save where the Noteholders have given the Issuer at least 12 months' notice prior to a Renewal Date that the Noteholders do not wish to extend the term of the PPNs; provided that the PPNs shall in any event be repayable on 1 June 2044.

2.4 Denomination

The PPNs will be issued in minimum denominations of EUR 1,000,000.

3 TRANSFERS OF PPNS, ISSUE OF CERTIFICATES AND RECORDING OF FUNDING AMOUNTS

3.1 Transfers

(a) PPNs may only be transferred to a party which accedes to the Profit Participating Note Issuing and Purchase Agreement.

(b) Transfers shall be effected upon delivery of the required form of transfer (as attached to the Certificates) to the Registrar.

(c) A Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar.

(d) Any transfer of a Note shall be subject to a minimum transfer requirement of EUR 1,000,000 of the principal amount outstanding of the PPNs.

3.2 Delivery of new Certificates

Each new Certificate to be issued upon transfer of PPNs will, within five Business Days of receipt by the Registrar of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition, Business Day shall mean a day on which banks are open for business in the city in which the specified office of the Registrar is located.

3.3 Formalities free of charge

Registration of transfer of PPNs will be effected without charge by or on behalf of the Issuer but upon payment (or the giving of such indemnity as the Issuer or the Registrar may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

3.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for any payment of principal, premium or interest on that Note.

4 STATUS OF THE PPNs

4.1 The PPNs are unsecured limited recourse obligations of the Issuer.

4.2 Notwithstanding any of these Conditions, each of the Noteholders agrees that, if the net proceeds from a liquidation of the Collateral Obligations available to unsecured creditors of the Issuer are less than the aggregate amount payable by the Issuer in respect of its obligations under the PPNs

(such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the PPNs will be reduced to such amount of the net proceeds as shall be applied in accordance with the Priorities of Payment.

4.3 The Noteholders shall not be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, examinership, reorganisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligation of the Issuer under these Conditions, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgement as to the obligations of the Issuer in relation thereto.

4.4 Each of the Noteholders agrees that no recourse under any obligation, covenant, or agreement of the Issuer contained in this Agreement may be sought by it against any shareholder, officer, agent, employee or director of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations of the Issuer under the terms of the PPNs and the Profit Participating Note Issuing and Purchase Agreement are corporate obligations of the Issuer. Each of the Noteholders agrees that no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in these Conditions, or implied therefrom, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is hereby deemed expressly waived by the parties hereto.

4.5 The provisions of this Condition 4 (*Status of the PPNs*) shall survive the termination of these Conditions.

5 PRIORITIES OF PAYMENT

5.1 Subject to Condition 11 (*Events Of Default*) and the Regulatory Requirements, (a) at any time prior to the earlier of (i) the Maturity Date and (ii) any Early Redemption Date, in respect of the whole or part of any Available Funds; and (b) otherwise, in respect of the whole of any Available Funds and any amounts in the Origination Reserve Accounts, the Issuer shall on each Payment Date or, as applicable, the Maturity Date, pay or cause to be paid amounts in the following order of priority:

(a) firstly, in or towards payment or discharge of all tax liabilities owed or expected to be owed by the Issuer and all reasonable fees, costs and expenses of the Issuer (including for the avoidance of doubt amounts owed to the Account Bank and to the Custodian);

(b) secondly, the payment of €300 to the Issuer as its retained annual profit (with such annual profit of the Issuer being €1,200);

(c) thirdly, to credit the Origination Reserve Cash Account with the Origination Reserve Shortfall;

(d) fourthly, in or towards payment of some or all of the interest due and payable to the Noteholders on a *pari passu* and a *pro-rata* basis by reference to the principal amount outstanding under each Note;

(e) fifthly, in or towards payment of some or all of the principal due and payable to the Noteholders on a *pari passu* and a *pro-rata* basis by reference to the principal amount outstanding under each Note;

(f) sixthly, at the discretion of the Issuer, to the purchase of new Collateral Obligations (or designation for such purchase in which case the Issuer shall retain such designated funds and apply them to the purchase of new Collateral Obligations prior to the next Payment Date); and

(g) finally, the surplus (if any) to the Noteholders on a *pari passu* and a *pro-rata* basis by reference to the principal amount outstanding under each Note.

