Blackstone

# Blackstone / GSO Floating Rate Enhanced Income Fund

**SYMBOLS:**

| **CLASS I** | **CLASS D** | **CLASS T** | **CLASS T-I** | **CLASS U** |
|---|---|---|---|---|
| BGFLX | BGFDX | BGFTX | BGFPX | BGFVX |

An investor should consider the investment objective, risks, and charges and expenses of the Fund carefully before investing. The prospectus contains this and other information about the Fund and may be obtained by visiting www.BGFLX.com. The prospectus should be read carefully before investing.

Blackstone Securities Partners L.P., Dealer Manager / Member FINRA

# A floating rate portfolio that seeks to deliver attractive income

## Income Generation

Blackstone / GSO Floating Rate Enhanced Income Fund (BGFLX) seeks to provide attractive income primarily from floating rate senior loans

## Institutional Platform

BGFLX provides individual investors access to Blackstone Credit, a leading institutional credit platform with significant scale and experience in the credit markets

## Lower Target Volatility

BGFLX will seek to provide exposure to the floating rate senior loan market with less price volatility than comparable listed closed-end vehicles[(1)]

## Efficient Structure

An interval fund structure reduces the need to hold cash and permits the use of leverage[(2)] to potentially enhance yield

## Portfolio Diversification

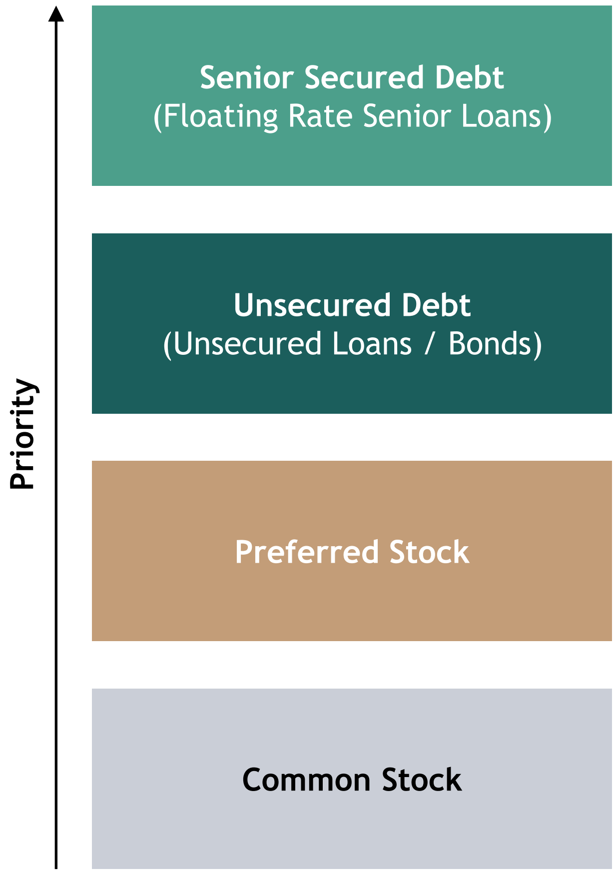
Because floating rate senior loans have low correlation to traditional fixed income investments,[(3)] we believe BGFLX can help diversify a client's existing bond portfolio

(1) We hope to achieve lower price volatility through the use of an "interval fund" structure. Interval funds do not trade on a secondary market and are offered for sale and repurchase at net asset value ("NAV"). The value of underlying investments may fluctuate and shares may be worth less than the original amount invested. There can be no assurance that the Fund will achieve its investment objective or avoid losses. Interval funds are closed-end funds but are different from listed closed-end funds in that their shares do not trade on the secondary market. Instead, interval fund shares are subject to periodic repurchase offers by the fund at a price based on NAV. Interval funds are also permitted to continuously offer their shares at a price based on NAV. For more information please see the Important Disclosure Information section.

(2) The Fund anticipates utilizing leverage in an amount not to exceed 33 1/3% of total assets at the time the leverage is incurred in order to buy additional securities. Leverage may result in greater volatility of the net asset value and distributions on shares because changes in the value of the Fund's portfolio investments, including investments purchased with the proceeds from Borrowings, if any, are borne entirely by shareholders. In addition, the Fund's use of leverage will result in increased operating costs. There can be no assurance that the Fund's leveraging strategy will be successful. For more information please see the Important Disclosure Information section of this presentation.

(3) For data on the low correlation of floating rate senior loans to traditional fixed income investments, see page 3 of this presentation. Data provided is for informational use only. Indices are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment. Fees and expenses will be deducted from any investment in the Fund. The performance of the Fund will differ and may vary materially from any index. An investment in the Fund is different from a direct investment in any of the asset classes discussed in this presentation. **Performance data quoted represents past performance for the asset class shown, which is no guarantee of future results.**

# An income-oriented strategy targeting floating rate senior loans




- Senior loans (also referred to as leveraged loans or bank loans) are so named because they sit at the top of a company's capital structure
- Senior loans are typically secured by company assets such as property, plant, equipment, or other collateral
- In the event of a default, investors in a company's senior loans would recover more of their investment than debt and equity holders lower in the capital structure[1]

(1) There is no assurance that the liquidation of any collateral from a senior loan would satisfy the borrower's obligation, or that such collateral could be liquidated.

