Carador Income Fund PLC - CIFU Annual Financial Report
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Carador Income Fund plc

22 April 2020

FOR IMMEDIATE RELEASE

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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A copy of the Company's Annual Report and Audited Financial Statements for the year ended 31 December 2019 as set out below, will be posted to the shareholders of the Company and will shortly be available on the Company's website http://www.carador.co.uk

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

CHAIRMAN'S REPORT

I am pleased to present the Annual Report including Audited Financial Statements for Carador Income Fund plc (the "Company") for the financial year ended 31 December 2019.

2019 global growth was at the weakest pace since the global financial crisis a decade ago, as increasing trade barriers and geopolitical tensions weighed on business sentiment. Global trade slowed to a standstill, encouraging central banks, including the US Federal Reserve ("Fed") and the European Central Bank ("ECB"), to cut interest rates. Strong labour markets, in combination with rising wages, low consumer price inflation, and low unemployment, supported consumer spending and lifted consumer confidence to near historic highs and continued to drive the US economy during 2019. The accommodative monetary policy and strong consumer sentiment together compensated for the slowdown in industrial production in 2019 that allowed the economy to continue to grow, albeit at a slower pace. This was positive news for risk assets with stock markets, such as the S&P 500, maintaining its bull run through year end, and fixed income assets recording strong positive returns in 2019.

Performance[1,2]

During 2019, the US dollar class shares ("US Dollar Shares") generated a total Net Asset Value ("NAV") return of -7.81% (-10.52% in 2018) including distributions. The negative NAV performance was largely driven by the portfolio becoming more concentrated in fewer holdings, as expected during the managed wind-down of the portfolio attributable to the US Dollar Shares, as detailed in the Circular issued by the Board on 23 November 2018 (the "Managed Wind-Down"), making the return more susceptible to price movements from individual holdings. It is not the intention of the Directors to declare a dividend in respect of the US Dollar Shares; however, one dividend, which was attributable to Q4 2018, was paid during 2019 totalling $0.0166 per share. The US Dollar Shares ended the year with a NAV per share of $0.5486 and a share price of US$0.4350 (US$0.6105 and US$ 0.5700 at 31 December 2018, respectively).

The repurchase pool class shares of the Company ("Repurchase Pool Shares") generated a total NAV return of -29.16% during 2019 (-14.41% in 2018). It is not the intention of the Directors to declare a dividend in respect of the Repurchase Pool Shares. The Repurchase Pool Shares ended the year with a NAV per share of US$0.0.4528 and a share price of US$0.5500 (US$0.6392 and US$0.7250 at 31 December 2018, respectively).

The financial position and results for the financial year are set out in the statement of financial position and in the statement of comprehensive income on page 29 and 30, respectively.

[1] Past performance is not necessarily indicative of future results, and there can be no assurance that the Company will achieve comparable results, will meet its target returns, achieve its investment objectives, or be able to implement its investment strategy. Certain countries have been susceptible to epidemics or pandemics, most recently COVID 19. The outbreak of such epidemics or pandemics, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity globally (including in the countries in which the Company invests), and thereby could adversely affect the performance of the Company's investments. Furthermore, the rapid development of epidemics or pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, present material uncertainty and risk with respect to the Company and the performance of its investments or operations.

[2] The total NAV return is calculated by compounding the net monthly NAV returns (pre-dividend) for the year.

Dividends

On 22 January 2019, the Board declared a dividend of $0.0166 per US Dollar share in respect of the period from 1 October 2018 to 31 December 2018. The dividend of $4,404,830 was paid on 6 February 2019. Following the Extraordinary General Meeting ("EGM") on 17 December 2018, the Directors do not intend to declare any dividends in respect of the US Dollar Shares during the Managed Wind-Down period.

Material Events

In January 2019, 133,450,591 US Dollar Shares and 488 Repurchase Pool Shares were converted into 133,451,107 Rollover Shares. Following this, Blackstone / GSO Loan Financing Limited ("BGLF") allotted and admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange (the "LSE") one new C share for each Rollover Share in consideration of the transfer of Rollover assets from the Company to BGLF. The value of the Rollover assets was US$89,457,779. Please see note 1 of the financial statements for further information.

Material Events (continued)

During the financial year ended 31 December 2019, the following partial redemptions have occurred in relation to the US Dollar Shares:

Announcement Date	No. of Shares redeemed	Redemption Date	Redemption Amount US$	Price per Share	% of outstanding US Dollar Shares redeemed	% of issued US Dollar Shares outstanding
21/02/2019	51,068,428	28/02/2019	32,499,947	US$0.6364	19.246%	80.754%
23/04/2019	31,655,342	30/04/2019	20,499,999	US$0.6476	14.773%	68.825%
22/05/2019	85,399,031	31/05/2019	56,499,998	US$0.6616	46.761%	36.641%
24/06/2019	21,152,986	30/06/2019	14,199,999	US$0.6713	21.756%	28.670%
19/07/2019	23,474,177	31/07/2019	15,499,999	US$0.6603	30.857%	19.823%
21/10/2019	11,994,516	31/10/2019	6,999,999	US$0.5836	22.803%	15.303%
Total	**224,744,480**		**146,199,941**			

During the financial year ended 31 December 2019, the following partial redemptions have occurred in relation to the Repurchase Pool Shares:

Announcement Date	No. of Shares redeemed	Redemption Date	Redemption Amount US$	Price per Share	% of outstanding Repurchase Pool Shares redeemed	% of issued Repurchase Pool Shares outstanding
21/02/2019	4,681,645	28/02/2019	3,249,998	US$0.6942	19.003%	13,814%
23/04/2019	2,103,491	30/04/2019	1,499,999	US$0.7131	10.541%	12.358%
22/05/2019	9,531,590	31/05/2019	7,000,000	US$0.7344	53.393%	5.759%
24/06/2019	1,702,908	30/06/2019	1,300,000	US$0.7634	20.467%	4.581%
Total	**18,019,634**		**13,049,997**			

On 29 April 2019, the Company released its annual report and accounts for the financial year ended 31 December 2018.

At the annual general meeting (the "AGM") of the Company held on 3 July 2019, Shareholders approved the following ordinary resolutions:

Ordinary Resolutions

1. That the reports of the Board of Directors of the Company and of the auditor of the Company, KPMG, and the accounts for the financial year ended 31 December 2018 be and are hereby received and that the Company's affairs were reviewed.
2. That KPMG be re-appointed as auditors of the Company.
3. That the Directors be and are hereby authorised to fix the remuneration of the auditors of the Company.
4. That Mr Edward D'Alelio be re-elected as a Director of the Company.
5. That Mr Werner Schwanberg be re-elected as a Director of the Company.
6. That Mr Fergus Sheridan be re-elected as a Director of the Company.
7. That Mr Adrian Waters be re-elected as a Director of the Company.
8. That Mr Nicholas Moss be re-elected as a Director of the Company.

Effective 30 June 2019, Fidante Partners Europe Limited (trading as Fidante Capital) resigned as Financial Advisor and Corporate Broker due to strategic commercial reasons.

Effective 23 July 2019, the Company has appointed Bradwell Limited, a nominee company of Arthur Cox (Irish legal advisers to the Company) as company secretary (the "Company Secretary"), replacing State Street Fund Services (Ireland) Limited.

On 21 August 2019, the Company released its interim report and accounts for the half year 2019.

The Chairman continues to carefully monitor the ongoing developments regarding COVID-19. Please refer to page 72 of the Annual Report and Audited Financial Statements for further details.

Werner Schwanberg
Chairman
21 April 2020

INVESTMENT MANAGER'S REVIEW

For the twelve month period ended 31 December 2019

We are pleased to present our review of 2019.

Market Overview
The U.S. credit markets posted strong performance in 2019 despite lingering tensions over trade and concerns about a weakening global economy. Strong Collateralized Loan Obligation ("CLO") creation and institutional demand supported loan performance of 8.2%, offsetting persistent loan retail fund outflows and negative media coverage. High yield and investment grade bonds, which returned 14.0% and 14.5%, respectively, for the year, outperformed most other credit asset classes as investors sought fixed-coupon, longer-duration assets due to the downward shift in the U.S. Treasury yield curve.[1]

Investor flight to quality drove dispersion in performance by credit quality throughout much of the second half of 2019, before the year culminated in a strong rally in risk assets. Within the Credit Suisse Leveraged Loan Index, higher rated loans returned 9.0% (upper tier) and 8.4% (middle tier), respectively, in 2019 versus 1.4% (lower tier) for lower rated loans. Similarly, in high yield, higher quality paper generally outperformed lower quality in 2019 with the upper and middle tiers within the Credit Suisse High Yield Index returning 15.0% and 14.3%, respectively, versus 9.4% for the lower tier.

A topical theme throughout fixed income during 2019 was the expectation for falling interest rates, with retail loan funds facing redemptions for much of the year while high yield and investment grade bond funds experienced strong inflows. Loan mutual funds and Exchange Traded Funds ("ETFs") reported $38 billion in net outflows in 2019 and more than $58 billion in net outflows since October 2018 when expectations for near-term rate hikes peaked. In our opinion, January's modest net inflows ($780 million) may be an early indication of this stabilisation, particularly when considered against average monthly outflows of $3.2 billion during 2019. Conversely, retail investor demand for high yield bonds was resilient throughout 2019. Net inflows totaled $19 billion as investors rotated into fixed-rate, longer-duration assets amid the declining rate environment.[2]

Primary loan issuance slowed in 2019 due to a decline in both M&A related financing and refinancing activity, coupled with an increase in bond-for-loan refinancings and secured high yield issuance. Gross issuance totaled $392 billion in 2019, a 44% decrease year-over-year, and net issuance totaled $192 billion, a 36% decrease year-over-year. High yield bond issuance, on the other hand, increased year-over-year with gross issuance totaling $287 billion, a 53% increase over 2018. Net issuance of $93 billion represented a 27% increase year-over-year. We believe the investor preference for fixed-rate, longer-duration assets led to a relatively high volume of senior secured notes issued in 2019, which otherwise may have taken the form of senior secured loans. Senior secured note issuance increased by over 140% in 2019 compared to 2018, and it represented a greater proportion of total high yield bond issuance than it did in the prior year.[3]

U.S. CLO gross issuance of $118 billion was healthy in 2019, down just 8% compared to record-breaking issuance in 2018.[4] Gross primary CLO issuance forecasts for 2020 were initially robust due to expectations of liability tightening. However, as a result of COVID-19 and the resulting volatility within the loan and CLO markets, these forecasts are being re-evaluated in light of a halt in primary issuance in the month of March and we have begun to see the gross annual issuance forecasts be reduced by approximately 40% in the US from $90-100 billion to $50-70 billion.

In 2019, 43 companies in the loan and high yield bond markets defaulted with debt totaling $51.5 billion, compared to 32 companies with debt totaling $43.1 billion in 2018, according to JP Morgan. Although total debt involved in defaults picked up almost 20% year-over-year, energy and metals/mining defaults accounted for over half of 2019's defaults/distressed activity by volume. The par-weighted loan last twelve months ("LTM") default rate at the end of 2019 was 1.64% versus the 20-year average of 3.0%, and the par-weighted high yield bond LTM default rate was 2.63% versus the 20-year average of 3.1%. We expect that default rates will increase in 2020 given the disruption caused by COVID-19.

Portfolio Update
The Company has been focused on returning capital to Shareholders through the realisation of all remaining assets, consistent with the Managed Wind-Down. During 2019, the Company liquidated $258.6 million notional and distributed $159.2 million to Shareholders through share repurchases.[5]

Portfolio Update (continued)
As at 31 December 2019, the top five investment exposures were[6]:

Investment	Manager	Original Rating	% of NAV
BNPIP 2014-1X D	BNP Paribas Asset Management	NR/NR	13.43%
BNPIP 2014-1X E	BNP Paribas Asset Management	NR/NR	12.25%

DORPK 2015-1X SUB	GSO / Blackstone Debt Funds Management LLC	NR/NR	10.47%
APID 2013-14A INC	Apidos Capital Management	NR/NR	0.72%
APID 2014-18A SUB	Apidos Capital Management	NR/NR	0.04%

Risk Management
The Company's portfolio of CLO investments has been managed to minimise default risk and potential loss through credit analysis performed by the Investment Manager's experienced credit research team. Achieving diversification has been part of the Company's investment objective, and each investment has been assessed with a view to provide diversification in terms of underlying assets, issuer, sector, and maturity profile.

At the EGM of the Shareholders of the US Dollar Shares convened on 17 December 2018, the investment objective of the Company was changed such that the Company will be managed with the intention of realising all remaining assets of the Company with a view to returning capital to the Shareholders in an orderly manner as part of the Managed Wind-Down.

The Managed Wind-Down is effected with a view to the Company realising all of its investments in a manner that achieves a balance between maximising the value from the Company's investments and making timely returns of capital to Shareholders.

The Company ceased to make any new investments except where necessary in the reasonable opinion of the Investment Manager in order to protect or enhance the value of any existing investments or to facilitate orderly disposals.

Any cash received by the Company as part of the realisation process prior to its distribution to Shareholders is held by the Company as cash on deposit and/or as cash equivalents. The Company does not undertake new borrowings other than for short-term purposes. The investment restrictions set out in the 2017 prospectus of the Company do not apply during the Managed Wind-Down, subject to the requirements of the Central Bank of Ireland (the "Central Bank"), the Companies Act, and the UK Listing Authority.

Please also refer to note 11 for a more fulsome description of the risk involved in an investment in the Company.

Events Post Balance Sheet Date
On 8 January 2020, along with five smaller holdings, the Company sold its holding in Dorchester Park CLO DAC 2015-1X SUB at a premium to its 31 December 2019 valuation, significantly reducing the number of CLO assets held by the Company.

In 2020, up to the date of signing of these financial statements, the following partial redemptions have occurred in relation to the US Dollar Shares:

Announcement Date	No. of Shares redeemed	Redemption Date	Redemption Amount US$	Price per Share	% of outstanding US Dollar Shares redeemed	% of issued US Dollar Shares outstanding
23/01/2020	25,519,504	31/01/2020	14,000,000	US$0.5486	62.846%	5.686%
Total	**25,519,504**		**14,000,000**			

In 2020, up to the date of signing of these financial statements, the following partial redemptions have occurred in relation to the Repurchase Pool Shares:

Announcement Date	No. of Shares redeemed	Redemption Date	Redemption Amount US$	Price per Share	% of outstanding Repurchase Pool Shares redeemed	% of issued Repurchase Pool Shares outstanding
23/01/2020	2,981,448	31/01/2020	1,350,000	US$0.4528	45.056%	2.517%
Total	**2,981,448**		**1,350,000**			

On 3 February 2020, the Company provided an update on the divestment of the portfolio, a directorate change, and a change in the portfolio advisor.

Events Post Balance Sheet Date (continued)
Since the Managed Wind-Down began until 21 April 2020, the Company had sold 46 positions in total, raising $160.2 million attributable to the US Dollar Shares, which was returned to US Dollar Shareholders through a series of seven compulsory redemptions. These assets have been sold, on average, at a premium to their latest month end valuation. Inclusive of the December 2018 dividend, these realisations have resulted in an effective realised gain to shareholders of approximately +1.6% above the December 2018 net asset value.

To reduce the Company's ongoing costs and bring the size of the Board in line with the nature, scale and complexity of the Company at this stage of the Managed Wind-Down, the Company announces that Adrian Waters and Edward D'Alelio have stepped down from the Board with effect from 31 January 2020. It is also anticipated that Nicholas Moss will step down from the Board on 30 April 2020 after the 2019 annual report and audited financial statements have been approved. Fergus Sheridan was appointed to Chair of the Audit Committee on 24 March 2020.