6 INTEREST

6.1 From the Issue Date and until the PPNs are redeemed in full in accordance with these Conditions, the PPNs shall bear interest on a *pro rata* basis by reference to the principal amount outstanding under each Note in accordance with this Condition 6 (*Interest*).

6.2 Subject to Condition 6.3, interest shall be payable on the principal amount outstanding under the PPNs in arrears on each Payment Date.

6.3 Interest is computed as being the difference between the accumulated net accounting profits of the Issuer (as determined in accordance with IFRS), before the calculation of the interest arising under the PPN, having properly accrued for any Irish corporation tax expense of the company as computed under Irish tax principles applicable to the Issuer in relation to the Interest Period in question, and €300 (i.e. €1,200 per annum will be retained by the Issuer as annual profit).

6.4 Cash in respect of interest accrued or to be accrued for each Interest Period will be in an amount to enable the Initial Noteholder to make payments due under the Initial Noteholder's dividend policy and to cover the Initial Noteholder's ongoing costs and expenses.

6.5 In circumstances where the Noteholders wish to receive an amount of cash which is less than the amount of interest which has accrued for the account of the Noteholders, the Noteholders shall be entitled to notify the Issuer of such lesser amount of cash which the Noteholders wish to receive. Any such cash which is not paid to the Noteholders shall be reinvested at the discretion of the Issuer.

6.6 The Issuer shall pay interest on each Payment Date only if and to the extent that it has sufficient Available Funds. Any such Available Funds shall be applied in accordance with the Priorities of Payment hereunder. For the avoidance of doubt, if there are insufficient Available Funds on a Payment Date to pay in full the interest accrued for the relevant Interest Period than any such interest that remains unpaid as of such date will be paid by the Issuer – in priority to any interest subsequently accrued – on the next Payment Date, provided there are sufficient Available Funds on that Payment Date. No default interest shall be payable by Issuer in respect of the foregoing and an Event of Default shall not be deemed to have occurred in such circumstances.

7 PAYMENTS

7.1 Payments in respect of PPNs

Payment of principal, interest and other amounts will be made by electronic transfer to the registered account of the Noteholder. Payments of principal, interest and other amounts due otherwise than on the Payment Date will only be made against surrender of the relevant Certificate at the specified office of the Registrar. Interest on PPNs due on the Payment Date will be paid to the holder shown on the Register at the close of business on the date (the record date) being the fifteenth day before the due date for the payment of interest.

For the purposes of this Condition, a Noteholder's registered account means the account in Euro maintained by or on behalf of it with a bank that processes payments in Euro, details of which appear on the Register at the close of business, in the case of principal, on the second Payment Business Day (as defined below) before the due date for payment and, in the case of interest, on

the relevant record date, and a Noteholder's registered address means its address appearing on the Register at that time.

7.2 Payments subject to Applicable Laws

Payments in respect of principal and interest on PPNs are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

7.3 No commissions

No commissions or expenses shall be charged to the Noteholder in respect of any payments made in accordance with this Condition.

7.4 Payment on Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day (as defined below), for value the first following day which is a Payment Business Day) will be initiated on the Payment Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on an Payment Date, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of the Registrar.

Noteholder will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Noteholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

In this Condition:

"**Payment Business Day**" means (i) if the currency of payment is euro, any day which is, in the case of payment by transfer to an account, a day on which the TARGET2 is open; or (ii) if the currency of payment is not euro, any day which is, in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each case, in the case of presentation of the Certificate, a day on which commercial banks are open, in the place in which the Certificate is presented.

7.5 Partial Payments

If the amount of principal or interest which is due on the PPNs is not paid in full, the Registrar will annotate the register of Noteholder with a record of the amount of principal, premium (if any) or interest in fact paid.

8 REDEMPTION

8.1 Redemption at Maturity

Unless previously redeemed as provided below, the Issuer will redeem the PPNs in their entirely at their principal amount plus any accrued but unpaid interest thereon on the Maturity Date in accordance with the Priorities of Payment; provided that the PPNs shall in any event be repayable on 1 June 2044.