# Floating rate senior loans have low correlation to traditional fixed income

## Correlation to Bloomberg Barclays U.S. Aggregate Bond Index

(Trailing 20 years as of December 31, 2020)

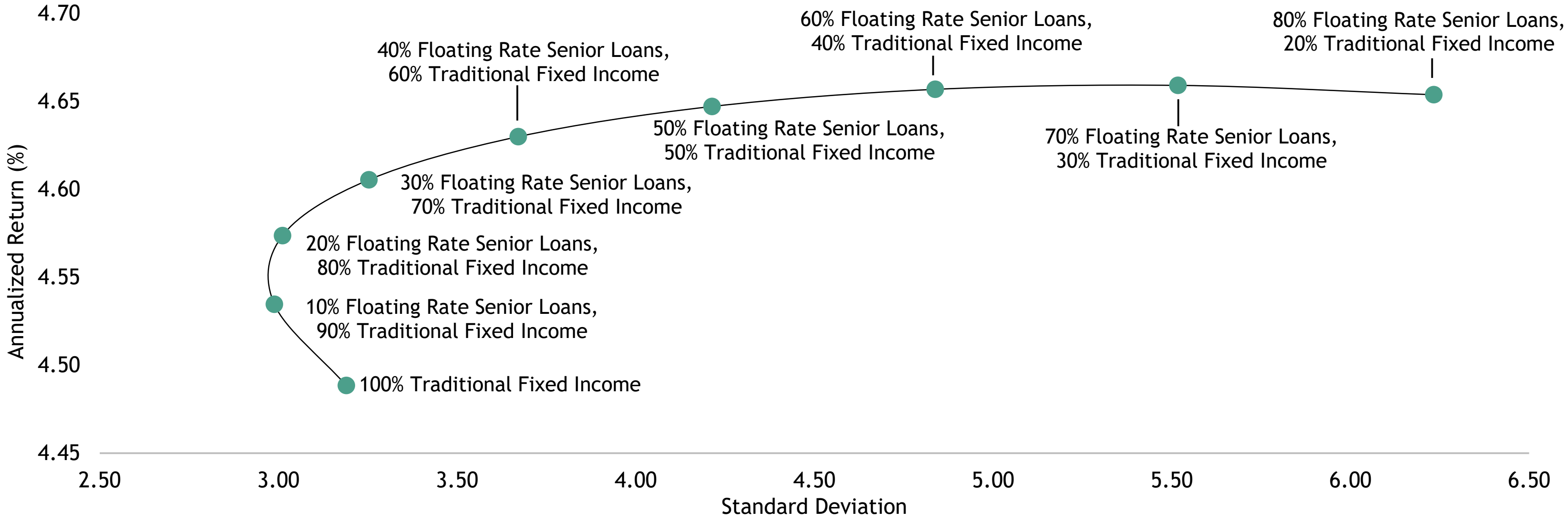
The relatively low correlation of floating rate senior loans to traditional fixed income investments may enable them to play an important diversifying role in an overall bond portfolio


Source: S&P/LSTA, Bloomberg Barclays, as of December 31, 2020. In the chart, Floating Rate Senior Loans are represented by the S&P/LSTA Leveraged Loan Index. Floating rate senior loans are subject to default risk and are generally rated below investment grade. High Yield is represented by Bloomberg Barclays US Corporate High Yield Bond Index. High yield bonds are rated below investment grade and subject to default risk and interest rate risk. Traditional Fixed Income is represented by the Bloomberg Barclays US Aggregate Bond Index. Traditional fixed income provides broad exposure to US investment grade bonds including government bonds. Increases in interest rates may cause the price of bonds to decrease. Municipals are represented by the Bloomberg Barclays US Municipal Bond Index. Municipal bonds are subject to credit risk and interest-rate risk. Treasuries are represented by the Bloomberg Barclays US Treasury Bond Index. Treasuries are subject to interest rate risk but are guaranteed as to the timely payment of principal and interest. Investment Grade is represented by the Bloomberg Barclays US Corporate Investment Grade Bond Index. Increases in interest rates may cause the price of investment grade corporate bonds to decrease. Corporate bonds are also subject to credit risk. For more information on these indices please see the Index Definitions section at the back of this brochure. Indices are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment. The indices presented represent investments that have material differences from an investment in the Fund, including those related to vehicle structure, investment objectives and restrictions, risks, fluctuation of principal, safety guarantees or insurance, fees and expenses, liquidity and tax treatment. **Past performance is not necessarily indicative of future results, and there can be no assurance that Blackstone Credit will achieve comparable results or that Blackstone Credit will be able to implement its investment strategy or achieve its investment objectives.** Portfolio diversification does not guarantee profit or protect against loss. For more information please see the Important Disclosure Information section of this brochure.