The Company's Investment Manager has also informed the Board that J. Richard Blewitt, the portfolio adviser for the Company, has resigned from GSO. All other members of the GSO Structured Credit Investment Committee and investment team remain unchanged.

The Investment Manager continues to carefully monitor the ongoing developments regarding COVID-19. Please refer to page 72 of the Annual Report and Audited Financial Statements for further details.

GSO / Blackstone Debt Funds Management LLC
21 April 2020

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES
The Company is a closed-ended limited liability investment company domiciled and incorporated under the laws of the Republic of Ireland with variable capital pursuant to the Irish Companies Act 2014. The Company was incorporated on 20 February 2006 under registration number 415764. The Company is authorised by the Central Bank of Ireland (the "Central Bank"), pursuant to Part 24 of the Companies Act 2014. The Company's US Dollar Shares have a listing on the Premium Segment of the Official List of the Financial Conduct Authority ("FCA") and are admitted to trading on the Main Market of the London Stock Exchange (the "LSE"). The Company's Repurchase Pool Shares are admitted to trading on the Specialist Fund Segment of the Main Market of the LSE.

At an EGM on 26 June 2013, a resolution was passed which provided that at the AGM to be held in the financial year 2022, the Board would propose a special resolution to the effect that the Company continue for a further ten years. However, on 17 December 2018, two EGMs of the Company were convened at which: (a) Shareholders holding US Dollar Shares approved changes to the investment objective and policy of the Company to facilitate and authorise the Board to instruct the Investment Manager to effect a Managed Wind-Down of the portfolio attributable to the US Dollar Shares; and (b) Shareholders of the Company approved amendments to the constitution of the Company to provide for the termination of the Company before 2022.

On 21 December 2018, it was announced that 33.463% of US Dollar Shareholders and 0.002% of Repurchase Pool Shareholders elected to roll their investment in the Company into an investment in BGLF C Shares. Please refer to note 1 for further details on the Managed Wind-Down of the Company.

INVESTMENT OBJECTIVE
From 17 December 2018
Further to the Shareholder resolution of the Company that was passed by Shareholders of US Dollar Shares on 17 December 2018, the investment objective of the Company is to realise all remaining assets of the Company with a view to returning capital to the Shareholders in an orderly manner. The assets that were subject to the Managed Wind-Down do not include the assets of the Company that are transferred as part of the BGLF Rollover Opportunity.

Prior to 17 December 2018
Prior to 17 December 2018, the investment objective of the Company was to produce attractive and stable returns with low volatility compared to equity markets by investing in a diversified portfolio of senior notes of CLOs collateralised by senior secured bank loans and equity and mezzanine tranches of CLOs. CLOs are debt securities backed by a diversified pool of underlying assets. The CLO uses the cash flows from this portfolio of assets to back the issuance of multiple classes of rated debt securities which, together with the Income Notes, are used to fund the purchase of the underlying assets.

INVESTMENT POLICY
From 17 December 2018
Further to the Shareholder resolution of the Company that was passed by Shareholders of US Dollar Shares on 17 December 2018, the investment policy of the Company is to effect the Managed Wind-Down with a view to the Company realising all of its investments in a manner that achieves a balance between maximising the value from the Company's investments and making timely returns of capital to the Shareholders. Any assets to which rollover elections relate were transferred in accordance with the provisions of the BGLF Rollover Opportunity, following which the Company may sell its remaining investments either to co-investors in the relevant asset or to third parties, but in all cases with the objective of achieving the best available price in a reasonable time scale.

The Company ceased to make any new investments except where necessary in the reasonable opinion of the Investment Manager in order to protect or enhance the value of any existing investments or to facilitate orderly disposals.

Any cash received by the Company as part of the realisation process prior to its distribution to Shareholders is held by the Company as cash on deposit and/or as cash equivalents. The Company does not undertake new borrowings other than for short-term purposes. The investment restrictions set out in the 2017 Prospectus of the Company do not apply during the Managed Wind-Down, subject to the requirements of the Central Bank, the Companies Act and the FCA.

The modification to the Company's investment policy is considered a material change to the investment policy, which has been approved by the FCA and required the consent of Shareholders in accordance with the Listing Rules and the requirements of the Central Bank.

INVESTMENT POLICY (continued)
Prior to 17 December 2018
Prior to 17 December 2018, the Company's investment policy was to achieve its investment objective through investment in cashflow CLO transactions, managed by portfolio managers with proven track records. It sought to achieve diversification across asset class, geography, manager, and maturity profile. Each CLO was collateralised by a diverse pool of fixed income assets, which may have included:

- senior secured bank loans;
- investment grade loans;
- project finance debt;
- asset-backed securities or other asset-backed obligations;
- mortgage-backed securities; and/or
- debt securities issued by other CLOs.

The Company may have also invested in other collective investment schemes for the purposes of gaining exposure to the types of CLO transactions described above, or otherwise to pursue the investment objective and policy of the Company. The Company sought to have minimal exposure to portfolios where the underlying assets comprised unsecured corporate bonds (investment grade or otherwise). The Company limited its investment in synthetic CLO transactions, at the time of investment, to 25% of the net asset value ("NAV"). It was intended that the Company's investments comprise equity and mezzanine tranches in actively managed portfolios, with a variety of portfolio managers. The Company may also have invested in senior tranches of leveraged loan CLOs where attractive opportunities could be identified. Such opportunities may have included investments in senior tranches of CLOs in respect of which the Collateral consisted of fee streams due to portfolio managers from underlying leveraged loan CLOs. The Company may have invested in new issue CLO transactions in the Primary Market and transactions in the Secondary Market where attractive opportunities could be identified.

REVIEW OF DEVELOPMENT OF THE BUSINESS AND FUTURE DEVELOPMENTS
A detailed review of the business and future developments of the Company is included in the Investment Manager's report.

RESULTS FOR THE FINANCIAL YEAR AND STATE OF AFFAIRS
The financial position and results for the financial year are set out in the statement of financial position and in the statement of comprehensive income.

Please refer to note 14 for details of distributions declared on the US Dollar Shares during the financial year ended 31 December 2019.

No dividends were declared in respect of the Repurchase Pool Shares. See note 7 for further details on the Repurchase Pool Shares.

TRANSACTIONS INVOLVING DIRECTORS
See note 5 and note 10 for details of transactions involving Directors**.**

MATERIAL CHANGES DURING THE YEAR
See note 15 for details of other material events occurring during the financial year.

EVENTS SINCE FINANCIAL YEAR END
See note 16 for details of material events occurring after the reporting date.

DIRECTORS
The names of the persons who were Directors at any time during the financial year are set out in the section entitled "Management and Administration". As at 31 December 2019, all five Directors are non-executive, each of whom, apart from Ed D'Alelio, are independent of the Investment Manager. No Director has a service contract with the Company. The Directors have each entered into a letter of engagement with the Company setting out the terms of their appointment, copies of which are available for review by the Shareholders.

DIRECTORS' AND COMPANY SECRETARY'S INTERESTS
Neither the Directors (including family interests) nor the Company Secretary have any shareholdings in the Company as at 31 December 2019.

MANAGEMENT ARRANGEMENTS
The management fees and other fees payable to the Investment Manager are disclosed in note 5. After due consideration of the investment experience, resources and reputation of the Investment Manager as a whole, it is the opinion of the Directors that the continuing appointment of the Investment Manager on the terms agreed is in the interest of Shareholders as a whole. The Investment Management Agreement may be terminated on six-months' notice by either party and may also be terminated by either party with immediate effect on the occurrence of certain events, including: (i) if an order has been made or an effective resolution passed for liquidation of the other party; (ii) if a receiver or similar officer has been appointed in respect of the other party or its assets or the other party becomes subject to an administration order; (iii) if the other party enters into an arrangement with its creditors, or any of them or the other party is or is deemed to be unable to pay its debts; (iv) if the other party ceases or threatens to cease to carry on its business or threatens to make any material alteration to the nature of its business as carried out on the date of the investment management agreement; or (v) if the other party commits a material breach of its obligations under the investment management agreement and such breach (if capable of being remedied) is not remedied within 28 days of receiving notice of the breach. The duration of the Investment Manager's appointment has not been fixed.

ACCOUNTING RECORDS
The Directors are responsible for ensuring that adequate accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the Company. To achieve this, the Directors have employed a service organisation, State Street Fund Services (Ireland) Limited (the "Administrator"). The accounting records are maintained at the Company's registered office at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

PRINCIPAL RISKS, UNCERTAINTIES, RISK MANAGEMENT OBJECTIVES AND POLICIES
At the EGM of the Shareholders of the US Dollar Shares convened on 17 December 2018, the investment objective of the Company was changed such that the Company will be managed with the intention of realising all remaining assets of the Company with a view to returning capital to the Shareholders in an orderly manner as part of the Managed Wind-Down.

Investment in the Company carries with it a degree of risk including, but not limited to, business risks and the risks associated with financial instruments. As at the financial year end, the primary business risk is the risk that the Company may not achieve the desired return on sale of the assets.

A summary of the primary risks relating to the Company are:

- In calculating its NAV, the Company may be required to rely on estimates of the value of securities in which the Company invests which are unaudited or subject to little verification or other due diligence.
- There are risks related to CLO securities, including leveraged credit risk, the potential for interruption and deferral of cash flow, asset/liability mismatch risk, currency risk, volatility risk, liquidity risk, reinvestment risk and risks associated with collateral.

- The success of the Company is significantly dependent on the expertise of the Investment Manager and the Investment Manager's ability to realise all of the Company's investments in a manner that achieves a balance between maximising the value from the Company's investments and making timely returns of capital to the Shareholders.
- Restrictions on withdrawal of capital means that Shareholders must be prepared to bear the risks of owning an interest in the shares for an extended period of time.
- The market price of the shares can fluctuate and there is no guarantee that the market prices of shares will reflect fully their underlying NAV.
- During the Managed Wind-Down, the concentration of the value of the portfolio in fewer holdings reduced diversification and the spread of risk (including Market Price Risk). Also as shares are repurchased, the fixed expenses of the Company are spread over a decreasing pool of assets. These factors may adversely affect the Company's performance.

The past performance of the Company is not necessarily indicative of, and cannot be relied upon as a guide to, the future performance of the Company.

See note 11 for further details on the risks associated with financial instruments.

COMPANY CORPORATE GOVERNANCE

Introduction
The Company is subject to and complies with Irish statute including the Companies Act 2014, with the Listing Rules of the FCA, and with the voluntary Corporate Governance Code for Collective Investments Schemes and Management Companies issued by the Irish Funds Industry Association in December 2011 (the "Irish Code").

The Listing Rules of the FCA requires the Company to apply the main principles of the UK Corporate Governance Code (the "UK Code") published by the Financial Reporting Council (the "FRC") in July 2018, and the Board is required to report to Shareholders on how it has done so.*

The Irish Code is a voluntary code that was issued by the Irish Funds Industry Association in December 2011 and was adopted by the Company in 2012. The Irish Code provides a framework for the organisation and operation of funds to ensure that funds operate efficiently and in the interests of Shareholders.**

The Board considers that the Company has complied with the main provisions contained in the Irish Code and the UK Code, (except as outlined in the sections entitled "Compliance with the UK Code" and "Compliance with the Irish Code") throughout this accounting period, and that it complies with corporate governance requirements in Ireland. The paragraphs below describe how the relevant principles of corporate governance are applied by the Company.

In the opinion of the Directors, the annual report and audited financial statements are fair, balanced and understandable and provide the information necessary for the Shareholders to assess the Company's performance, business model and strategy.

The Board
The Board currently consists of three non-executive Directors, each of whom, is independent of the Investment Manager. Werner Schwanberg is the Chairman of the Board (the "Chairman"). Adrian Waters and Edward D'Alelio resigned as Directors of the Company on 31 January 2020. The Board accepts collective responsibility for the decisions of the Board. The Board had four scheduled board meetings during the financial year ended 31 December 2019 (see the table below) and between these formal meetings, there was regular contact between the Board, the Investment Manager, the Company Secretary and the Company's brokers. The Directors are kept fully informed of investment and financial controls and other matters that are relevant to the business of the Company and should be brought to the attention of the Directors.

The Directors, where necessary in the furtherance of their duties, have access to independent professional advice at the expense of the Company.

The attendance record of Directors at the meetings for the financial year ended 31 December 2019 is set out below:

Meetings and attendances by Director	Formal Board Meetings	Ad Hoc Committee Meetings	Audit Committee	Remuneration Committee	Nomination Committee
Number of Meetings Held	**4**	**12**	**3**	**-**	**-**
Werner Schwanberg	4	7	N/A	N/A	N/A
Fergus Sheridan	4	11	3	-	-
Adrian Waters	4	6	3	N/A	-
Edward D'Alelio	4	1	N/A	-	-
Nicholas Moss	4	6	3	-	N/A

The Board has a breadth of experience relevant to the Company and the Directors believe that any changes to the Board's composition can be managed without undue disruption. With any new Director appointment to the Board, consideration will be given as to whether an induction process is appropriate and upon any such appointment the new Director would be available to meet Shareholders upon request. There is a robust process in place for ensuring the Board has the right information at the right time and in the right format to enable the Directors to make informed decisions. The Chairman sets the Board agenda, assisted by the Company Secretary. An annual board timetable is prepared by the Company Secretary to map out the flow of key report/items submitted to the Board and to ensure that sufficient time is allocated for discussions and material issues.

*The UK Code can be found at: https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf
**A copy of the Irish Code can be found at: http://www.irishfunds.ie/media-centre/news-archive/67-corporate-governance-code-and-faqs/faqs.

The Board (continued)
Directors may request any agenda items to be added that they consider appropriate for Board discussion. Additionally, each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion.

Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Company Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. The quorum necessary for the transaction of business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two.

The primary focus at Board meetings is a review of the overall business of the Company including investment policy, investment performance, risks affecting the Company (investment and other) and other matters (including, but not limited to, administration, corporate governance and compliance, marketing/investor relations, peer group information and industry issues). The Board evaluates Board composition and considers the tenure of each Director on an annual basis and believes that the mix of skills (including investment and accounting skills), experience, ages and length of service are appropriate to the requirements of the Company. The Board conducts an annual performance evaluation of the Board, its committees and individual Directors.

The evaluation of the Board considers, among other things, the balance of experience, skills, independence, knowledge and time commitments of the Board and how it works together as a unit. The Chairman leads a discussion among the Board through the use of a questionnaire, and the feedback from each Board member to the questions posed by the questionnaire are recorded in meeting minutes. In addition to this annual performance review of the Board, a formal review of the performance of the Board, the individual Directors and the Chairman is carried out every three financial years.

Directors' duties and responsibilities
The duties and responsibilities of the Directors cover the following areas:

- statutory obligations and public disclosure;
- strategic matters and financial reporting;
- oversight of management and personnel matters;
- risk assessment and management, including reporting, monitoring, governance and control; and

- other matters having a material effect on the Company.

Nomination/remuneration committees

The nomination committee was established during 2017 and is requested and authorised by the Board to lead the process for considering and selecting suitable candidates for appointment as Directors of the Company and make recommendations thereon to the Board, and also to review any matters relating to nominations for appointment as directors as may otherwise be requested by the Board from time to time. The Chairman of the nomination committee is Fergus Sheridan. Adrian Waters and Edward D'Alelio were the other members of the committee, until their resignation from the Board. There were no nomination committee meetings held in the financial year ended 31 December 2019 and 2018.