8.2 Optional Redemption by the Issuer

The Issuer shall, following consultation with the Service Support Provider, have the right to redeem the PPNs in full or in part on any Payment Date with the consent of the Initial Noteholder.

8.3 Optional Redemption by the Initial Noteholder

Subject to the Regulatory Requirements, the Initial Noteholder may, following consultation with the Issuer, have the right to redeem in part some of its PPNs on any Payment Date in order to fund any share buybacks by the Initial Noteholder and to cover the Initial Noteholder's ongoing costs and expenses.

8.4 Redemption for Taxation Reasons

If the Issuer is (or would be, were a payment to be required to be made) required to withhold or deduct for or on account of any Taxes (as defined in Condition 9 (*Taxation*)), then the Issuer shall, if so requested by each of the Noteholders redeem the PPNs in whole but not in part at their principal amount plus any accrued but unpaid interest thereon.

In order to effect such redemption, the Issuer may, subject to the Regulatory Requirements and any security interest in the Portfolio, liquidate the Portfolio and the PPNs will be redeemed pursuant to the Priorities of Payment.

8.5 Cancellations

All PPNs which are redeemed in full by or on behalf of the Issuer will forthwith be cancelled.

9 TAXATION

9.1 Payment without withholding

All payments made by or on behalf of the Issuer in respect of the PPNs, whether in respect of principal, interest or any other amount, shall be made in full without any deduction or withholding in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature unless the deduction or withholding is required by law.

If such a deduction or withholding is required or if any deduction or withholding in respect of taxes or otherwise falls to be made, then the sum payable by the Issuer in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Noteholder, receive and retain (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

However, the Issuer shall not make any such increase in respect of a deduction or withholding which arises:

(a) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with Ireland (including without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having had a permanent establishment therein) otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof;

(b) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or other applicable taxing authority;

(c) in respect of a payment made or secured for the immediate benefit of an individual or a non-corporate entity which is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or any arrangement entered into between the EU member states and certain third countries and territories in connection with the Directive;

(d) in connection with FATCA (including any voluntary agreement entered into with a taxing authority pursuant thereto); or

(e) any combination of the preceding clauses (a) through (d) inclusive.

10 PRESCRIPTION

Claims in respect of principal and interest will become prescribed unless made within ten years (in the case of principal) and five years (in the case of interest) from the date on which the payment first becomes due but, if the full amount of the money payable has not been received on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholder by the Issuer in accordance with Condition 13 (*Notices*).

11 EVENTS OF DEFAULT

Subject to the Regulatory Requirements, upon the occurrence of an Event of Default which has been subsisting for a period equal to or greater than 30 days (or, in the case of Condition 11(e) below, such period as it may take to convene a general meeting of the Initial Noteholder's shareholders), the Noteholders may at their sole option elect to give notice to the Issuer that the PPNs are, and they shall accordingly immediately become, due and repayable at their principal amount plus any accrued but unpaid interest thereon in accordance with the Priorities of Payment and shall designate an "**Early Redemption Date**" on which the PPNs are to be so redeemed.

"**Event of Default**" means any of the following events:

(a) if default is made by the Issuer in the payment of any principal due in respect of the PPNs; or

(b) if the Issuer fails to perform or observe any of its other obligations or is in breach of any representations or warranties under the Conditions or the term of the Profit Participating Note Issuing and Purchase Agreement; or

(c) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, trustee, examiner, administrator, custodian, conservator, liquidator or other similar official (a "**Receiver**") is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer; or the Issuer is, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved by the Senior Noteholder in writing); or

(d) a court judgment is entered against the Issuer in an amount greater than EUR1,000,000 in aggregate and in an amount greater than EUR50,000 individually with respect to the Issuer; or

(e) in the case of the Initial Noteholder only, the Issuer makes a material change to its Investment Policy which would require the Initial Noteholder to seek approval from its shareholders to make an equivalent change to the Initial Noteholder's investment policy and the shareholders of the Initial Noteholder do not approve such change; or

(f) there is a material adverse change in the financial position, prospects or the business conducted by the Service Support Provider since the Issue Date, as reasonably determined by the Issuer.