# Incorporating floating rate senior loans may create a more efficient fixed income portfolio

## Enhancing Return Profile by Inclusion of Floating Rate Senior Loans

(Hypothetical Portfolio: Trailing 15 Years Ending December 31, 2020)

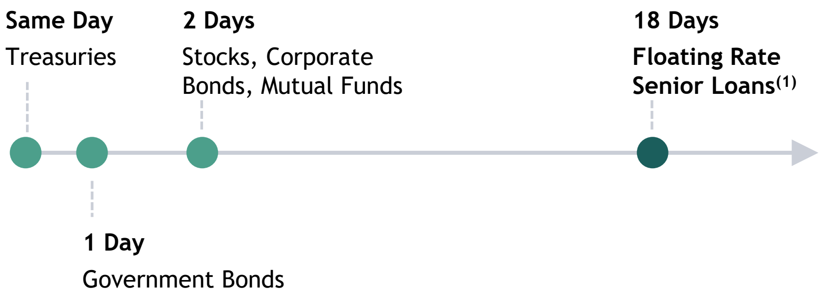



- With low correlation to most traditional debt securities, and a high correlation to rising rates, floating rate senior loans may be an effective diversifier for a bond income portfolio
- The inclusion of floating rate senior loans in a traditional bond portfolio may enhance the portfolio's risk and return

Source Morningstar, Blackstone Credit. Portfolio blend shown in 10% increments to floating rate senior loans.
(1) Floating Rate Senior Loans are represented by the S&P/LSTA Leveraged Loan Index as of December 31, 2020.
(2) Traditional Fixed Income is represented by the Bloomberg Barclays U.S. Aggregate Bond Index as of December 31, 2020.
**Portfolio diversification does not guarantee profit or protect against loss. Past performance is not necessarily indicative of future results, and there can be no assurance that Blackstone Credit will achieve comparable results or that Blackstone Credit will be able to implement its investment strategy or achieve its investment objectives.**

## A Structure that Aligns Better with the Underlying Liquidity of the Asset

(days to settlement)




- To meet daily redemptions, mutual funds and ETFs investing in floating rate senior loans tend to hold a portion of the portfolio in cash and liquid securities
- An interval fund is a type of closed-end fund that is not traded on an exchange, offers simplified daily purchases at NAV, and periodically offers to repurchase a limited percentage of outstanding shares at NAV[2]

## Interval Funds May Offer Benefits Relative to Mutual Fund and Closed-end Structures

| | Mutual Fund / ETF | Interval Fund | Listed Closed-End Fund |
|---|---|---|---|
| Daily Pricing with no Premium / Discount to NAV | ✓ | ✓ | |
| Leverage up to 50% of Total Assets[3] | | ✓ | ✓ |
| Daily Liquidity | ✓ | | ✓ |
| Lower Investor Qualifications[4] | ✓ | ✓ | ✓ |
| Simple 1099 Tax Format | ✓ | ✓ | ✓ |

(1) Average loan settlement represented by the full year 2020 average par settlement time per the 4Q 2020 LSTA Secondary Trading & Settlement Study as of December 31, 2020.
(2) BGFLX is a non-diversified, closed-end management investment company with a limited operating history that continuously offers its Common Shares and is operated as an "interval fund", which conducts periodic repurchase offers to provide liquidity to shareholders. The Fund will offer to repurchase 5% of outstanding Common Shares at net asset value monthly. The Fund will provide notification of each repurchase offer at least seven calendar days before the repurchase request deadline. The Fund may impose a repurchase fee of up to 2% on Common Shares that are accepted for repurchase by the Fund and have been held by an investor for less than one year.
(3) The Fund anticipates utilizing leverage in an amount not to exceed 33 1/3% of total assets at the time the leverage is incurred in order to buy additional securities. Furthermore, the Fund may add leverage to its portfolio through the issuance of Preferred Shares in an aggregate amount of up to 50% of the Fund's total assets immediately after such issuance. The use of leverage involves increased risk, including increased variability of the Fund's net income, distributions and net asset value in relation to market changes. The Fund's leverage strategy may not work as planned or achieve its goal. Currently, the Fund has no intention to issue Preferred Shares.
(4) Select broker-dealers may apply more restrictive investor qualification standards.