A remuneration committee was established on 6 April 2011. The Board has adopted a documented terms of reference in respect of the remuneration committee evidencing all delegated authorities given to its members. The Chairman of the remuneration committee was Edward D'Alelio, until his resignation from the Board. Nicholas Moss and Fergus Sheridan are the other members of the committee.

The functions of the remuneration committee are as follows:

1. responsibility for the preparation of recommendations to the Board regarding the remuneration of the members of the Board;
2. provide support and advice to the Board on determining an overall remuneration policy of the Company that is consistent with the objectives, values and interests of the Company and reflects comparable compensation levels of the peer universe for the Company;
3. oversee and review the implementation of the remuneration policy of the Company; and
4. perform any other activities as the Board deems necessary or appropriate.

Pricing committee

The Company's pricing policy was approved at the board meeting on 27 August 2013. This policy and its associated process replaced the previously defined process, which was undertaken by the pricing committee. The process is implemented by the Investment Manager, which reports to the Pricing Liaison Director and the Administrator on a monthly basis. Edward D'Alelio was appointed as Pricing Liaison Director at a board meeting on 24 April 2013. Following the resignation of Edward D'Alelio from the Board on 31 January 2020 as part of the managed wind down of the Company, the Investment Manager now provides the monthly pricing information to Fergus Sheridan and Werner Schwanberg.

Audit committee

The Audit committee comprised Adrian Waters, Fergus Sheridan and Nicholas Moss for the financial year ended 31 December 2019. Adrian Waters was no longer a member, following his resignation as Director of the Company on 31 January 2020. The Audit committee examines, amongst other things, the effectiveness of the internal systems, the annual report and audited financial statements and interim report of the Company, and aims to identify significant risks facing the Company. It also oversees the remuneration and engagement of KPMG (the "Auditor"), as well as the Auditor's independence and any non-audit services provided by them. See the Audit Committee's report for further details in relation to its role and responsibilities.

Internal controls

The Board is ultimately responsible for the system of internal controls for the Company, identifying significant risks facing the Company and oversight of the system of controls to mitigate them. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. The Audit committee assists the Board in discharging these responsibilities.

This process has been in place for the financial year under review and up to the date of approval of the annual report and audited financial statements and is reviewed by the Board and accords with the Irish Code and the UK Code. The Board has reviewed the effectiveness of the system of internal controls. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and the policies by which these risks are managed. The principal financial instrument risks are described in note 11.

The Board has also identified the following additional risks and uncertainties:

Principal risks	How is the risk managed?
Investment and portfolio	
Uncertainty of timing of repurchases and completion of the Managed Wind-Down Shareholders voted on 17 December 2018 for a Managed Wind-Down of the Company. The liquidity profile of the assets is such that Shareholders may have to wait a considerable period of time before receiving all of their distributions pursuant to the Managed Wind-Down. During that time, the concentration of the value of the portfolio in fewer holdings will reduce diversification and the spread of risk. Also as shares are repurchased the fixed expenses of the Company will be spread over a decreasing pool of assets. These factors may adversely affect the Company's performance.	US Dollar Shareholders expect that, under the terms of the Managed Wind-Down, the Board and the Investment Manager are committed to distributing as much of the available cash as soon as reasonably practicable having regard to cost efficiency and working capital requirements.
Market liquidity There is no guarantee that the Investment Manager will be able to realise all of the Company's investments in a manner that achieves a balance between maximising the value from the Company's investments and making timely returns of capital to the Shareholders.	The Investment Manager is constantly in touch with the market to identify potential selling opportunities. Because of the Investment Manager's position in the market, the Investment Manager has good visibility into potential opportunities.
Change in laws or regulation with impact on the portfolio Changes in the laws or regulations that govern CLOs, may have an adverse effect on the performance of the Company's investment portfolio and the returns achieved by the Company.	Changes in laws or regulation are monitored by the Board on an ongoing basis, with the assistance of external counsel.

Principal risks	How is the risk managed?
Investment and portfolio (continued)	
Counterparty default risk The Company's main counterparty risk arises from trades, including physical securities, made by the Investment Manager. If a counterparty were to default there may be adverse impacts to the Company's performance.	The Investment Manager for the most part trades via DTC or Euroclear, which, on the whole, limits counterparty risk. A small part of the portfolio includes physical securities. Physical securities are delivered against payment thus mitigating counterparty risk.
Other	
Regulatory, legal and compliance risk The Company may not achieve full compliance with all applicable legislation leading to regulatory, reputational or financial consequences. Further a service provider	The Board monitors compliance information provided by its service providers and monitors ongoing legal and regulatory developments in Ireland and the UK, as

may experience a regulatory, legal or compliance breach that could impact the Company.	well as developments coming from the FCA. The Company has a comprehensive compliance monitoring programme to seek to ensure full compliance with applicable legislation and regulation relevant to the Company.
Operational risk Inadequate or failed internal processes of the Company or the Company's service providers, people, and systems, or from external causes (deliberate, accidental or natural). This may result in direct financial losses or reputational damages leading to longer-term financial consequences.	The Board regularly monitors the performance of service providers' compliance and the Company's compliance with applicable legal and regulatory requirements from the Central Bank and the FCA. As discussed in the section "Regulatory, legal and compliance risk", the Company has a comprehensive compliance monitoring programme to seek to ensure full compliance with applicable legislation and regulation relevant to the Company.
Reputational risk There is a risk that as a result of inadequate or failed internal processes of the Company or the Company's service providers, and systems, or from external causes (deliberate, accidental or natural), the Company's regulators may issue financial or non-financial penalties or fines that could irrevocably harm the Company's reputation.	As discussed in the section "Regulatory, legal and compliance risk", the Company has a comprehensive compliance monitoring programme to seek to ensure full compliance with applicable legislation and regulation relevant to the Company.
Additionally, negative press on the Company, its Directors or service providers may negatively impact the Company.	The Company and its service providers regularly monitor press mentions and will take appropriate action as required to respond to or otherwise address negative press.
Conflicts of interest The Company and its service providers may have conflicts of interest that arise from time to time. In particular, connected party transactions by the service providers may create a potential conflict of interest that is adverse to interests of the Company or its investors.	The Board has implemented a Connected Party Transaction Policy that is annually reviewed and approved. Under the policy, the Board must satisfy itself semi-annually that the arrangements concerning connected party transactions are appropriate and complied with, and that any connected party transactions entered into during the period comply with the Connected Party Transaction Policy.
Cybersecurity risk The Company and its service providers may have inadequate systems, policies and procedures in place to detect and prevent or respond adequately to cybersecurity threats and breaches that may result in financial and reputational implications for the Company.	The Board has a cybersecurity policy that is reviewed and approved at least annually. On a quarterly basis, the Board receives confirmation from the service providers that there have been no cybersecurity breaches as part of the service provider reports to the Board. Annually, the Board conducts due diligence on each service provider to ascertain the adequacy of the service provider's cybersecurity programme. The Board also monitors ongoing cybersecurity developments in Europe and the US.

Delegated activities

As there is delegation of daily operational activity, described below, the Company has no direct internal audit function. The Board receives regular reporting from the service providers to the Company and conducts an annual review of the service providers. The internal control systems seek to keep the Company within its risk appetite.

The Board has delegated the responsibility for (i) management of the Company's investment portfolio, (ii) provision of custody services and (iii) administration, registrar and corporate secretarial functions of the Company including independent calculation of the NAV and production of the annual report and financial statements, which are independently audited. Whilst the Board delegates responsibility, it retains accountability for the functions it delegates and is responsible for the systems of internal control. Formal contractual agreements have been put in place between the Company and providers of these services. Compliance reports are provided on a quarterly basis by the Administrator, the Custodian and the Investment Manager.

Corporate responsibility

The Company's business is concerned with investment. It considers the ongoing concerns of its Shareholders by open and regular dialogue with and through the appointed Investment Manager and the Company's brokers.

The Company does not have any employees.

Going concern statement

Resolutions passed by Shareholders of the Company at the EGMs on 17 December 2018 approved the division of the Company's assets and liabilities attributable to each class of Shareholder into a new asset pool, the rollover class pool, reflecting elections by holders to receive shares to be issued by BGLF pursuant to the BGLF Rollover Opportunity as described in the Chairman's report. Following the transfer of the relevant assets to BGLF, the Company's remaining assets, which are held in pools attributable to the remaining US Dollar Shares and Repurchase Pool Shares are to be sold as realisation opportunities arise. Any cash generated will be returned to the relevant Shareholders by means of a redemption of Shares, from time to time. In the context of the realisation strategy, which is expected to lead to the termination of the Company, the Directors do not consider it appropriate to apply the going concern basis to the statement of financial position as at 31 December 2019 and 2018, which have therefore been prepared on a non-going concern basis.

Viability statement

The Directors have conducted an assessment of the principal risks and uncertainties facing the Company in the context of the proposed realisation and distribution of the Company's assets and its subsequent termination as detailed in note 1. The Directors have also considered the Company's policy for monitoring and managing the Company's exposure to such risks and uncertainties. The Directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due, based on the Company's policy of retaining sufficient cash when determining the amounts to be distributed to Shareholders as the Company's investments are realised. However, in view of the intention to terminate the Company when the assets have been substantially realised, which is likely to occur within the next 12 months, it is not appropriate for the Directors to make a statement about the prospects of the Company in respect of the next 12 months (or for any other period) as envisaged by Provision 31 of the UK Code and paragraph 9.8.6 (3) of the FCA's Listing Rules.

Relations with Shareholders

The Investment Manager and the Company's brokers maintain a regular dialogue with Shareholders, the feedback from which is reported to the Board. In addition, Board members are available to respond to Shareholders' questions at the AGM and on an ad hoc basis if necessary.

In each financial year, the Company shall hold a general meeting of the Company as its AGM in Ireland. At least twenty-one days' notice (excluding the day of mailing and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting, the business to be transacted at the meeting and that a proxy may attend and vote on behalf of any Shareholder.

The requirements for quorum and majorities at all general meetings are set out in the articles of association of the Company (the "Articles of Association"). An ordinary resolution is a resolution passed by a simple majority of the votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast.

Relations with Shareholders (continued)

The Articles of Association provide that matters may be determined at a meeting of Shareholders on a show of hands unless a poll is requested by five Shareholders or Shareholders holding 10% or more of the shares or unless the Chairman of the meeting requests a poll. Subject to disenfranchisement by law in the event of noncompliance with any notice requiring disclosure of the beneficial ownership of shares, the Articles of Association provide that each share gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll, and each Shareholder present at a meeting has one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by show of hands. If there are multiple share classes in existence, all shares of each class have equal voting rights, except that in matters affecting only a particular class, only shares of that class shall be entitled to vote.

The Board monitors the trading activity and Shareholder profile on a regular basis. Shareholder sentiment is also ascertained by the careful monitoring of the discount/premium at which the shares trade in the market against the NAV per share when compared to the discounts/premiums experienced by the Company's peer group.

The Company reports formally to Shareholders twice each financial year and a proxy voting card is sent to Shareholders with the annual report and audited financial statements. Additionally, the Investment Manager's monthly reports are available to Shareholders through the Company's website. The Regulatory News Service of the LSE assist in keeping Shareholders informed.

Computershare Investor Services (Ireland) Limited (the "Registrar") monitors the voting of Shareholders, and proxy voting is taken into consideration when votes are cast at the AGM. Shareholders may contact the Directors via the Company Secretary.

Compliance with the UK Code

Throughout the financial year ended 31 December 2019, the Company has complied with the UK Code, with the following exceptions:

Provision 12 - The Board has considered whether a Senior Independent Director should be appointed. In light of the fact that all Directors are non-executive and given the size and complexity of the Company, the Board has determined that this appointment is not necessary.

As outlined above, the Board considers that the appointment of a Senior Independent Director is not necessary given the size and complexity of the Company. However, in accordance with the Irish Code, the Board carries out an appraisal of the performance of the overall Board and of each Director (including the Chairman) on an annual basis, with a formal documented evaluation of the overall Board and of each Director (including the Chairman) taking place every three financial years. The Board considers that this appraisal process is appropriate for the Company.

Principle G - This Principle is not fully complied with as it calls for a balance of executive and non-executive Directors and the Company only has non-executive Directors. However, the Directors have a broad range of experience and given the nature of the Company's activity and outsourcing of executive functions and that the majority of Directors are deemed to be independent under the UK Code, it is not considered necessary to appoint executive Directors.

Provision 10 - While some Directors have served on the Board for more than nine years from the date of their first election, the Board considers these Directors to be independent because none of such Directors:

- Have been an employee of the Company or Group within the last five years;
- Have had within the last three years, a material business relationship with the Company either directly, or as a partner, Shareholder, Director or senior employee of a body that has such a relationship with the Company;
- Received or receives additional remuneration from the Company apart from a Director's fee, participates in the Company's share option or a performance related pay scheme, or is a member of the Company's pension scheme;
- Have close family ties with any of the Company's advisers or Directors;
- Hold cross-directorships or have significant links with other Directors through involvement in other companies or bodies; or
- Represent a significant Shareholder.

Further, the Board considers such Directors discharge their director duties in an independent manner.

Provision 39 - This provision is complied with save that, all of the Directors are appointed pursuant to letters of appointment for a term which expires when the Director is (i) removed or vacates office; (ii) resigns, or (iii) terminates his appointment. A Director's appointment may be terminated in accordance with the Company's Articles of Association without compensation.

Compliance with the UK Code (continued)

Provision 23 - Whilst the Company does not have a formal diversity policy in place, diversity, including gender diversity, is considered by the Company in the evaluation of the Board and its performance, and will be taken into account in making any future Board appointments. As the Company is in wind-down, the Board has determined that a formal diversity policy is not required at this time.

Provision 26 - Since the Company does not have any employees, the Company does not have an internal audit function. The Audit Committee annually considers whether an internal audit function is needed and makes a recommendation to the Board. The Board considers that an internal audit function is not necessary, given the size and complexity of the Company, and the use of an external auditor.

Principle D - Since the Company does not have any employees, it is the management team of the Investment Manager who has most regular contact with Shareholders on behalf of the Board. Comments received from such Shareholders are fed back to the Board both from the Investment Manager and the Company's brokers. All Directors are available to attend the AGM, and are available to communicate with Shareholders.

Compliance with the Irish Code

The Company adopted the Irish Code with effect from 31 December 2012, and has complied with the Irish Code with the following exception:

Paragraph 4.2 - This provision is not fully complied with as it recommends that at least one Director be an employee, partner or director of the promoter or Investment Manager. However, the Directors have a broad range of experience and it is considered that there is a good balance of skills and expertise on the Board. In addition, the Directors are satisfied with the support and reporting provided by the Investment Manager on an ongoing basis such that it is not considered necessary to have a representative of the Investment Manager on the Board.

Additional corporate governance disclosures under Irish Company Law

The Board is ultimately responsible for overseeing the establishment and maintenance of adequate internal control and risk management systems of the Company in relation to the financial reporting process. As the Company has no employees and all Directors serve in a non-executive capacity, all functions including the preparation of the financial statements have been outsourced. The Company has appointed State Street Fund Services (Ireland) Limited as its administrator consistent with the regulatory framework applicable to investment fund companies. The Administrator has functional responsibility for the preparation of the interim and annual financial statements and the maintenance of the accounting records. On appointing the Administrator, the Board noted that it was regulated by the Central Bank and, in the Board's opinion, had significant experience as an administrator. The Board also noted the independence of the Administrator from the Company's Investment Manager.