12 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer and the Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13 NOTICES

13.1 Notices to the Noteholders

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the register of Noteholder maintained by the Registrar. Any notice shall be deemed to have been given on the second day after being so mailed.

14 GOVERNING LAW AND SUBMISSION TO JURISDICTION

14.1 Governing Law

The PPNs are governed by, and will be construed in accordance with, English law.

14.2 Jurisdiction of English courts

The Issuer and the Noteholders agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the PPNs and accordingly have submitted to the exclusive jurisdiction of the English courts. The Issuer and the Noteholders hereby waive any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

14.3 Appointment of Process Agent

The Issuer hereby irrevocably and unconditionally appoints Intertrust (UK) Limited of 11 Old Jewry, London EC2R 8DU as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

15 RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

TAX CONSIDERATIONS

Ireland

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts, etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest which should include interest payable on the Notes. The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note where:

(a) the Notes are Quoted Eurobonds, i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as the Irish, London or Luxembourg Stock Exchanges) and which carry a right to interest; and

(b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:

  (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners; (DTC, Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or

  the Noteholder is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and

(c) one of the following conditions is satisfied:

  (i) the Noteholder is resident for tax purposes in Ireland; or

  (ii) the Noteholder is a pension fund, government body or other person (other than a person described in paragraph (c)(iv) below), who is resident in a Relevant Territory (as defined below) and who, under the laws of that territory is exempted from tax that generally applies to profits, income or gains in that territory; or

  (iii) the Noteholder is subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a Relevant Territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; or

  (iv) the Noteholder is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Noteholder, nor any person connected with the Noteholder, is a person or persons:

    i. from whom the Issuer has acquired assets;

    ii. to whom the Issuer has made loans or advances; or

iii. with whom the Issuer has entered into a Swap Agreement,

where the aggregate value of such assets, loans, advances or Swap Agreements represents not less than 75 per cent. of the assets of the Issuer, or

(v) the Issuer is not aware at the time of the issue of any Notes that any Noteholder of those Notes is (i) a person of the type described in (c)(iv) above AND (ii) is not subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a Relevant Territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory,

where for these purposes, the term

"**Relevant Territory**" means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty; and

"**Swap Agreement**" means any agreement, arrangement or understanding that –

(i) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and

(ii) transfers to a person who is a party to the agreement, arrangement or undertaking, or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in the asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

Thus, so long as the Notes continue to be quoted on the Irish Stock Exchange, a Noteholder has made a declaration to a relevant person in the prescribed form and one of the conditions set out in paragraph (c) above is met, interest on the Notes can be paid by any Paying Agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax.

Encashment Tax

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Income Tax, PRSI and Universal Social Charge

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish tax with respect to such interest. Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance (PRSI) contributions and the universal social charge in respect of interest they receive on the Notes.

Interest paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Notes.

Ireland operates a self-assessment system in respect of tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest payments made by the Issuer are exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and, the interest is paid out of the assets of the Issuer. Secondly, interest payments made by the Issuer in the ordinary course of its business are exempt from income tax provided the recipient is not resident in Ireland and is a company which is either resident in a Relevant Territory which imposes a tax that generally applies to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory or, in respect of the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which is not yet in force but which will come into force once all ratification procedures have been completed. Thirdly, interest paid by the Issuer free of withholding tax under the quoted Eurobond exemption is exempt from income tax, where the recipient is a person not resident in Ireland and resident in a Relevant Territory. Finance Act 2012 extended the foregoing exemption to companies which are under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory are resident for the purpose of tax in a Relevant Territory and are not under the control of person(s) who are not so resident, and to 75% subsidiary companies of a company or companies the principal class of shares in which is substantially and regularly traded on a recognised stock exchange. For these purposes, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Notes which does not fall within the above exemptions is within the charge to income tax, and, in the case of Noteholders who are individuals, is subject to the universal social charge. In the past the Irish Revenue Commissioners have not pursued liability to tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

Capital Gains Tax

A Noteholder will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is either resident or ordinarily resident in Ireland or carries on a trade or business in Ireland through a branch or agency in respect of which the Notes were used or held.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, will be levied at 33 per cent. if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland)).