# Blackstone is one of the leading alternative investment firms, and Blackstone Credit is one of the world's largest credit managers

**$145B**

in AUM

| | |
|---|---|
| **$79B**<br>liquid credit strategies (long only) | **$66B**<br>alternative investment funds |
| **>1000**<br>corporate issuers Blackstone Credit in invested in across portfolios (1) | **9 years**<br>Blackstone Credit average tenure of SMDs and MDs |

Note: All figures presented above are as of December 31, 2020 unless otherwise indicated. Average tenure are as of January 1, 2021. The AUM for Blackstone, Blackstone Credit or any specific fund, account or investment strategy presented in this Presentation may differ from any comparable AUM disclosure in other non-public or public sources (including public regulatory filings) due to, among other factors, methods of net asset value and capital commitment reporting, differences in categorizing certain funds and accounts within specific investment strategies and exclusion of certain funds and accounts, or any part of net asset value or capital commitment thereof, from the related AUM calculations. Certain of these differences are in some cases required by applicable regulation. All figures are subject to change. Past performance is not necessarily indicative of future results.

(1) Issuers across portfolios include all corporate issuers covered by both the Liquid Credit Strategies and Alternative Credit research teams across Alternative Investment Funds and Liquid Credit Funds, including, but not limited to, broadly syndicated assets, middle market assets, high yield bonds, investment grade assets, and mezzanine transactions.

Scale + Insight + Investment Expertise

## Breadth

Investment expertise and market insight across public and private, large and small companies, senior and subordinated debt

## Focus

Primarily dedicated to below investment grade corporate credit

**382**

professionals globally(1)

**22 yrs**

of experience(2) across multiple credit cycles

Note: all data pertains to Blackstone Credit.
(1) As of January 1, 2021.
(2) Inclusive of time periods prior at institutions other than Blackstone Credit.

## TERMS AND FEES

| Key Terms | |
|---|---|
| **Product** | BGFLX is an interval fund focused on providing attractive current income with low sensitivity to rising rates. The Fund expects to invest at least 80% in floating rate loans, notes, or bonds, which is anticipated to be primarily senior loans |
| **Symbol** | Class I: BGFLX<br>Class D: BGFDX<br>Class T: BGFTX<br>Class T-I: BGFPX<br>Class U: BGFVX |
| **Structure** | 1940 Act registered, continuously offered, closed-end fund |
| **Investment Adviser** | GSO / Blackstone Debt Funds Management LLC |
| **Minimum Initial Investment**(1) | $10,000 (Class D, Class T, Class T-I , Class U Shares);<br>$1,000,000 (Class I Shares) |
| **Pricing** | Daily NAV |
| **Subscriptions** | Daily at NAV |
| **Liquidity** | 5% of shares outstanding repurchased monthly; 2% repurchase fee on shares repurchased within 12 months |
| **Distributions**(2) | Monthly distributions of realized and accrued income; automatic enrollment into distribution reinvestment plan (DRP) |
| **Management Fee** | 1.0% on NAV |
| **Leverage**(3) | The Fund anticipates using borrowings in an amount not to exceed 33 1/3% of total assets |
| **Tax Reporting** | 1099-DIV |

| Share Class-Specific Fees | Class I | Class D | Class T | Class T-I | Class U |
|---|---|---|---|---|---|
| **Availability**(1) | Through fee-based (wrap) programs, registered investment advisors, and other institutional and fiduciary accounts | | Through transaction/ brokerage accounts | | |
| **Selling Commission**(1) | None | None | Up to 2.50% | Up to 3.50% | None |
| **Servicing Fees** | None | 0.25% | 0.25% | 0.25% | 0.25% |
| **Distribution Fees (per annum, payable monthly)** | None | None | 0.25% | 0.25% | 0.25% |

The Fund is an interval fund, which conducts periodic repurchase offers to provide liquidity to shareholders. The Fund will offer to repurchase 5% of outstanding Common Shares at net asset value monthly. The Fund will provide notification of each repurchase offer at least seven calendar days before the repurchase request deadline. The Fund may impose a repurchase fee of up to 2.00% on Common Shares that are accepted for repurchase by the Fund and have been held by an investor for less than one year.

(1) Select broker-dealers may have different suitability standards, may not offer all share classes, and/or may offer BGFLX at a higher or lower minimum initial investment. While neither the Fund nor the Distributor impose an initial sales charge on Class I Shares, Class D Shares, or Class U Shares, if you buy Class I Shares, Class D Shares, or Class U Shares through certain Selling Agents, they may directly charge you transaction or other fees in such amount as they may determine. Please consult your Selling Agent for additional information.
(2) The amount of distributions that the Fund may pay, if any, is uncertain. The Fund may pay distributions in significant part from sources that may not be available in the future and that are unrelated to the Fund's performance, such as return of capital.
(3) In the future, the Fund may elect to utilize leverage in an amount up to 50% of the Fund's total assets through the issuance of Preferred Shares. Currently, the Fund has no intention to issue Preferred Shares.