Subject to the supervision of the Board, the appointment of the Administrator is intended to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board and Audit Committee evaluates and discusses significant accounting and reporting issues as the need arises. The Board and Audit Committee review the financial statements prior to their approval, though it should be noted that such review does not include verification of information in the financial statements to source documents. The annual financial statements are subject to an independent audit.

Internal control and risk management systems in relation to financial reporting

The Administrator prepares the Company's financial statements and uses various internal controls and checklists to ensure the financial statements include complete and appropriate disclosures required under IFRS as adopted by the European Union and relevant legislation.

During the financial period of the financial statements, the Board is responsible for the review and approval of the annual financial statements as set out in the Statement of Directors' Responsibilities. The Board and the Audit Committee evaluate and discuss significant accounting and reporting issues as the need arises.

Capital structure
As at 21 April 2020, so far as the Directors are aware, no person other than those listed below, had an interest, directly or indirectly, in 5% or more of the issued share capital of the Company.

Capital structure (continued)

US Dollar Shares:

Name	Number of US Dollar Shares	% of Issued Share Capital US Dollar Shares
CGWL Nominees Limited	973,127	6.45
Credit Suisse Nominees (Ireland) Limited	1,028,873	6.82
HSBC Global Custody Nominee (UK) Limited	901,649	5.98
Merrill Lynch Pierce Fenner & Smith Incorporated	1,776,156	11.77
Nortrust Nominees Limited	1,293,062	8.57
Securities Services Nominees Limited	1,403,384	9.30
The Bank of New York (Nominees) Limited	938,626	6.22
Vidacos Nominees Limited	1,308,508	8.67

Repurchase Pool Shares:

Name	Number of Repurchase Pool Shares	% of Issued Share Capital Repurchase Pool Shares
BBHISL Nominees Limited	451,522	12.42
Euroclear Nominees Limited	188,774	5.19
Securities Services Nominees Limited	885,140	24.35
The Bank of New York (Nominees) Limited	386,471	10.63
The Bank of New York (Nominees) Limited	1,345,538	37.01

Only holders of US Dollar Shares participate in dividends. As disclosed in the 2018 Circular, the Board do not intend to declare any dividends during the wind-down period, therefore no further dividends have been paid in respect of any shares after the payment of the dividend in respect of the quarter ended 31 December 2018.

Appointment and replacement of Directors
With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies Act 2014, and the Listing Rules of the FCA as applicable to investment funds. The Articles of Association themselves may be amended by special resolution of the Shareholders.

Powers of the Directors
The Directors are responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day-to-day administration of the Company to the Administrator and the investment management function to the Investment Manager.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager. However, the amount and circumstances in which the Company may borrow are limited by the limitations set out in the Prospectus.

The Directors may at any time, and from time to time, temporarily suspend the calculation of the NAV and the issue and conversion of shares during:
- any period when any of the principal markets or stock exchanges on which a substantial part of the investments are quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial part of the investments is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if, in the opinion of the Directors, the NAV cannot be fairly calculated; and
- any breakdown in the means of communication normally employed in determining the value of the investments or when for any reason the current prices on any market of a substantial part of the investments cannot be promptly and accurately ascertained.

Any suspension of the calculation of the NAV of the US Dollar Shares or of the Repurchase Pool Shares shall be notified immediately to the Central Bank. All reasonable steps will be taken to bring the period of suspension to an end as soon as possible. Where such a suspension of the NAV is likely to continue for a period exceeding ten business days, it will be notified by the Company by announcement through a Regulatory Information Service. The Directors may decline to accept any application for the issue of shares and may cease to offer shares in the Company for allotment or subscription for a definite period or otherwise.

RESPONSIBILITY STATEMENT
The Directors are responsible for preparing the Directors' Report and the Company's audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and in accordance with the provisions of the Companies Act 2014.

Section 289 of the Companies Act 2014 provides that the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Company for that financial year.

In preparing the financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements comply with IFRS as adopted by the European Union and in accordance with the Companies Act 2014;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or cease operations or have no realistic alternative but to do so. As explained in note 2, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

Under applicable law and the requirements of the Irish Code and the Listing Rules issued by the FCA, the Directors are also responsible for preparing a Directors' report and reports relating to Directors' remuneration and corporate governance that comply with that law and those rules. In particular, in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, as amended (the "Transparency Regulations"), the Directors are required to include in their report a fair review of the business and a description of the principal risks and uncertainties facing the Company and a responsibility statement relating to these and other matters, included below.

The Directors are responsible for keeping adequate accounting records which correctly record and explain the transactions of the Company, and which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company, and which enable them to ensure that the financial statements of the Company are prepared in accordance with IFRS as adopted by the EU, and comply with the Companies Act 2014, and enable the financial statements to be audited. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for safeguarding the assets of the

Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website www.carador.co.uk. Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

Responsibility Statement, as required by the Transparency Regulations and UK Corporate Governance Code
Each of the Directors, whose names and functions are listed under "The Board" under "Company Corporate Governance" above, confirm that, to the best of that Director's knowledge and belief that:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, and applied in accordance with the provisions of the Companies Act 2014, give a true and fair view of the assets, liabilities, financial position of the Company as at 31 December 2019, and its profit or loss for the financial year then ended;
- the Directors' report contained in the annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties it faces; and
- the annual report and audited financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

CONNECTED PARTY TRANSACTIONS
The Central Bank Non-UCITS Notices, NU 2.10 - 'Dealings by promoter, manager, partner, trustee, investment adviser and group companies' states in paragraph one that any transaction carried out with a collective investment scheme by a promoter, manager, partner, trustee, investment adviser and/or associated or group companies of these ("connected parties") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the Shareholders.

The Directors are satisfied that there are arrangements in place, to ensure that the obligations set out in paragraph one of NU 2.10 are applied to all transactions with connected parties; and the Directors are satisfied that transactions with connected parties entered into during the period complied with the obligations set out in paragraph one of NU 2.10.

COMPLIANCE WITH ALTERNATIVE INVESTMENT FUND MANAGERS REGULATIONS
Under AIFMD, the Company is required to make certain disclosures on an annual basis. An analysis of realised gains/(losses) and the movement on unrealised gains/(losses) is provided in note 4. All other AIFMD disclosures, including on leverage and remuneration, are disclosed by way of annual Article 22 and Article 23 reports. As with the financial year ending 31 December 2018, these reports will be posted to the Company's website by 30 June 2020.

AUDITORS
The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditor is unaware.

KPMG, Chartered Accountants, were appointed statutory auditor on 10 December 2010 and have been re-appointed annually since that date, and pursuant to Section 383(2) of the Companies Act 2014, will continue in office.

On behalf of the Board of Directors:

Fergus Sheridan **Werner Schwanberg**
21 April 2020

AUDIT COMMITTEE REPORT

Dear Shareholders,

I am pleased to report to you on the activities of the Audit Committee for the financial year ended 31 December 2019.

ROLE OF THE AUDIT COMMITTEE
The Board has established a terms of reference in respect of the composition of the Audit Committee, its role, responsibilities, authority and evidence of the delegated authorities given to its members (the "Terms of Reference"). The Company applies the revised UK Code as introduced by the FRC in July 2018 which relate to financial years commencing on or after 1 January 2019.

The Audit Committee's main roles and responsibilities include, but are not limited to, the following:

- monitoring the financial reporting process of the Company, the integrity of the financial statements and any formal announcements relating to the Company's financial performance;
- assessing any significant financial reporting judgements;
- reviewing and monitoring the effectiveness of the Company's risk management and internal control arrangements;
- monitoring the statutory audit of the annual accounts of the Company and its effectiveness;
- reviewing the external auditor's performance, independence and objectivity;
- making recommendations to the Board in relation to the appointment, re-appointment and/or removal of the external auditor, the approval of the external auditor's remuneration and the terms of the engagement;
- implementing policies surrounding the engagement of the external auditor to supply non-audit services (where appropriate);
- contributing to a climate of discipline and control which is aimed at reducing the opportunity for fraud;
- reporting to the Board on how it has discharged its responsibilities; and
- considering the long term viability statement.

In regard to the above responsibilities, I confirm, on behalf of the Audit Committee (the "Committee"), that, to the best of our knowledge and belief, the Committee fulfilled its responsibilities in line with our Terms of Reference and in accordance with the UK Code.

DELEGATION OF DUTIES
The Company has no employees as all functions, including preparation of the financial statements, have been outsourced to various service providers. The daily operational activities have been outsourced to GSO/Blackstone Debt Funds Management LLC (the "Investment Manager"), the Administrator, State Street Custodial Services (Ireland) Limited (the "Custodian"), the Registrar and Company Secretary (together, the "outsourced service providers").

MEMBERSHIP OF THE COMMITTEE
The Committee was established on 17 April 2007 and now consists of Nicholas Moss, and myself, Fergus Sheridan, as chairman.

All the members of the Committee are considered to be independent non-executive directors and the Committee has concluded that its membership meets the requirements of Provision 24 of the UK Code. Each Committee member is expected to be financially literate and to have knowledge of the following key areas:
1. financial reporting principles and accounting standards;
2. the regulatory framework within which the Company operates;
3. the Company's internal control and risk management environment; and
4. factors impacting the Company's Financial Statements.

As a Committee, we meet at least three times a financial year. Personnel from the Company's outsourced service providers along with representatives of the Company's external auditor, KPMG, attend the Committee meetings when appropriate.

In his role as a member of the Committee, each member is available to discuss any particular matter with his fellow Board members and, in addition, the Committee has the opportunity to meet with KPMG without the presence of outsourced service providers. In order to ensure that all Directors are kept up to date and informed of the Committee's work, I provide a verbal report to the Board at Board meetings on key matters discussed at the Committee meetings. In addition, the minutes of all Committee meetings are available to the Board.

HOW THE AUDIT COMMITTEE HAS DISCHARGED ITS RESPONSIBILITIES

In the financial year under review, the Audit Committee has met three times, attendance at which is set out in the Directors' report. The Committee meetings focused on the following key areas:

Monitoring the integrity of the financial statements including significant judgements

- The Committee reviewed the appropriateness of the Company's accounting principles and policies, and monitors changes to, and compliance with, accounting standards on an ongoing basis;
- Prior to recommending their publication to the Board, the Committee reviewed the Unaudited Condensed Interim Financial Statements ("Unaudited Interim Report") for the six month period ended 30 June 2019, having previously discussed the Unaudited Interim Report with the outsourced service providers and KPMG. The Committee compared the results with management accounts and budgets, focusing on key areas of judgements; and
- The Committee reviewed, prior to making any recommendations to the Board, the annual report and audited financial statements ("Annual Report") for the financial year ended 31 December 2019. In undertaking this review, the Committee discussed with outsourced service providers and KPMG the critical accounting policies and judgements that have been applied.

KPMG reported to the Committee on any misstatements that they had found during the course of their work and confirmed that under ISAs (Ireland), no material misstatements were identified.

The Committee considered the requirements of the UK Code, in line with best practice reporting. The Committee specifically reviewed the annual report and audited financial statements to conclude whether the financial reporting is fair, balanced, understandable, comprehensive and consistent with (i) prior year reporting; and (ii) how the Board assesses the performance of the Company's business during the financial year, as required for companies with a Premium Listing under the UK Code. As part of this review, the Committee considered if the annual report and audited financial statements provided the information necessary to Shareholders to assess the Company's performance, strategy and business model and reviewed the description of the Company's key performance indicators.

The Committee presented its conclusions to the Board and the Board concluded that it considered the annual report and audited financial statements, taken as a whole, to be fair, balanced and understandable and provides the information necessary for the Shareholders to assess the Company's performance, business model and strategy.

SIGNIFICANT ACCOUNTING MATTERS

During the financial year, the Committee considered key accounting issues, matters and judgements regarding the Company's financial statements and disclosures including those relating to:

Assessment of going concern and IAS 1 *Presentation of Financial Statements* ("IAS 1")

The Company assessed IAS 1.25 in respect of the decision to complete a Managed Wind-Down of the Company. IAS 1.25 requires management to make an assessment of the Company's ability to continue as a going concern. The Directors do not consider it appropriate to apply the going concern basis to the financial statements and the financial statements are therefore prepared on a non-going concern basis, in line with prior year. The Directors believe there is no substantial difference between the going concern basis and the non-going concern basis as the main assets and liabilities are financial assets and liabilities and are shown at fair value.

Please refer to the Going concern statement included in the Directors' Report and Note 2C for further details.

Valuation of Financial Assets at Fair Value through Profit or Loss

Valuation of financial assets is considered a significant matter and is monitored by the Investment Manager, the Administrator, the Custodian, the Committee and the Board. The Committee receives and reviews reports on the processes for the valuation of assets on a regular basis. The Committee may propose or recommend changes based on their review of the reports for their consideration, including the adequacy of the relevant disclosures in the financial statements. The Committee discussed the valuation process and methodology with the Investment Manager in August 2019 as part of the review of the Interim Report. The Investment Manager carries out a monthly valuation and provides a detailed valuation report to the Company. The Committee met with the external auditor at the time at which the Committee reviewed and agreed the external auditor's audit plan in January 2020 and, in particular, discussed the audit approach on the valuation. Following discussion, the Committee were satisfied that the judgements made and methodologies applied were objective and appropriate and that the appropriate accounting treatment has been adopted. KPMG report to the Committee on their assessment of the Company's valuation methodologies and procedures applied and being fairly stated consistently each financial year. See further details outlined in notes 2, 4 and 11 of the financial statements.

SIGNIFICANT ACCOUNTING MATTERS (continued)

Fair Value Hierarchy Levelling Assessment

The Directors, in conjunction with the Investment Manager, determine the fair value of CLO investments using independent, unadjusted indicative broker quotes. The categorisation of the CLO investments in the fair value hierarchy is dependent on whether or not the broker quotes reflect actual current market transactions, or if they are indicative prices based on the brokers' valuation models, depending on the significance and observability of the inputs to the model. For CLOs to be categorised as Level 2, fair value must be determined using observable inputs. If the valuation cannot be verified as being based significantly on observable inputs, then the investments would fall into Level 3. The Directors, in conjunction with the Investment Manager, assessed what was "observable" in the market for the measurement of CLO Mezzanine Note and CLO Income Note valuations as at 31 December 2019. Given the generally low volume of trading of CLO Mezzanine and Income Notes, it was concluded that there was limited market colour available at or around the measurement date. Therefore, all investments were categorised as Level 3 as at 31 December 2019.

Assessment of Risks and Uncertainties

The risks associated with the Company's financial instruments, as disclosed in the financial statements, particularly in note 11, represent a key accounting disclosure. The Committee critically reviews, on the basis of input from the outsourced service providers, the process of ongoing identification and measurement of these risk disclosures.

Other Matters

Prior to preparation of the 2019 Annual Report and the financial year end audit, the Committee considered the effect of any key new reporting requirements impacting the Company. During the financial year, the Committee received communications from the outsourced service providers and from KPMG on other accounting matters including tax, audit fees, anti-money laundering procedures, as well as a representation letter and Unaudited Interim Report.

The Directors continue to carefully monitor the ongoing developments regarding COVID-19. Please refer to page 72 of the Annual Report and Audited Financial Statements for further details.

TERMINATION OF THE COMPANY

On 28 August 2018, following a strategic review, the Board determined to offer Shareholders the opportunity to vote on an orderly wind up of the Company alongside the BGLF Rollover Opportunity for those who wished to retain an investment in the CLOs asset class. BGLF is an investment fund that invests in floating rate senior secured loans directly and indirectly through CLO securities. BGLF's portfolio advisor is an affiliate of the Investment Manager.