Stamp Duty

No stamp duty or similar tax is imposed in Ireland (on the basis of an exemption provided for in Section 85(2)(c) of the Irish Stamp Duties Consolidation Act, 1999 so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the Notes are used in the course of the Issuer's business), on the issue, transfer or redemption of the Notes.

EU Directive on Taxation of Savings Income

Ireland has implemented the EC Council Directive 2003/48/EC on the taxation of savings income into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the Issuer to an individual or certain residual entities resident in another Member State of the European Union or certain associated and dependent territories of a Member State will have to provide details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address) to the Irish Revenue Commissioners who in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned. The Issuer shall be entitled to require Noteholders to provide any information regarding their tax status, identity or residency in order to satisfy the disclosure requirements in Directive 2003/48/EC and Noteholders will be deemed by their subscription for Notes to have authorised the automatic disclosure of such information by the Issuer or any other person to the relevant tax authorities.

SUBSCRIPTION AND SALE

The Initial Noteholder has agreed to subscribe and pay for the Notes on the terms and subject to the conditions contained in the Profit Participating Note Issuing and Purchasing Agreement.

No action has been or will be taken in any jurisdiction by the Issuer that would, or is intended to, permit a public offer of the Notes or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Accordingly, the Initial Noteholder has undertaken to the Issuer that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

Notes may only be transferred to a party which accedes to the Profit Participating Note Issuing and Purchasing Agreement.

GENERAL INFORMATION

1. The issue of the Notes has been authorised by resolution of the board of directors of the Issuer passed on 18 July 2014.

2. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its Global Exchange Market. The Issuer will pay a fee of not more than €5,050 for the admission to trading of the Notes. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List or trading on the Global Exchange Market of the Irish Stock Exchange.

3. It is expected that listing of the Notes on the Irish Stock Exchange will be granted on or before the Issue Date subject only to registration of the Definitive Certificates which will take place subject only to satisfaction of certain conditions precedent contained in the Profit Participating Note Issuing and Purchasing Agreement. If such conditions precedent are not so satisfied on or before the Issue Date there will be no issue and listing of the Notes as aforesaid.

4. The financial year end of the Issuer is 31 December. The first full year audited accounts of the Issuer will be prepared for the period ended 31 December 2014.

5. The Issuer is not involved in any governmental, legal or arbitration proceedings which may have or have had since its date of incorporation a significant effect on its financial position or profitability nor is the Issuer aware that any such proceedings are pending or threatened.

6. In relation to this transaction, the Issuer has entered into the Warehouse Documents referred to under the section entitled "*Warehouse Documents*" above, which agreements may be material.

7. Save as disclosed herein, since 16 April 2014 (being the date of incorporation of the Issuer), there has been (i) no material adverse change in the financial position or prospects of the Issuer, and (ii) no significant change in the trading or financial position of the Issuer.

8. The Issuer will not provide post-issuance transaction information in relation to the issue of the Notes.

9. Copies of the following documents may be inspected in electronic format, during usual business hours at the registered office of the Issuer and the Registrar for the life of this Offering Circular:

   (a) the memorandum and articles of association of the Issuer;

   (b) prior to the Issue Date, drafts (subject to modification) and, from the Issue Date, copies of the following documents:

      (i) Profit Participating Note Issuing and Purchasing Agreement; and

      (ii) the Conditions; and

   (c) from the date of the publication by the Issuer of its first financial statements, the most recent audited financial statements of the Issuer. The Issuer intends to publish its first financial statements with respect to the period ending on 31 December 2014.

10. Noteholders may request information in respect of the Portfolio and the CLO Income Notes by contacting the Issuer during usual business hours at the registered office of the Issuer for the life of this Offering Circular.

11. The International Securities Identification Number ("**ISIN**") for the Notes is as follows: IE00BP40M262.

INDEX OF DEFINED TERMS

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Blackstone / GSO Corporate Funding Limited
3rd Floor, Europa House
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Harcourt Street
Dublin 2
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9th and 10th Floor
D'Olier Street
Dublin 2
Ireland

ADMINISTRATOR
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Dublin 2

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