## Floating rate senior loans are rated below investment grade. What does that mean for investors?

Senior loans are rated below-investment grade—just like their sister market, high yield bonds. Due to higher leverage and other factors, non-investment-grade debt has a greater risk of default than the so-called high grade markets. Investors typically are compensated for this higher risk with higher yields. These types of loans are typically made to companies with ratings below investment grade, so the level of credit risk (i.e., the degree to which changes in the issuers' financial condition will affect bond prices) is comparatively high. It's important to keep in mind that valuations in this market segment can change quickly. In other words, just because the bonds are "senior" doesn't mean that they aren't volatile.

## Is the senior loan market liquid?

In aggregate, the roughly $1 trillion senior loan market(1) is quite liquid although it faced the same liquidity challenges witnessed by all debt markets during the 2007/2008 financial crisis. Within the sector itself, larger issues tend to be more liquid than smaller, and the loans of well-known companies may be a better bid than those of the more esoteric. Liquidity may also be impacted for issues that are facing credit stress which, in some cases, may provide the opportunity for bottom-up managers to purchase loans at a deep discount to their intrinsic value.

## What might happen to senior loans in a recession?

Like corporate bonds, senior loans are subject to the credit risk of the indebted company and economic slowdowns may put pressure on corporate cash flows and/or profitability. Declining cash flows may reduce the ability of a company to service its debt and, incidentally, may push its market price lower. The lower credit ratings of senior loans by the nationally recognized statistical rating organizations (NRSROs) relative to investment grade debt may indicate that senior loans are more highly leveraged than their investment-grade counterparts or may provide lower recovery rates in the event of a default. This means they may be more vulnerable in a recession, however, managers may seek to mitigate the credit risk associated with below investment-grade debt by careful credit analysis of the borrower and an assessment of the collateral attached to the loan. Although our investment process is bottom-up (focusing on the fundamental risk characteristics of a single issuer), we are influenced by developments in the broader economic and credit cycles that might impact specific industries or the senior loan market in general.

## What are default rates and why are they important for senior loans?

A default occurs when a borrower fails to make timely principal or interest payments. All defaults in the asset class may be totaled up as a percent of the entire market for any given period of time; this results in a default rate. Default rates are often cited in the financial press as one measure of creditworthiness for the senior loan market broadly. Default rates can be measured on a historical basis, or default rates may be forecasted. The average default rate since 2000 is 3.0%.(2)

## How did senior loans perform during the global financial crisis?

While past performance is no guarantee of future results, senior loans have delivered positive returns in 24 of the last 25 calendar years. 2008 marked the lone negative calendar year, however the negative return was fully offset by a strong recovery in 2009. In 2008, concerns about the impact of the global financial crisis caused loan prices to fall. As the risks and concerns subsided, the asset class experienced a dramatic recovery. In addition, defaults were only slightly elevated during the crisis relative to long-term averages (2.91% default rate(2) in 2008, versus 3.0% annual average over the trailing 20 years).

(1) Source: S&P/LSTA Leveraged Loan Index as of December 31, 2020.
(2) Source: JP Morgan Default Monitor as of December 31, 2020.

## IMPORTANT DISCLOSURE INFORMATION AND RISK FACTORS

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

**Investment Objective**. The Fund's investment objective is to provide attractive current income with low sensitivity to rising interest rates. There can be no assurance that the Fund will achieve its investment objective.

**S&P/LSTA Leveraged Loan Index** is an unmanaged index of the institutional leveraged loan market.

**Sharpe Ratio**: Measures risk-adjusted return as a ratio of returns to risk. The Sharpe Ratio (i) is used to express how much return is achieved for the amount of risk taken in an investment and (ii) may be used to compare funds with similar return characteristics. The higher a Sharpe ratio, the less risk is taken per unit return. The Sharpe Ratio formula is the investment return less the risk free return divided by the standard deviation of the investment. The Sharpe Ratio uses the 3-Month Yield US T-Bill as a reference for the risk free rate.

**Volatility:** Volatility is measured by standard deviation, or how far returns stray from the mean. It is a historical measure of the variability of return earned by an investment. The higher the standard deviation, the larger the variance of returns and the greater the financial risk. Low volatility means the returns are tightly clustered around the mean return and higher volatility means the returns are dispersed at greater distances from the mean.

**Investment Strategies**. Under normal market conditions, the Fund will invest at least 80% of its Managed Assets in floating rate loans, notes, or bonds. In addition, the Fund may invest up to 20% of its Managed Assets in each of (i) structured products (including, without limitation, the rated debt tranches of collateralized loan obligations ("CLOs"), floating rate mortgage-backed securities and credit linked notes), (ii) derivatives, including credit derivatives, (iii) warrants and equity securities that are incidental to the Fund's purchase of floating rate instruments or acquired in connection with a reorganization of a Borrower or issuer and (iv) fixed rate instruments (including, without limitation, high-yield corporate debt securities, or bonds, or U.S. government debt securities). To the extent that a structured product or a security underlying a derivative is, or is composed of, a floating rate instrument, the Fund will not include it for purposes of the Fund's 80% policy.