On 17 December 2018, two EGMs of the Company were convened at which: (a) Shareholders holding US Dollar Shares approved changes to the investment objective and policy of the Company to facilitate and authorise the Board to instruct the Investment Manager to effect a Managed Wind-Down of the portfolio attributable to the US Dollar Shares; and (b) Shareholders of the Company approved amendments to the constitution of the Company to provide for the termination of the Company before 2022.

On 21 December 2018, it was announced that 33.463% of US Dollar Shareholders and 0.002% of Repurchase Pool Shareholders elected to roll their investment in the Company into an investment in BGLF C Shares.

On 7 January 2019, 133,450,591 US Dollar Shares and 488 Repurchase Pool Shares were converted into 133,451,107 Rollover Shares. Following this, BGLF allotted and admitted to trading on the Specialist Fund Segment of the Main Market of the LSE one new C share for each Rollover Share in consideration of the transfer of Rollover assets from the Company to BGLF. The listing of the BGLF C Shares was effective as and from 7 January 2019.

Throughout 2019, the Investment Manager has focused on realising the remaining assets in the portfolio resulting in the Company returning capital to shareholders through multiple share repurchases throughout 2019. The termination of the Company is expected to occur when the remaining assets have being substantially realised. Please refer to note 1 for further details on the Managed Wind-Down of the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board as a whole is responsible for the Company's system of internal control; however, the Committee assists the Board in meeting its obligations in this regard. The daily operational activities of the Company were delegated to the outsourced service providers and, as a result, the Company has no direct internal audit function and instead places reliance on the external and internal audit controls applicable to the outsourced service providers as regulated entities. However, the Committee receives confirmations from the outsourced service providers that no material issues have arisen in respect of the system of internal controls and risk management operated within the Company's outsourced service providers. The Committee confirms that this is an ongoing process in order to manage the significant risks faced by the Company. The Committee deem that, to date, there are no significant issues in this area which need to be brought to Shareholders' attention.

EXTERNAL AUDIT

It is the responsibility of the Committee to monitor the performance, independence, objectivity and re-appointment of KPMG. In January 2020, the Committee met with KPMG who presented their Audit Strategy and Plan for the financial year; the Committee agreed the audit plan for the financial year, highlighting the key financial statement and audit risks, to seek to ensure that the audit was appropriately focused.

KPMG attends Committee meetings throughout the financial year, as appropriate, which allows the opportunity to discuss any matters the auditor may wish to raise without the Investment Manager or other outsourced service providers being present. KPMG provides feedback at each Committee meeting on topics such as the key accounting matters, mandatory communications and the control environment.

KPMG was formally appointed as the Company's auditor for the 2010 financial year end audit following a competitive tender process during 2010. The lead audit partner is rotated every five financial years to ensure continued independence and objectivity.

The Committee continues to be satisfied with the performance of KPMG. It has therefore recommended to the Board that KPMG, in accordance with agreed terms of engagement and remuneration, should continue as the Company's auditor at the forthcoming AGM.

In advance of the commencement of the annual audit, the Committee reviewed a statement provided by KPMG confirming their independence within the meaning of the regulations and professional standards. In addition, in order to satisfy itself as to KPMG's independence, the Committee undertook a review of the auditor compensation and the balance between audit and non-audit fees.

It is also the responsibility of the Committee to approve the guidelines for using the external auditors for non-audit work, and to annually assess the work done to ensure that the independence of the external auditors is maintained and to ensure appropriate disclosures of these services are included in the annual report. The Committee is the first point of call for discussion with the auditor when required. Annually, the Committee reviews the schedule of audit and non-audit fees of the auditor with particular regard to the auditors' independence and objectivity. The Committee has agreed the types of permitted and non-permitted non-audit services and those which require explicit pre-approval. During the financial year, the value of non-audit services provided by KPMG amounted to US$84,343 plus VAT (2018: US$135,767 plus VAT). Whilst non-audit services as a proportion of audit services amount to approximately 47.00% (2018: 43.30%), the overall quantum of non-audit services is not considered to be material. See note 5 for further details.

On 17 June 2016, new EU rules, Statutory Instrument No.312 of 2016, on statutory audit became applicable. The new rules established a list of non-audit services that could not be provided by the statutory auditor and imposed limitations on the fees charged for non-audit services. In addition to the review for ensuring compliance with the new EU rules, the Audit Committee performed an assessment of any threats to independence and the safeguards in place to mitigate such threats before providing approval for the provision of any non-audit services. The audit committee is satisfied with the charge for non audit services during the financial year in proportion to audit fees.

COMMITTEE EFFECTIVENESS

The effectiveness of the Committee is reviewed on an annual basis by both the Board and the Committee itself. Following such reviews, I am pleased to advise that the Committee is considered to continue to operate effectively and efficiently. A member of the Committee will be available to Shareholders at the forthcoming AGM of the Company to answer any questions relating to the role of the Committee.

Yours sincerely

Fergus Sheridan
On behalf of the Audit Committee
21 April 2020

STATEMENT OF CUSTODIAN'S RESPONSIBILITIES AND CUSTODIAN'S REPORT TO THE SHAREHOLDERS

We have enquired into the conduct of Carador Income Fund plc (the "Company") for the financial year ended 31 December 2019, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the Shareholders in the Company as a body, in accordance with the Central Bank's Non - UCITS Notice 7, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

RESPONSIBILITIES OF THE CUSTODIAN

Our duties and responsibilities are outlined in the Central Bank's Non - UCITS Notice 7. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the Shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the Non - UCITS Notices. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

BASIS OF CUSTODIAN OPINION

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Non - UCITS Notice 7 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Company's Memorandum and Articles of Association and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

OPINION

In our opinion, the Company has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the Central Bank under the powers granted to it by Part 24 of the Companies Act, 2014; and

(ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association, Part 24 of the Companies Act, 2014.

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

21 April 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Carador Income Fund PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Carador Income Fund plc ('the Company') for the year ended 31 December 2019, which comprise the statement of financial position, the statement of comprehensive income, the statement of changes in net assets attributable to participating holders of shares, the statement of cash flows and the related notes, including the accounting policies in note 2. These financial statements have not been prepared on the going concern basis for the reason set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU").

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its decrease in net assets attributable to participating holders of shares for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the shareholders on 10 December 2010. The period of total uninterrupted engagement is for the 10 financial years ended 31 December 2019. We have fulfilled our ethical responsibilities under, and we remained independent of the Company in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARADOR INCOME FUND PLC (continued)

Report on the audit of the financial statements (continued)

Key audit matters: our assessment of risks of material misstatement (continued)

In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2018):

Valuation of financial assets at fair value through profit or loss of US$9m (2018: US$ 232m)

Refer to page 34 (accounting policy) and notes 4, 9 and 11 to the financial statements (financial disclosures).

In arriving at our audit opinion above, we determine that there was one key audit matter as follows (unchanged from 2018):

The key audit matter	How the matter was addressed in our audit
The Company had 36.0% (2018: 88.6%) of its total assets as at 31 December 2019 invested into Collateralised Loan Obligations ("CLO's"). The valuation of the Company's investments in these CLO's, due to their materiality in the context of the financial statements as a whole, is a significant area of our audit. The valuation of this asset class is based on	Our audit procedures included but were not limited to: - Obtaining and documenting an understanding of the valuation methodologies and valuation processes established by the Directors and testing the design and implementation of the relevant controls therein; - Obtaining the broker quotations as used by the Investment Manager and recalculating the valuation of the investments using the broker price approach; - Consideration of the Company's sales of investments pre and post financial year end for evidence of bias in the valuation of investments held at year end; - With the assistance of a KPMG valuation specialist, assessing whether the valuation of the Company's investments was within an acceptable range of fair values by performing

prevailing market information (broker price approach) at the valuation date. There is a risk that the prices in respect of these investments held by the Company may not be reflective of fair value.	substantive testing, which included the determination of an independent fair value through cash flow analysis for 100% of the mezzanine note investments and a sample of income note investments held as at year end; and - We also considered the adequacy of the Company's disclosures (see note 2N) in relation to: the use of judgements and estimates in determining the fair value of investments: the Company's investment valuation policies adopted; and fair value disclosures in note 4 and note 11 to the financial statements for compliance with the relevant accounting standard. Based on evidence obtained, we concluded that the valuation of the Company's investment portfolio is within an acceptable range.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARADOR INCOME FUND PLC (continued)

Report on the audit of the financial statements (continued)

Our application of materiality and an overview of the scope of our audit

The materiality for the Company as a whole was set at US$217k (2018: US$2,614k). This has been determined using a benchmark of the Company's total revenue (of which it represents 1%) as at 31 December 2019 (2018: 1% of total assets).

Materiality benchmark changed from the prior year from total assets to total revenue since the Company is in liquidation stage and thus, we consider total revenue to be the most appropriate benchmark, as the new benchmark would ordinarily have the most influence on the economic decisions of the shareholders.

We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit with a value of US$11k (2018: US$131k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single engagement team in Dublin.

We have nothing to report on the other information in the annual report

The Directors are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' report, Chairman's Report, the Investment Manager's Review, the Audit Committee Report and the Statement of Depositary's Responsibilities and Depository's Report to the Shareholders. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information we report that:
- We have not identified material misstatements in the Directors' report;
- In our opinion, the information given in the Director's report is consistent with the financial statements; and
- In our opinion, the Director's report has been prepared in accordance with the Companies Act 2014.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:
- the Principal Risks disclosures on page 11 describing these risks and explaining how they are being managed and mitigated;
- the Directors' confirmation within the Viability statement on page 13 that they have carried out an assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity; and
- the Directors' explanation in the Going Concern Statement on page 13 of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARADOR INCOME FUND PLC (continued)

Report on the audit of the financial statements (continued)

Other corporate governance disclosures

We are required to address the following items and report to you in the following circumstances:
- Fair, balanced and understandable: if we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy;
- Report of the Audit Committee: if the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; and
- Statement of compliance with UK Corporate Governance Code: if the directors' statement does not properly disclose a departure from provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

In addition as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement on pages 9 to 16, that:

- based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process, and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/25/EC) Regulations 2006 and specified for our consideration, is consistent with the financial statements and has been prepared in accordance with the Act;
- based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information; and
- the Corporate Governance Statement contains the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017.

We also report that, based on work undertaken for our audit, other information required by the Act is contained in the Corporate Governance Statement.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.
In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.
The Listing Rules of the Financial Conduct Authority ("FCA") require us to review:
- the Directors' Statement, set out on page 13, in relation to going concern and longer-term viability;
- the part of the Corporate Governance Statement on pages 9 - 16 relating to the Company's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review; and
- certain elements of disclosures in the report to Shareholders by the Board of Directors' Remuneration Committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARADOR INCOME FUND PLC (continued)

Respective responsibilities and restrictions on use

Directors' responsibilities

As explained more fully in their statement set out on page 17, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation and not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for our report, or for the opinions we have formed.

Vincent Reilly Date: **21 April 2020**
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
International Financial Services Centre
Dublin 1

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	31 December 2019 US$	31 December 2018 US$
ASSETS			
Cash and cash equivalents	6, 11	16,046,805	28,811,103
Other receivables	11	549,339	939,963
Financial assets at fair value through profit or loss	4, 9, 11	9,332,952	231,650,491
TOTAL ASSETS		**25,929,096**	**261,401,557**
LIABILITIES			
Expenses payable	5	657,797	2,179,971
TOTAL LIABILITIES (excluding net assets attributable to participating Shareholders)		**657,797**	**2,179,971**

NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF REPURCHASE POOL SHARES	3	**2,996,247**	**15,748,150**
NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF US DOLLAR SHARES	3	**22,275,052**	**243,473,436**
TOTAL NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF SHARES		**25,271,299**	**259,221,586**
TOTAL LIABILITIES (including net assets attributable to participating holders of shares)		**25,929,096**	**261,401,557**

The accompanying notes form an integral part of the financial statements.

The Company is in the process of a Managed Wind-Down, therefore the financial statements are prepared on a non-going concern basis. See note 1 for further details.

The financial statements were authorised and approved for issue by the Directors on 21 April 2020 and signed on their behalf by:

Werner Schwanberg **Fergus Sheridan**

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2019

	Notes	2019 US$	2018 US$
Interest income on cash and cash equivalents	2	114,325	65,390
Miscellaneous income		88,378	166,884
Net gain/(loss) on foreign exchange	2	1,701	(23,832)
Net gain/(loss) on financial assets at fair value through profit or loss	2, 4	21,512,572	(23,308,606)
TOTAL REVENUE		**21,716,976**	**(23,100,164)**
Investment management fees	5	(815,857)	(3,800,369)
Custodian fees	5	(38,383)	(58,240)
Administration fees	5	(130,254)	(259,746)
Directors' fees	5, 10	(374,700)	(399,959)
Auditor's fees	5	(152,751)	(299,770)
Other operating expenses	5	(1,040,574)	(1,256,921)
TOTAL OPERATING EXPENSES		**(2,552,519)**	**(6,075,005)**
OPERATING PROFIT/(LOSS) BEFORE FINANCE COSTS		**19,164,457**	**(29,175,169)**
Fair value movement on Repurchase Pool Shares	3	(298,443)	1,141,818
Fair value movement on US Dollar Shares*	3	(18,863,817)	-
Interest expense	3	(2,197)	(1,371)
TOTAL FINANCE COSTS		**(19,164,457)**	**1,140,447**
INCOME/(LOSS) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO PARTICIPATING EQUITY HOLDERS OF US DOLLAR SHARES*		**-**	**(28,034,722)**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO PARTICIPATING EQUITY HOLDERS OF US DOLLAR SHARES*		**-**	**(28,034,722)**

The accompanying notes form an integral part of the financial statements.

The Company is in the process of a Managed Wind-Down, therefore the financial statements are prepared on a non-going concern basis. See note 1 for further details. All amounts in the above statement of comprehensive income arose from discontinued operations.

*From 17 December 2018, the US Dollar Shares were no longer classified as equity, as the terms changed such that from that date, the shares qualify as liabilities and are presented as such. From 17 December 2018, income attributable to the US Dollar Shareholders is shown as fair value movement on US Dollar Shares. See note 2C for further details.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2018

	Notes	US$
NET ASSETS ATTRIBUTABLE TO PARTICIPATING EQUITY HOLDERS OF US DOLLAR SHARES AS AT 31 DECEMBER 2017		**299,264,762**
TRANSACTIONS WITH PARTICIPATING EQUITY HOLDERS OF US DOLLAR SHARES		
Loss for the financial year attributable to participating equity holders of US Dollar Shares		(28,034,722)
Distributions to Participating Equity Holders of US Dollar Shares	14	(27,756,604)
Transfer to liabilities for net assets attributable to participating holders of US Dollar Shares		(243,473,436)
NET ASSETS ATTRIBUTABLE TO PARTICIPATING EQUITY HOLDERS OF US DOLLAR SHARES AS AT 31 DECEMBER 2018*		**-**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF SHARES
For the financial year ended 31 December 2019

	Notes	US$
NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF SHARES AS AT 1 JANUARY 2018		**107,889,914****
TRANSACTIONS WITH PARTICIPATING HOLDERS OF SHARES		
Redemption of Repurchase Pool Shares	7	(90,999,946)
Fair value movement on Shares		(1,141,818)
Transfer to liabilities for net assets attributable to participating holders of US Dollar Shares		243,473,436
NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF SHARES AS AT 31 DECEMBER 2018*		**259,221,586**
TRANSACTIONS WITH PARTICIPATING HOLDERS OF SHARES		
Transfer of cash to Rollover Shares	1	(8,534,468)
Non-cash transfer to Rollover Shares	1	(80,923,311)
Redemption of Repurchase Pool Shares	7	(13,049,997)
Redemption of US Dollar Shares	7	(146,199,941)
Fair value movement on Shares		19,162,260
Distributions to Participating Holders of US Dollar Shares	14	(4,404,830)
NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF SHARES AS AT 31 DECEMBER 2019		**25,271,299**

The accompanying notes form an integral part of the financial statements.