The Fund may invest in securities of any credit quality, maturity and duration. The Fund may invest in U.S. dollar and non-U.S. dollar denominated securities of issuers located anywhere in the world, and of issuers that operate in any industry. In pursuing the Fund's investment objective, the GSO / Blackstone Debt Funds Management LLC (the "Adviser") will seek to enhance the Fund's return by the use of leverage.

**Investment and Market Risk**. An investment in the Fund's Common Shares is subject to investment risk, including the possible loss of the entire principal amount invested. An investment in the Fund's Common Shares represents an indirect investment in the portfolio of floating rate instruments, other securities and derivative investments owned by the Fund, and the value of these investments may fluctuate, sometimes rapidly and unpredictably. At any point in time an investment in the Fund's Common Shares may be worth less than the original amount invested, even after taking into account distributions paid by the Fund and the ability of shareholders to reinvest dividends. The Fund may also use leverage, which would magnify the Fund's investment, market and certain other risks.

**Repurchase Offers Risk.** An investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the Common Shares. The Fund is an interval fund, which conducts periodic repurchase offers to provide liquidity to shareholders. The Fund will offer to repurchase 5% of outstanding Common Shares at net asset value monthly. The Fund will provide notification of each repurchase offer at least seven calendar days before the repurchase request deadline. The Fund may impose a repurchase fee of up to 2% on Common Shares that are accepted for repurchase by the Fund and have been held by an investor for less than one year. The Fund believes that these repurchase offers are generally beneficial to the Fund's shareholders, and repurchases generally will be funded from available cash, cash from the sale of Common Shares or sales of portfolio securities. However, repurchase offers and the need to fund repurchase obligations may affect the ability of the Fund to be fully invested or force the Fund to maintain a higher percentage of its assets in liquid investments, which may harm the Fund's investment performance. Moreover, diminution in the size of the Fund through repurchases may result in untimely sales of portfolio securities (with associated imputed transaction costs, which may be significant), and may limit the ability of the Fund to participate in new investment opportunities or to achieve its investment objective. The Fund may accumulate cash by holding back (i.e., not reinvesting) payments received in connection with the Fund's investments and cash from the sale of Common Shares. The Fund believes that it can meet the maximum potential amount of the Fund's repurchase obligations. If at any time cash and other liquid assets held by the Fund are not sufficient to meet the Fund's repurchase obligations, the Fund intends, if necessary, to sell investments. In addition, if the Fund borrows to finance repurchases, interest on that borrowing will negatively affect Common Shareholders who do not tender their Common Shares by increasing the Fund's expenses and reducing any net investment income.

If a repurchase offer is oversubscribed, the Fund may determine to increase the amount repurchased by up to 2% of the Fund's outstanding Common Shares as of the date of the Repurchase Request Deadline (provided that the Fund may not repurchase more than 2% per three-month period). In the event that the Fund determines not to repurchase more than the repurchase offer amount, or if shareholders tender more than the repurchase offer amount plus 2% of the Fund's outstanding Common Shares (less any other excess amounts repurchased during such three-month period) as of the date of the Repurchase Request Deadline, the Fund will repurchase the Common Shares tendered on a pro rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some shareholders, in anticipation of proration, may tender more Common Shares than they wish to have repurchased in a particular month, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the NAV of Common Shares tendered in a repurchase offer may decline between the Repurchase Request Deadline and the date on which the NAV for tendered Common Shares is determined. In addition, the repurchase of Common Shares by the Fund will generally be a taxable event to Common Shareholders.

**Loans Risk.** Under normal market conditions, the Fund will invest primarily in Loans. The Loans that the Fund may invest in include Loans that are first lien, second lien, third lien or that are unsecured. In addition, the Loans the Fund will invest in will usually be rated below investment grade or may also be unrated. Loans are subject to a number of risks, including credit risk, liquidity risk, below investment grade instruments risk and management risk. Although certain Loans in which the Fund may invest will be secured by collateral, there can be no assurance that such collateral could be readily liquidated or that the liquidation of such collateral would satisfy the Borrower's obligation in the event of non-payment of scheduled interest or principal. In the event of the bankruptcy or insolvency of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Loan. In the event of a decline in the value of the already pledged collateral, if the terms of a Loan do not require the Borrower to pledge additional collateral, the Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower's obligations under the Loans. To the extent that a Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose some or all of its value in the event of the bankruptcy or insolvency of the Borrower. Those Loans that are under-collateralized involve a greater risk of loss. In general, the secondary trading market for Loans is not fully-developed. No active trading market may exist for certain Loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Fund may not be able to sell certain Loans quickly or at a fair price. To the extent that a secondary market does exist for certain Loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

**Below Investment Grade, or High Yield, Instruments Risk.** The Fund anticipates that it may invest substantially all of its assets in instruments that are rated below investment grade. Below investment grade instruments are commonly referred to as "junk" or high yield instruments and are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. Lower grade instruments may be particularly susceptible to economic downturns, which could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon, increase the incidence of default for such instruments and severely disrupt the market value of such instruments.