The Company is in the process of a Managed Wind-Down, therefore the financial statements are prepared on a non-going concern basis. See note 1 for further details.

*From 17 December 2018, the US Dollar Shares were no longer classified as equity, as the terms changed such that from that date, the shares qualify as liabilities and are presented as such. See note 2C for further details.

**US Dollar Shares were still classified as equity at 1 January 2018 and as such, this balance includes net assets attributable to participating holders of Repurchase Pool Shares only.

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2019

	Notes	2019 US$	2018 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the financial year attributable to participating equity holders of US Dollar Shares		-	(28,034,722)
Adjustments for non-cash items and working capital:			
Amounts attributable to Repurchase Pool Shareholders	3	298,443	(1,141,818)
Amounts attributable to US Dollar Shareholders	3	18,863,817	-
Decrease in payables		(1,522,174)	(398,334)
Decrease in receivables		390,624	616,808
Net loss on financial assets at fair value through profit or loss		1,932,969	54,283,815
NET CASH INFLOW FROM OPERATING ACTIVITIES		**19,963,679**	**25,325,749**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		-	(39,160,054)*
Disposal and paydowns of investments		139,461,259	150,165,971*
NET CASH INFLOW FROM INVESTING ACTIVITIES		**139,461,259**	**111,005,917**
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions to US Dollar Shareholders	14	(4,404,830)	(27,756,604)
Transfer to Rollover Shares	1	(8,534,468)	-
Redemptions paid to Repurchase Pool Shareholders	7	(13,049,997)	(90,999,946)
Redemptions paid to US Dollar Shareholders	7	(146,199,941)	-
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(172,189,236)**	**(118,756,550)**
Net (decrease)/increase in cash and cash equivalents		(12,764,298)	17,575,116
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**28,811,103**	**11,235,987**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**16,046,805**	**28,811,103**
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES			
Non-cash disposal and paydown of investments	1	**80,923,311**	**-**
Non-cash transfer to Rollover Shares	1	**(80,923,311)**	**-**

The accompanying notes form an integral part of the financial statements.

The Company is in the process of a Managed Wind-Down, therefore the financial statements are prepared on a non-going concern basis. See note 1 for further details.

*Balances included investment in unconsolidated subsidiaries which were held during the year ended 31 December 2018. As at 31 December 2018,the Company no longer invested in unconsolidated subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2019

1 GENERAL

Carador Income Fund PLC (the "Company") is a closed-ended limited liability investment company domiciled and incorporated under the laws of the Republic of Ireland with variable capital pursuant to the Irish Companies Act 2014. The Company was incorporated on 20 February 2006 under registration number 415764. The Company is authorised by the Central Bank of Ireland (the "Central Bank"), pursuant to Part 24 of the Companies Act 2014. The US Dollar Shares are admitted to the Official List of the Financial Conduct Authority ("FCA") with a premium listing and are admitted to trading on the Main Market of the London Stock Exchange (the "LSE").

On 31 October 2017, the Company converted 144,451,569 US Dollar Shares on a one to one basis into US Dollar denominated Repurchase Pool shares of no par value ("Repurchase Pool Shares"). Repurchase Pool Shares are classified as a liability in accordance with the requirements of IAS 32. On 22 November 2017, the Repurchase Pool Shares were admitted to trading on the Specialist Fund Segment of the Main Market of the LSE. The assets attributable to the Repurchase Pool Shares will be realised over time and the proceeds (net of fees, expenses and other liabilities) will be paid out to the Repurchase Pool Shareholders by way of the compulsory repurchase, in tranches, of the Repurchase Pool Shares.

On 15 June 2018, the Board of Directors of the Company (the "Board") announced that, following the Repurchase Opportunity provided to Shareholders in October 2017, the Company engaged its financial advisers to commence a strategic review of the Company in order to consider future prospects and opportunities. On 28 August 2018, the Board announced that, following the strategic review, the Board determined to offer all Shareholders the opportunity to vote on an orderly wind up of the Company alongside the Rollover for those who wished to retain an investment in the CLOs asset class (the "Rollover Opportunity"). The Rollover Opportunity enabled Shareholders who wished to retain an investment in the CLO asset class to elect to roll over their investment in the Company into an investment in Blackstone / GSO Loan Financing Limited ("BGLF"). BGLF is an investment fund that invests in floating rate senior secured loans directly and indirectly through CLO securities. BGLF's portfolio advisor is an affiliate of GSO / Blackstone Debt Funds Management LLC (the "Investment Manager").

On 23 November 2018, a circular detailing the proposal to amend the investment objective and policy of the Company, to amend the constitution of the Company and to propose a Managed Wind-Down with the Rollover Opportunity was published (the "2018 Circular").

On 17 December 2018, two EGMs of the Company were convened at which: (a) Shareholders holding US Dollar Shares approved changes to the investment objective and policy of the Company to facilitate and authorise the Board to instruct the Investment Manager to effect a Managed Wind-Down of the portfolio attributable to the US Dollar Shares; and (b) Shareholders of the Company approved amendments to the constitution of the Company to provide for the termination of the Company before 2022.

On 21 December 2018, it was announced that 33.463% of US Dollar Shareholders and 0.002% of Repurchase Pool Shareholders elected to roll their investment in the Company into an investment in BGLF C Shares. In January 2019, 133,450,591 US Dollar Shares and 488 Repurchase Pool Shares were converted into 133,451,107 Rollover Shares. Following this, BGLF allotted and admitted to trading on the Specialist Fund Segment of the Main Market of the LSE one new C share for each Rollover Share in consideration of the transfer of Rollover assets from the Company to BGLF. The value of the Rollover assets was US$89,457,779, of which US$8,534,468 was cash and US$80,923,311 was investments. The listing of the BGLF C Shares was effective as and from 7 January 2019.

The Rollover Shares were created by allocating to such class a pro rata amount of the assets and liabilities of the Company attributable to the Shares converted using the latest published NAV available as at the Rollover Conversion Date. The Company repurchased all of the Rollover Class Shares in-kind and transferred the assets attributable to the Rollover Shares to BGLF in exchange for shares in BGLF issued to Rollover Shareholders as at the BGLF Rollover Date.

Further to the Shareholder resolution of the Company that was passed by Shareholders of US Dollar Shares on 17 December 2018, the investment objective of the Company now is to realise all remaining assets of the Company with a view to returning capital to the Shareholders in an orderly manner. The assets that were subject to the Managed Wind-Down did not include the assets of the Company that were transferred as part of the BGLF Rollover Opportunity. Prior to 17 December 2018, the investment objective of the Company was to produce attractive and stable returns with low volatility compared to equity markets by investing in a diversified portfolio of senior notes of CLOs collateralised by senior secured bank loans and equity and mezzanine tranches of CLOs.

As at 31 December 2019, there were 40,606,709 US Dollar Shares and 6,617,236 Repurchase Pool Shares in issue.

2 SIGNIFICANT ACCOUNTING POLICIES

2A STATEMENT OF COMPLIANCE
The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as adopted by the European Union and also in accordance with Irish Company Law.

2B ADOPTION OF NEW ACCOUNTING STANDARDS AND AMENDMENTS, INCLUDING ACCOUNTING POLICY CHANGES
The Company has consistently applied the accounting requirements to all periods presented in these financial statements.

New standards adopted during the financial year ended 31 December 2019 are detailed below.

Standard:	**Narrative:**	**Effective Date*:**
IFRS 16	Leases	1 January 2019
Various	Annual Improvements to IFRSs 2015 - 2017 Cycle	1 January 2019
IFRS 9	Financial Instruments - Prepayment Features with Negative Compensation (Amendment to IFRS 9)	1 January 2019
IAS 28 (amendments)	Long Term Interests in Associates and Joint Ventures	1 January 2019
IAS 19 (amendments)	Plan Amendments, Curtailment or Settlement	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019

**Annual periods beginning on or after*

These standards did not have any material impact on the Company's financial statements. In the case of IFRIC 23 'Uncertainty over Income Tax Treatments', the Directors have made an assessment and are not aware of any uncertain tax positions for the Company as at 31 December 2019.

2C BASIS OF PREPARATION
The Company is in the process of a Managed Wind-Down and therefore it is no longer appropriate to prepare the financial statements on a going concern basis. The financial statements are prepared on a non-going concern basis, in line with prior year. There is no substantial difference between the going concern basis and the non-going concern basis as the main assets and liabilities are financial assets and liabilities and are shown at fair value.

The Company's financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value through profit or loss.

The functional currency of the Company is US Dollar (US$), as the Board have determined that this reflects the Company's primary economic environment. The presentation currency of the financial statements is also US Dollar.

The financial statements comprise the Company's statement of financial position, statement of comprehensive income, statement of changes in net assets and statement of cash flows together with the related notes. These notes also incorporate financial instrument disclosures which are required by IFRS 7 that are contained in the Annual Report in the section entitled "Investment Manager's review".

The Company qualifies as an investment entity in accordance with IFRS 10 *Consolidated Financial Statements* ("IFRS 10") Investment Entity Amendment, and therefore, the Company does not consolidate subsidiaries but accounts for them at fair value through profit or loss. As at 31 December 2019 and 2018, the Company had no subsidiary undertakings for financial reporting purposes.

For the financial year ended 31 December 2019 and 2018, net assets attributable to participating holders of Repurchase Pool Shares and net assets attributable to participating holders of US Dollar Shares were classified as liabilities. The Company's other liabilities include expenses payable to service providers.

The liabilities are linked to the NAV of each share class and thus fluctuate as the NAV of each share class changes. This results in the Company being able to comfortably cover the liabilities as they fall due.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2D FINANCIAL INSTRUMENTS

(i) Recognition and initial measurement
The Company initially recognises financial assets and financial liabilities at fair value through profit or loss on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not at fair value through profit or loss:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Company are measured at fair value through profit or loss.

Business model assessment
In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:
- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the Investment Manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models.
- *Held-to-collect business model*: this includes cash and cash equivalents and other receivables. These financial assets are held to collect contractual cash flow.
- *Other business model*: this includes financial assets at fair value through profit or loss, which consists of debt securities and equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place and are therefore measured at fair value through profit or loss.

On 17 December 2018, two EGMs of the Company were convened at which: (a) Shareholders holding US Dollar Shares approved changes to the investment objective and policy of the Company to facilitate and authorise the Board to instruct the Investment Manager to effect a Managed Wind-Down of the portfolio attributable to the US Dollar Shares; and (b) Shareholders of the Company approved amendments to the constitution of the Company to provide for the termination of the Company before 2022. Further to these resolutions, the Company's business model is *held-to-collect business model* discussed above.

Assessment whether contractual cash flows are SPPI
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument.

Reclassifications
Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2D FINANCIAL INSTRUMENTS (continued)

(ii) Subsequent Measurement
Financial assets at fair value through profit or loss
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and expense and foreign exchange gains and losses, are recognised in profit or loss in net gain/(loss) on financial assets at fair value through profit or loss in the statement of comprehensive income.

Mezzanine and Income CLO tranches are included in this category.

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses, impairment and any gain or loss on derecognition is recognised in the statement of comprehensive income.

Cash and cash equivalents and other receivables are included in this category.

Financial liabilities
Financial liabilities are classified as measured at amortised cost or at fair value through profit or loss.

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at amortised cost include expenses payable. Financial liabilities at fair value through profit or loss include net assets attributable to participating holders of US Dollar Shares and net assets attributable to participating holders of Repurchase Pool Shares.

Fair value measurement
See note 4 for details of how the Company measures fair value.

Amortised cost measurement
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

(iii) Impairment
The impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at fair value through other comprehensive income, but not to financial assets held at fair value through profit or loss.

The Company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be BBB- or higher per Standards and Poor's Rating Agency.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2D FINANCIAL INSTRUMENTS (continued)

(iii) Impairment (continued)

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amounts of the assets in the statement of financial position. There were no loss allowances accounted for as at 31 December 2019.

The gross carrying amount is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(iv) Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously. For the financial year ended 31 December 2019, there were no financial assets or liabilities subject to enforceable, master netting arrangements or similar agreements which would require disclosure.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

2E INTEREST INCOME AND INTEREST EXPENSE ON CASH AND CASH EQUIVALENTS
Interest income on cash and cash equivalents is recognised separately through profit or loss in the statement of comprehensive income, on an effective interest rate basis.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2F PARTICIPATING SHARES
The participating share capital of the Company comprises US Dollar Shares and Repurchase Pool Shares. The Repurchase Pool Shares are classified as a financial liability based on the substance of the contractual arrangement in accordance with IAS 32, and are stated at fair value which approximates carrying value on the reporting date. Further to the resolution on 17 December 2018, resolving to transfer to BGLF or realise all remaining assets of the Company with a view to returning capital to the Shareholders in an orderly manner, the US Dollar Shares were classified as a financial liability, which were stated at fair value which approximated carrying value at the reporting date. The assets that were subject to the Managed Wind-Down did not include the assets of the Company that were transferred as part of the BGLF Rollover Opportunity.

2G FEES AND CHARGES
Expenses are charged through profit or loss in the statement of comprehensive income on an accruals basis.

2H CASH AND CASH EQUIVALENTS
Cash comprises current deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes.

2I NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
Net gain/(loss) on financial assets at fair value through profit or loss consists of coupons received and realised and unrealised gains and losses on financial assets at fair value through profit or loss, calculated as described in note 2D. For the purposes of the statement of cash flows, the coupon income is considered an operating activity.

2J FOREIGN CURRENCY
Transactions in foreign currencies are translated to the functional currency at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to US Dollar at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences relating to investments at fair value through profit or loss are included in "Net gain/(loss) on financial assets at fair value through profit or loss" in the statement of comprehensive income. All other foreign currency exchange differences relating to any other monetary items, including cash, are presented in "Net gain/(loss) on foreign exchange" in the statement of comprehensive income.

2K TAXATION
Income tax expense is recognised through profit or loss in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income. The Company's existing accounting policy for income tax is consistent with the requirement of IFRIC 23.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Under current law and Irish practice, the Company qualifies as an investment undertaking under Section 739B of the Taxes Consolidation Act 1997 and is not therefore chargeable to Irish tax on its relevant income or relevant gains. See note 13 for further details.

2L DISTRIBUTIONS

Distributions to the holders of US Dollar Shares were recorded through the statement of changes in net assets when they were declared to Shareholders. Holders of the Repurchase Pool Shares are not entitled to any dividend distributions. As disclosed in the 2018 Circular, the Board do not intend to declare any dividends during the wind-down period, therefore no further dividends have been paid in respect of any shares after the payment of the dividend in respect of the quarter ended 31 December 2018.

2M OPERATING SEGMENTS

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Makers and for which discrete financial information is available. The Chief Operating Decision Makers for the Company are the Investment Manager and the Board. In considering the segments of the Company, the Company has considered the information reviewed by the Company's Chief Operating Decision Makers and determined that there are two operating segments, the US Dollar Shares and the Repurchase Pool Shares, in existence as at 31 December 2019 and 2018. Further details of this assessment are set out under Segmental Reporting in note 3.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2N SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates

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

In accordance with IFRS 13 *Fair Value Measurement* ("IFRS 13"), the Company applies the definition of fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active market quotations, they are determined using valuation techniques including the use of broker prices. See note 4 for further details of the fair value hierarchy levels as at 31 December 2019 and 2018. See note 3 for details of the NAV attributable to the Repurchase Pool Shares and US Dollar Shares.

Judgements

The Board is satisfied that no significant judgements were required during the year ended 31 December 2019.

During the year ended 31 December 2018, the following judgement was required:.

***Application of IFRS 10, its related IE Amendment and IFRS 12 Disclosure of Interests in Other Entities* ("IFRS 12")**

The Board is satisfied that the Company meets the definition of an investment entity, and has concluded that as at 31 December 2018, none of its investments meet the definition of subsidiary structured entities in accordance with IFRS 10. All CLOs in which the Company invests meet the definition of non-controlled structured entities in accordance with IFRS 12.

2O NEW STANDARDS AND INTERPRETATIONS APPLICABLE TO FUTURE REPORTING PERIODS

New standards, amendments and interpretations issued but not effective in 2019 and not early adopted

The Company has considered all the upcoming IASB's standards including those not yet endorsed by the EU. Standards will be adopted from their EU effective dates. The adoption of these new standards, interpretations and amendments is not expected to have a material impact on the Company's financial statements in the period of initial application.

The following new standards, amendments to standards and interpretations have been issued to date and are not yet effective for the year ended 31 December 2019, and have not been applied nor early adopted, where applicable, in preparing these financial statements:

Standard:	Narrative:	Effective Date*:
IFRS 17	Insurance Contracts	1 January 2021
IFRS 3	Business Combinations (Amendments to IFRS 3)	1 January 2020
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)	1 January 2020
IFRS 9, IAS 39, IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1 January 2020

**Annual periods beginning on or after*

3 SEGMENTAL REPORTING

As required by IFRS 8 *Operating Segments* ("IFRS 8"), the information provided to the Board and the Investment Manager, who are the Chief Operating Decision Makers, is classified into two segments as at 31 December 2019 and 2018, the US Dollar Shares and the Repurchase Pool Shares. Repurchase Pool Shares are shares in the Company which participate in a separate pool of assets and liabilities within the Company created for the purposes of the repurchase opportunity announced in 2017.

3 SEGMENTAL REPORTING (continued)

The Board has assessed that the Rollover Shareholders did not constitute a separate operating segment under IFRS 8, as they were not separately assessed for the purposes of reviewing performance or allocating resources. The Investment Manager and the Board assessed the Company as a whole, including both the Rollover Shareholders and those Shareholders who did not avail of the Rollover Opportunity. Discrete financial information was not available for the Rollover Shareholders as separate books and records were not maintained for the Rollover Shareholders. Books and records continue to be maintained for the Company as a whole, which includes the relevant information pertaining to the Rollover Shareholders. The Rollover Shares existed solely for the purpose of the capital reorganisation to facilitate the Rollover Opportunity in January 2019. No Rollover Shares were in issue at the end of the financial year 31 December 2019 or 2018. Accordingly, there is no requirement to change the existing operating segments within the Company for the purposes of the financial statements for the financial year ended 31 December 2019 and 2018.

The following tables detail the revenue, loss and net assets split between the operating segments for the financial year ended 31 December 2019 and as at 31 December 2019.

	Repurchase Pool Shares 2019 US$	US Dollar Shares 2019 US$	Total 2019 US$
Interest income on cash and cash equivalents	9,123	105,202	114,325
Miscellaneous income	9,436	78,942	88,378
Net gain on foreign exchange	572	1,129	1,701
Net gain on financial assets at fair value through profit or loss	633,071	20,879,501	21,512,572
Total revenue for reportable segments	652,202	21,064,774	21,716,976
Operating expenses	(353,310)	(2,199,209)	(2,552,519)
Interest expense	(449)	(1,748)	(2,197)
Total profit for reportable segments	**298,443**	**18,863,817**	**19,162,260**

	Repurchase	US Dollar

	Pool Shares 31 December 2019 US$	Shares 31 December 2019 US$	Total 31 December 2019 US$
Financial assets at fair value through profit or loss	2,090,537	7,242,415	9,332,952
Other receivables	37,786	511,553	549,339
Cash and cash equivalents	968,293	15,078,512	16,046,805
Expenses payable	(100,369)	(557,428)	(657,797)
Net assets for reportable segments	**2,996,247**	**22,275,052**	**25,271,299**

The following table details the revenue and loss split between the operating segments for the financial year ended 31 December 2018.

	Repurchase Pool Shares 2018 US$	US Dollar Shares 2018 US$	Total 2018 US$
Interest income on cash and cash equivalents	20,601	44,789	65,390
Miscellaneous income	27,525	139,359	166,884
Net loss on foreign exchange	(6,399)	(17,433)	(23,832)
Net loss on financial assets at fair value through profit or loss	(364,758)	(22,943,848)	(23,308,606)
Total revenue for reportable segments	(323,031)	(22,777,133)	(23,100,164)
Operating expenses	(818,472)	(5,256,533)	(6,075,005)
Interest expense	(315)	(1,056)	(1,371)
Total loss for reportable segments	**(1,141,818)**	**(28,034,722)**	**(29,176,540)**

3 SEGMENTAL REPORTING (continued)

The following table details the net assets split between the operating segments as at 31 December 2018.

	Repurchase Pool Shares 31 December 2018 US$	US Dollar Shares 31 December 2018 US$	Total 31 December 2018 US$
Financial assets at fair value through profit or loss	13,970,980	217,679,511	231,650,491
Other receivables	219,706	720,257	939,963
Cash and cash equivalents	1,685,148	27,125,955	28,811,103
Expenses payable	(127,684)	(2,052,287)	(2,179,971)
Net assets for reportable segments	**15,748,150**	**243,473,436**	**259,221,586**

	31 December 2019 US$	31 December 2018 US$
NAV - US Dollar Shares (40,606,709)	22,275,052	243,473,436
NAV Per US Dollar Share	0.5486	0.6105
NAV - Repurchase Pool Shares (6,617,236)	2,996,247	15,748,150
NAV Per Repurchase Pool Share	0.4528	0.6392

Major Customers
The Company regards the holders of both classes of shares as customers, because it relies on their funding for continuing operations and meeting its objectives. The Company's shareholding structure is not exposed to a significant Shareholder concentration. A breakdown of shares held by employees of the Investment Manager is detailed in note 10.

4 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net gain/(loss) on financial assets at fair value through profit or loss is comprised of the following:

	2019 US$	2018 US$
Net realised gains/(losses) on investments		
Gross realised gains on investments	523,899	3,615,813
Gross realised losses on investments	(68,233,290)	(39,641,636)
Total net realised losses on investments	**(67,709,391)**	**(36,025,823)**
Net movement in unrealised gains/(losses) on investments		
Gross movement in unrealised gains on investments	(1,577,474)	(7,782,971)
Gross movement in unrealised losses on investments	67,353,896	(10,475,021)
Total net movement in unrealised gains/(losses) on investments	**65,776,422**	**(18,257,992)**
Investment income	23,445,541	30,975,209
Other income	-	-
Net gain/(loss) on financial assets at fair value through profit or loss	**21,512,572**	**(23,308,606)**

As described in the accounting policies note, the Company has financial assets measured at fair value through profit or loss. The financial instruments recognised at fair value are analysed between those whose fair value is based on:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The following tables analyse financial instruments measured at fair value as at 31 December 2019 and 2018 by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring.

	US Dollar Shares US$	Repurchase Pool Shares US$	Total as at 31 December 2019 US$
Level 1	-	-	-
Level 2	-	-	-
Level 3	7,242,415	2,090,537	9,332,952
Total	**7,242,415**	**2,090,537**	**9,332,952**

	US Dollar Shares US$	Repurchase Pool Shares US$	Total as at 31 December 2018 US$
Level 1	-	-	-
Level 2	-	-	-
Level 3	217,679,511	13,970,980	231,650,491
Total	**217,679,511**	**13,970,980**	**231,650,491**

The Company determines the fair value for the CLOs using independent, unadjusted indicative broker quotes. A broker quote is not generally a binding offer. The categorisation of the CLOs is dependent on whether or not the broker quotes reflect actual current market transactions, or if they are indicative prices based on the broker's valuation models, depending on the significance and observability of the inputs to the model. Only one broker quote may be available for a CLO at the fair value measurement date.

The Investment Manager can challenge the marks that come from the independent brokers if they appear off-market or unrepresentative but has no discretion to disregard a mark if a broker dealer does not adjust it after a challenge.

For CLOs which might be categorised as Level 2, fair value has been determined using independent broker quotes based on observable inputs. If valuation cannot be verified as being based significantly on observable inputs, then the investments would fall into Level 3.

The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For each class of assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed, the Company is required to disclose the level within the fair value hierarchy at which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

For the financial year ended 31 December 2019 and 2018, cash and cash equivalents, other receivables and expenses payable, whose carrying amounts approximate fair value, are classified as Level 2 within the fair value hierarchy.

For the financial year ended 31 December 2019 and 2018, net assets attributable to participating holders of US Dollar Shares and net assets attributable to participating holders of Repurchase Pool Shares are classified as Level 3 within the fair value hierarchy, as the value of the shares is based on NAV per share which does not have observable inputs readily available to market.

Transfers between Level 1, 2 and 3
There were no transfers between Level 1 and Level 2 during the financial year ended 31 December 2019 and 2018. Where transfers between levels arise, they are deemed to occur at the end of the reporting period.

As at 31 December 2019 and 2018, all CLOs were classified as Level 3.

4 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Transfers between Level 1, 2 and 3 (continued)
As at 31 December 2019, the Board made an assessment as to what constituted an 'observable' input in the fair market valuation to determine the level within the hierarchy in which a broker quote is categorised. It was concluded that due to the illiquidity of the product, the lack of trading activity and the unobservable inputs used in the valuations, that the equity CLOs were Level 3 investments. This is consistent with the assessment made by the Board as at 31 December 2018.

Level 3 financial instruments
The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy as at 31 December 2019:

	CLOs - US Dollar Shares US$	CLOs - Repurchase Pool Shares USUS	Total as at 31 December 2019 US$
Balance as at 1 January 2019	217,679,511	13,970,980	231,650,491
Net gain/loss on financial assets at fair value through profit or loss	(1,184,958)	(748,011)	(1,932,969)
Purchases	-	-	-
Disposal and paydowns of investments	(209,252,138)	(11,132,432)	(220,384,570)
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
Balance as at 31 December 2019	**7,242,415**	**2,090,537**	**9,332,952**

Change in unrealised gains or losses for the financial year included in profit or loss for the CLOs within Level 3 of the fair value hierarchy amounted to US$2,061,267 (US Dollar Shares (US$1,607,788) and Repurchase Pool Shares (US$453,479)) (2018: US$53,777,976 (US Dollar Shares (US$50,551,298) and Repurchase Pool Shares (US$3,226,678)). These gains and losses are included in net gain/(loss) on financial assets at fair value through profit or loss in the statement of comprehensive income.

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy as at 31 December 2018:

	CLOs - US Dollar Shares US$	CLOs - Repurchase Pool Shares USUS	Total as at 31 December 2018 US$
Balance as at 1 January 2018	66,859,304	24,229,668	91,088,972
Net loss on financial assets at fair value through profit or loss	(76,624,800)	(6,997,701)	(83,622,501)
Purchases	52,114,763	-	52,114,763
Disposal and paydowns of investments	(9,126,000)	(14,086,901)	(23,212,901)
Transfers into Level 3	184,456,244	10,825,914	195,282,158
Transfers out of Level 3	-	-	-
Balance as at 31 December 2018	**217,679,511**	**13,970,980**	**231,650,491**

4 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Level 3 financial instruments (continued)
The following table sets out information about significant unobservable inputs used as at 31 December 2019 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Asset Class	Fair Value US$	Unobservable Inputs	Ranges*	Weighted Averages	Sensitivity to changes in significant unobservable inputs
Income Notes					
US Dollar Shares US$	1,844,134	Broker Quotes	0.00%-35.58%	6.63%	1% increase/decrease will have a fair value impact of +/- US$18,441
Repurchase Pool Shares US$	998,497	Broker Quotes	0.00%-35.58%	13.87%	1% increase/decrease will have a fair value impact of +/- US$9,985
Total Income Notes	**2,842,631**				
Mezzanine Notes					
US Dollar Shares US$	5,398,281	Broker Quotes	27.50%-61.99%	42.51%	1% increase/decrease will have a fair value impact of +/- US$53,983
Repurchase Pool Shares US$	1,092,040	Broker Quotes	27.50%	27.50%	1% increase/decrease will have a fair value impact of +/- US$10,920
Total Mezzanine Notes	**6,490,321**				
Total	**9,332,952**				

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

The following table sets out information about significant unobservable inputs used as at 31 December 2018 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Asset Class	Fair Value US$	Unobservable Inputs	Ranges*	Weighted Averages	Sensitivity to changes in significant unobservable inputs
Income Notes					
US Dollar Shares US$	202,884,046	Broker Quotes	0.01%-88.32%	54.33%	1% increase/decrease will have a fair value impact of +/- US$2,028,840
Repurchase Pool Shares US$	11,197,434	Broker Quotes	3.40%-87.00%	34.94%	1% increase/decrease will have a fair value impact of +/- US$111,974
Total Income Notes	**214,081,480**				
Mezzanine Notes					
US Dollar Shares US$	14,795,465	Broker Quotes	73.15%-87.22%	79.34%	1% increase/decrease will have a fair value impact of +/- US$147,955
Repurchase Pool Shares US$	2,773,546	Broker Quotes	73.15%	73.15%	1% increase/decrease will have a fair value impact of +/- US$27,735
Total Mezzanine Notes	**17,569,011**				
Total	**231,650,491**				

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

The above analysis also gives an approximation of the sensitivity of the different asset classes to market risk as at 31 December 2019 and 2018 that seem reasonable considering the current market environment and the nature of the Company's assets' main underlying risks. This sensitivity analysis presents an approximation of the potential effects of events that could have been reasonably expected to occur as at the reporting date.

4 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Level 3 financial instruments (continued)
The following table shows a reconciliation of the net assets attributable to participating holders of Repurchase Pool Shares from the opening balance to the closing balance as at 31 December 2019 and 2018:

	31 December 2019	31 December 2018
	Net assets attributable to participating holders of Repurchase Pool Shares US$	Net assets attributable to participating holders of Repurchase Pool Shares US$
Balance as at 1 January	15,748,150	107,889,914
Transfer to Rollover Shares (see note 1)	(349)	-
Redemptions	(13,049,997)	(90,999,946)
Fair value movement	298,443	(1,141,818)
Balance as at 31 December	2,996,247	15,748,150

The following table shows a reconciliation of the net assets attributable to participating holders of US Dollar Shares from the opening balance to the closing balance as at 31 December 2019 and 2018:

	31 December 2019	31 December 2018
	Net assets attributable to participating holders of US Dollar Shares US$	Net assets attributable to participating holders of US Dollar Shares US$
Balance as at 1 January	243,473,436	-
Transfers into Level 3	-	243,473,436
Transfer to Rollover Shares (see note 1)	(89,457,430)	-
Redemptions	(146,199,941)	-
Fair value movement	18,863,817	-
Distributions	(4,404,830)	-
Balance as at 31 December	22,275,052	243,473,436

The following table sets out information about significant unobservable inputs used as at 31 December 2019 in measuring the liabilities categorised as Level 3 in the fair value hierarchy:

Liability Class	Fair Value US$	Unobservable Inputs	Sensitivity to changes in significant unobservable inputs
Repurchase Pool Shares US$	2,996,247	Unadjusted NAV of the Shares	1% increase/decrease will have a fair value impact of +/- US$29,962
US Dollar Shares US$	22,275,052	Unadjusted NAV of the Shares	1% increase/decrease will have a fair value impact of +/- US$222,751
Total	**25,271,299**		

The following table sets out information about significant unobservable inputs used as at 31 December 2018 in measuring the liability categorised as Level 3 in the fair value hierarchy:

Liability Class	Fair Value US$	Unobservable Inputs	Sensitivity to changes in significant unobservable inputs
Repurchase Pool Shares US$	15,748,150	Unadjusted NAV of the Shares	1% increase/decrease will have a fair value impact of +/- US$157,482
US Dollar Shares US$	243,473,436	Unadjusted NAV of the Shares	1% increase/decrease will have a fair value impact of +/- US$2,434,734
Total	**259,221,586**		

5 OPERATING EXPENSES

INVESTMENT MANAGER
The Investment Manager is entitled to receive a base management fee from the Company of 1.5% per annum of the NAV of the Company, calculated and payable monthly in arrears.