**Leverage Risk.** Under current market conditions, the Fund generally intends to utilize leverage in an amount up to 33 1/3% of the Fund's total assets principally through Borrowings. In the future, the Fund may elect to utilize leverage in an amount up to 50% of the Fund's total assets through the issuance of Preferred Shares. Leverage may result in greater volatility of the net asset value and distributions on the Common Shares because changes in the value of the Fund's portfolio investments, including investments purchased with the proceeds from Borrowings or the issuance of Preferred Shares, if any, are borne entirely by Common Shareholders. Common Share income may fall if the interest rate on Borrowings or the dividend rate on Preferred Shares rises, and may fluctuate as the interest rate on Borrowings or the dividend rate on Preferred Shares varies. In addition, the Fund's use of leverage will result in increased operating costs. Thus, to the extent that the then-current cost of any leverage, together with other related expenses, approaches the net return on the Fund's investment portfolio, the benefit of leverage to Common Shareholders will be reduced, and if the then-current cost of any leverage together with related expenses were to exceed the net return on the Fund's portfolio, the Fund's leveraged capital structure would result in a lower rate of return to Common Shareholders than if the Fund were not so leveraged. In addition, the costs associated with the Fund's incursion and maintenance of leverage could increase over time. There can be no assurance that the Fund's leveraging strategy will be successful.

Any decline in the net asset value of the Fund will be borne entirely by Common Shareholders. Therefore, if the market value of the Fund's portfolio declines, the Fund's use of leverage will result in a greater decrease in net asset value to Common Shareholders than if the Fund were not leveraged.

The Fund may also be subject to the following categories of risk: Derivatives Risk, Segregation and Coverage Risk, Counterparty Risk, Derivatives Legislation and Regulatory Risk, Commodities Regulation, Potential Conflicts of Interest Risk, Limitations on Transactions with Affiliates Risk, Dependence on Key Personnel Risk, Prepayment Risk, Inflation / Deflation Risk, Non-US Instruments Risk, Foreign Currency Risk, UK Exit from the European Union, Repurchase Agreements Risk, Reverse Repurchase Agreements Risk, Investments in Equity Securities or Warrants Incidental to Investments in Floating Rate Instrument, Possible US Federal Income Tax Reform, Cyber-Security Risk and Identity Theft Risks, Portfolio Turnover Risk, Non-Diversification Risk, Large Shareholder Risk, Force Majeure Risk, Epidemic and Pandemic Risk, COVID-19 Risk, Market Disruption and Geopolitical Risk, and Anti-Takeover Provisions.

There can be no assurance that the Fund will achieve its investment objectives. Please see the Prospectus of the Fund for a full description of the risk factors listed above. Capitalized terms used, but not defined herein shall have the meanings assigned to them in the Prospectus.

**Please see the Prospectus of the Fund for a full description of the risk factors listed above.**

Blackstone Securities Partners L.P. ("BSP") is a broker-dealer whose purpose is to distribute Blackstone managed or affiliated products. BSP provides services to its Blackstone affiliates, not to investors in its funds, strategies or other products. BSP does not make any recommendation regarding, and will not monitor, any investment. As such, when BSP presents an investment strategy or product to an investor, BSP does not collect the information necessary to determine—and BSP does not engage in a determination regarding—whether an investment in the strategy or product is in the best interests of, or is suitable for, the investor. You should exercise your own judgment and/or consult with a professional advisor to determine whether it is advisable for you to invest in any Blackstone strategy or product. Please note that BSP may not provide the kinds of financial services that you might expect from another financial intermediary, such as overseeing any brokerage or similar account. For financial advice relating to an investment in any Blackstone strategy or product, contact your own professional advisor.

Prospective investors should be aware that investment decisions of a Fund and the execution of its transactions will be made by persons that may be different from those who made investment decisions and executed transactions with regard to the historical investments presented herein. Certain past activities and/or performance results presented herein may include, in certain instances, past activities and/or performance results associated with such persons' prior firm(s) and are not indicative of the past, current or future activities or performance of a Fund. As such, prospective investors should also bear in mind that the historical performance information presented herein may not be a Fund's own performance and should not be considered a substitute for the Fund's performance. Moreover, the actual investments to be made by a Fund may differ substantially from the investments presented herein, including without limitation, with respect to the issuers, holding periods, purchase prices, investment sizes, leverage (if any), profits/losses and other characteristics of the Fund's investments, or may be made under different market conditions, as the case may be.

The foregoing pages contain performance information of certain investments made by certain current and former senior members of the Manager's investment team ("Principals") while at IndoSuez Capital Division of Crédit Agricole ("IndoSuez") from 1998 to 2001, RBC Capital Partners' Debt Investments Group (the "RBC Group"), a division of Royal Bank of Canada, from 2001 to 2005, and GSO's Debt Funds Group from 2005 to 2008 (prior to Blackstone's acquisition of GSO described below) following GSO's acquisition of the RBC Group. In March 2008, together with the acquisition of GSO and certain of its affiliates by Blackstone, the legacy collateralized loan obligation business of GSO Debt Funds Management LLC (now known as GSO / Blackstone Debt Funds Management LLC) was combined with the legacy collateralized loan obligation business of Blackstone Debt Advisors L.P. ("BDA"). After Blackstone's acquisition of GSO, the CLOs previously managed by BDA were combined with those managed by Blackstone Credit. The track record of Blackstone Credit referred to herein includes those U.S. accounts previously managed by BDA as of April 2008. Also in connection with the Blackstone's acquisition of GSO in 2008, GSO assumed the management of Blackstone's credit businesses and certain senior members and the Principals joined Blackstone.

Such historical performance information, which may be referred to as Blackstone / GSO performance, has been included solely for illustrative purposes as representative examples of the Principals' general respective experiences and the types of investments that were previously managed by the Principals, respectively, that employed substantially similar investment objectives, policies and strategies to a Fund and invested in similar asset classes as a Fund is expected to invest in, and should not be considered a recommendation of any particular strategy or security. Investments presented herein that the Principals made while at IndoSuez, RBC Group and GSO were managed over a long period of time and during significantly different economic and market conditions which may not be replicated. It should not be assumed that the performance of the investments presented herein that were made between the period 1998-2008 while the Principals were at IndoSuez, RBC Group and GSO (prior to its acquisition by Blackstone) is necessarily representative of the overall performance of the Principals while at these firms, particularly given that such investments reflected herein represent only a small percentage of investments made by the Principals during the period 1998-2001, 2001-2005, and 2005-2008 respectively. In addition, while each of the Principals were primarily responsible for overseeing the investment activities at their prior firm(s), they were also part of investment teams comprised of other persons (including those with senior responsibilities) who were also involved in such activities who will not be involved with the investment activities of a Fund. As described above, certain historical performance information presented herein includes references to loans, investment portfolios, vehicles and managed accounts managed by the Principals while at IndoSuez and/or RBC Group as managing directors or managing partners in the alternative investments units of those firms and the investment teams at the entities associated with the Manager, which inherently carry different strategies, responsibilities and objectives as those tied to such Principal's prior and current roles at Blackstone Credit and more specifically, on certain investment committees for funds and products of Blackstone Credit. Such information also does not reflect returns of actual investments made by the Principals as investment managers of a portfolio of investments.

In considering an investment in a Fund, potential investors should attach correspondingly qualified consideration to the results presented herein and are strongly cautioned against giving undue significance or reliance on these returns. Prospective investors should be aware that a Fund will not be comprised of all investment professionals of the investments teams at the Principals' prior firm(s) and certain professionals may not be part of the team managing investments for the current strategies employed by funds and products of Blackstone Credit. Similarly, there are team members currently responsible for managing the investments for funds and products of GSO who had no involvement with the investments and performance information presented herein. Moreover, the characteristics of the Principals' prior firm(s), and the market conditions under which they were operated, differ in certain respects from those applicable to a Fund and that the Fund may experience.

Prospective investors should bear in mind that past performance is not necessarily indicative of future results, and there can be no assurance that such experience will be beneficial to a Fund or that the Fund will be able to implement its investment strategy or achieve its investment objectives based on this transactional experience. Actual results may differ materially from those reflected herein.

There is no guarantee that a Fund will be able to make similar investments, employ a similar investment strategy or achieve similar results to the investments presented herein. It should not be assumed that the investments identified were or will be profitable or that decisions the Manager or a Fund will make in the future will be profitable. Any discussion in this document of past investment opportunities should not be relied upon as any indication of future deal flow for a Fund.

**Index Definitions**

Floating Rate Loans are represented by the S&P/LSTA Leveraged Loan index, which tracks the investable market of the USD-denominated leveraged loan market. Corporate High Yield is represented by the Bloomberg Barclays US Corporate High Yield Bond Index, which measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, are excluded. Municipals are represented by the Bloomberg Barclays US Municipal Bond Index, a USD-denominated index that tracks the long-term tax exempt bond market. The Index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. Treasuries are represented by the Bloomberg Barclays US Treasury Bond Index, which measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury (excluding T-Bills). Investment Grade Corporates are represented by the Bloomberg Barclays US Corporate Investment Grade Bond Index, which measures the investment grade, fixed-rate, taxable corporate bond market.