The management fee is calculated on the net assets less the market value of investments managed by the Investment Manager, if such investments are or have been made in the primary market (i.e. the market in which investors have the first opportunity to buy a newly issued security). Note 10 details the deals managed by the Investment Manager or its affiliates and whether they were sourced in the primary or secondary market.

The investment management fees for the financial year ended 31 December 2019 for the US Dollar Shares amounted to US$720,939 (2018: US$3,283,221) and US$94,918 for the Repurchase Pool Shares (2018: US$517,148).

US Dollar Shares
The Investment Manager is entitled to a performance fee in respect of the US Dollar Shares equivalent to 13% of the amount by which the value of the NAV per US Dollar Share as at the financial year end or relevant repurchase date, as applicable, plus dividends per US Dollar Share (if any) paid in the period exceeds the value of the NAV per US Dollar Share, as increased by the performance fee hurdle rate (as defined below) plus 2%, as at the end of the previous completed accounting reference period in respect of which a performance fee was paid (including for the avoidance of doubt, all previous periods since the US Dollar Share performance period was last paid in respect of the US Dollar Shares).

The performance fee hurdle rate is the greater of the 12 month US Dollar LIBOR or 4%.

If a US Dollar Share performance fee was not paid in respect of the previous accounting reference period, US Dollar Libor shall be the annualised annually compounded US Dollar London Inter-Bank Offered Rate for 12-month deposits in respect of all previous relevant accounting periods since such US Dollar Share performance fee was last paid.

Repurchase Pool Shares
The Investment Manager is entitled to a performance fee in respect of the Repurchase Pool Shares equivalent to 13% of the amount by which the NAV per Repurchase Pool Share as at the end of the relevant accounting period or the relevant repurchase date, as applicable, plus dividends per Share (if any) paid in the period exceeds the value of the NAV per Repurchase Pool Share (or per US Dollar Share, as applicable), as increased by the Repurchase Pool Hurdle Rate (as defined below) plus 2%, as at the end of the most recent previous completed accounting period in respect of which a performance fee was paid (including, for the avoidance of doubt, all previous periods since the US Dollar Share performance fee was last paid in respect of the US Dollar Shares which have converted into Repurchase Pool Shares).

A separate account will be established to track the performance fee payable to the Investment Manager in respect of the Repurchase Pool Shares.

1. As at each Repurchase Date, this account will be credited or debited to reflect the amount of over-or-under-performance of the Repurchase Pool Shares repurchased as at that date, multiplied by the performance fee rate referred to above.

2. At the end of the relevant accounting period, an amount reflecting the over-or-underperformance of the Repurchase Pool Shares in issue as at that date, multiplied by the performance fee rate referred to above, will be credited to or debited from this account.
3. If the aggregate amount resulting from 1 and 2 above is a credit balance, this amount will be payable to the Investment Manager.
4. If the aggregate amount resulting from 1 and 2 above is a debit balance, no performance fee will be payable to the Investment Manager and the balance of this account shall be reset to zero for the next accounting period.

Where all remaining Repurchase Pool Shares are repurchased on a date prior to the end of an accounting period, such Repurchase Date shall be deemed to be the end of the accounting period for purposes of the above calculations.

The performance fee is accrued on a monthly basis and is paid annually within 14 days of receipt of the calculation by the Company from State Street Fund Services (Ireland) Limited (the "Administrator").

The calculation of the performance fee is verified by State Street Custodial Services (Ireland) Limited (the "Custodian"). There were no performance fees accrued during the financial year ended 31 December 2019 and 2018.

The Company also reimburses the Investment Manager for all out-of-pocket expenses reasonably incurred in the performance of its duties.

5 OPERATING EXPENSES (continued)

ADMINISTRATOR AND CUSTODIAN
The Administrator and Custodian shall be entitled to receive aggregate fees of up to 0.10% per annum of the NAV of the Company for the provision, respectively, of administration, accounting, trustee and custodial services to the Company, subject to a minimum monthly fee of US$10,000. The overall charge for the above-mentioned fees for the Company for the financial year ended 31 December 2019 and 2018 are reflected in the statement of comprehensive income and the amounts due as at 31 December 2019 and 2018 are disclosed below for information purposes.

DIRECTORS' FEES
The Company's Directors are entitled to a fee in remuneration for their services as Directors at a rate to be determined from time to time by the remuneration committee of the Company and disclosed in the financial statements.

During the financial year ended 31 December 2019, Directors' fees amounted to US$344,813 (2018: US$365,219) plus out of pocket expenses of US$29,887 (2018: US$34,740), of which US$Nil (2018: US$Nil) remained payable at the financial year end.

OTHER OPERATING EXPENSES
Other operating expenses incurred during the financial year ended 31 December 2019 and 2018 are disclosed in the statement of comprehensive income.

Accruals as at 31 December 2019 and 2018 are detailed in the following table:

ACCRUAL	**31 December 2019 US$**	**31 December 2018 US$**
Investment management fees	28,281	1,156,819
Custodian fees	12,000	10,765
Administration fees	48,000	69,332
Auditors' fees	152,751	299,770
Other professional fees	273,116	279,816
Other operating expenses	143,649	363,469
	657,797	**2,179,971**

AUDITORS FEES
The Company incurred the following audit, assurance and tax fees (including expenses) during the financial year of which US$124,188 (2018: US$243,715) was outstanding at the financial year end.

	2019* US$	**2018* US$**
Audit of financial statements	95,099	177,782
Tax advisory services**	55,254	69,834
Other assurance services***	29,089	65,933
	179,442	**313,549**

*The above amounts incurred for the financial year ended 31 December 2019 and 2018 are before the inclusion of VAT.
**Tax advisory fees are included in other operating expenses in the statement of comprehensive income.
***The above amounts were paid to the statutory auditor for work undertaken by them in relation to the review of the interim financial statements and the Financial Position and Prospects Procedures ("FPPP") review.

6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents balances are held with the Custodian.

7 PARTICIPATING SHARES

As at 31 December 2019, the issued share capital of the Company comprises US Dollar Shares and Repurchase Pool Shares. Two subscriber shares were also in issue. Further details on the Company share capital is set out below.

US DOLLAR SHARES
The authorised share capital of the Company shall not be less than the currency equivalent of €2 represented by two subscriber shares and the maximum issued share capital shall not be more than the currency equivalent of €500 billion divided into an unspecified number of non-redeemable shares.

As at 31 December 2019, there were 40,606,709 US Dollar Shares (2018: 398,801,780) in issue. As at 31 December 2019, net assets attributable to participating holders of US Dollar Shares were US$22,275,052 (2018: US$243,473,436).

Following the decision by Shareholders to wind-up the Company, capital will be returned on a pro rata basis in US Dollars to the US Dollar Shareholders by the Company making a compulsory repurchase of US Dollar Shares. Share repurchases will be at the discretion of the Board and will occur as cash becomes available upon the realisation of assets.

REPURCHASE POOL SHARES
The Company's Articles of Association contains certain provisions regarding share repurchase arrangements which may be offered to Shareholders. Repurchase Pool Shares are shares in the Company which participate in a separate pool of assets and liabilities within the Company created for the purposes of a repurchase opportunity.

The Board elected to propose a repurchase opportunity for approval by ordinary resolution by the Shareholders and further to the vote taken at the Annual General Meeting ("AGM") held on 31 July 2017 and approval of the repurchase opportunity, Shareholders representing 26.6% of the then issued US Dollar Shares elected to avail of the repurchase opportunity.

On 31 October 2017, the Company converted 144,451,569 US Dollar Shares on a one to one basis to Repurchase Pool Shares of no par value. On 22 November 2017, the Repurchase Pool Shares were admitted to trading on the Specialist Fund Segment of the Main Market of the LSE. At the discretion of the Board, and as cash becomes available upon the realisation of assets, capital will be returned on a pro rata basis in US Dollars to the exiting Repurchase Pool Shareholders, by the Company making a compulsory repurchase of Repurchase Pool Shares.

As at 31 December 2019, there were 6,617,236 Repurchase Pool Shares (2018: 24,637,358) in issue. As at 31 December 2019, net assets attributable to participating holders of Repurchase Pool Shares were US$2,996,247 (31 December 2018: US$15,748,150).

VOTING RIGHTS
The Company has issued two subscriber shares of €1 each. These shares do not participate in the profits of the Company. Holders of US Dollar Shares and Repurchase Pool Shares participate in the profits of their respective share class and hold voting rights, with Shareholders having one vote in respect of each whole share held.

CAPITAL MANAGEMENT
At an EGM on 17 December 2018, a resolution was passed to approve changes to the investment objective and policy of the Company to facilitate and authorise the Board to instruct the Investment Manager to effect either a Rollover into BGLF or a Managed Wind-Down of the portfolio attributable to the US Dollar Shares. A resolution was also passed amending the constitution to provide for the termination of the Company before 2022.

7 PARTICIPATING SHARES (continued)

CAPITAL MANAGEMENT (continued)
Until 17 December 2018, the objectives for managing capital were:
- to invest the capital in investments meeting the description, risk exposure and expected return indicated in its Prospectus;
- to achieve consistent returns while safeguarding capital by investing in CLOs backed by corporate loans or holding cash;
- to maintain sufficient liquidity to meet the expenses of the Company and to meet distribution commitments; and
- to maintain sufficient size to make the operation of the Company cost-efficient.

As the Company is now in the process of a Managed Wind-Down, the objective for managing capital is now to realise all remaining assets and return capital to the Shareholders in an orderly manner.

As disclosed in the 2018 Circular, the Board do not intend to declare any dividends during the wind-down period, therefore no further dividends have been paid in respect of any shares after the payment of the dividend in respect of the quarter ended 31 December 2018.

Below is the movement in Repurchase Pool Shares and US Dollar Shares during the financial year ended 31 December 2019.

	Repurchase Pool Shares		US Dollar Shares		Total
	No. of shares	**US$**	**No. of shares**	**US$**	**US$**
Opening balance as at 1 January 2019	24,637,358	15,748,150	398,801,780	243,473,436	259,221,586
Profit for the year	-	298,443	-	18,863,817	19,162,260
Dividends	-	-	-	(4,404,830)	(4,404,830)
Transfer to Rollover Shares	(488)	(349)	(133,450,591)	(89,457,430)	(89,457,779)
Redemption of Repurchase Pool Shares	(18,019,634)	(13,049,997)	-	-	(13,049,997)
Redemption of US Dollar Shares	-	-	(224,744,480)	(146,199,941)	(146,199,941)
Closing balance as at 31 December 2019	**6,617,236**	**2,996,247**	**40,606,709**	**22,275,052**	**25,271,299**

Below is the movement in Repurchase Pool Shares and US Dollar Shares during the financial year ended 31 December 2018.

	Repurchase Pool Shares		US Dollar Shares		Total
	No. of shares	**US$**	**No. of shares**	**US$**	**US$**
Opening balance as at 1 January 2018	144,451,569	107,889,914	398,801,780	299,264,762	407,154,676
Loss for the year	-	(1,141,818)	-	(28,034,722)	(29,176,540)
Dividends	-	-	-	(27,756,604)	(27,756,604)
Redemption of Repurchase Pool Shares	(119,814,211)	(90,999,946)	-	-	(90,999,946)
Closing balance as at 31 December 2018	**24,637,358**	**15,748,150**	**398,801,780**	**243,473,436**	**259,221,586**

8 SOFT COMMISSIONS

There were no agreements for the provision of any services by means of soft commission in 2019 and 2018.

9 INTERESTS IN OTHER ENTITIES

INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES
IFRS 12 defines a structured entity as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual agreements.

A structured entity often has some of the following features or attributes:
(a) restricted activities;
(b) a narrow and well defined objective;
(c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support;
and
(d) financing in the form of multiple contractually linked instruments that create concentrations of credit or other risks.

Involvement with unconsolidated structured entities
The Company has concluded that CLOs in which it invests, that are not subsidiaries for financial reporting purposes, meet the definition of structured entities because:
- the voting rights in the CLOs are not the dominant rights in deciding who controls them, as they relate to administrative tasks only;
- each CLO's activities are restricted by its Prospectus; and
- the CLOs have narrow and well-defined objectives to provide investment opportunities to investors.

Subsidiary undertakings

As at 31 December 2019 and 2018, the Company had no subsidiary undertakings for financial reporting purposes that are also structured entities. To meet the definition of a subsidiary under the single control model of IFRS 10, the investor has to control the investee within the meaning of IFRS 10.

Control involves power, exposure to variability of returns and a linkage between the two:
(i) The investor has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's returns;
(ii) The investor has exposure or rights to variable returns from its involvement with the investee; and
(iii) The investor has the ability to use its power over the investee to affect the amount of the investor's returns.

9 INTERESTS IN OTHER ENTITIES (continued)

INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES (continued)
Below is a summary of the Company's holdings in non-subsidiary unconsolidated structured entities as at 31 December 2019:

Structured Entity ("SE")	Line item in the statement of financial position	Nature	No of Investments	Range of the size of SEs Notional in US$m	Average Notional Of SEs in US$m	Company's Holding Fair Value in US$m	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses in US$m	Oth
Mezzanine Note CLOs									
North America									
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans - USD	2	252	252	6.5	69.54%	6.5	Non recou
Total Mezzanine Note CLOs	Financial assets at FVTPL		2			6.5	69.54%	6.5	Non recou
Income Note CLOs									
North America									
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans - USD	5	36-68	50	0.2	2.11%	0.2	Non recou
Country of Incorporation: Ireland	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans - USD	1	533	533	2.6	28.35%	2.6	Non recou
Total Income Note CLOs	Financial assets at FVTPL		6			2.8	30.46%	2.8	Non recou
Total			8			9.3			

As at 31 December 2019, the Company did not hold any subsidiaries.

The Company has a percentage range of 1.41% - 20.67% notional holding out of the entire outstanding notional balances of the structured entities as at 31 December 2019.

During the financial year ended 31 December 2019, the Company did not provide financial support to the unconsolidated structured entities and has no intention of providing financial or other support. The assessment was done for the Company as a whole.

*The investments are non-recourse securities with no contingent liabilities, where the Company's maximum loss is capped at the current carrying value.

9 INTERESTS IN OTHER ENTITIES (continued)

INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES (continued)
Below is a summary of the Company's holdings in non-subsidiary unconsolidated structured entities as at 31 December 2018:

Structured Entity ("SE")	Line item in the statement of financial position	Nature	No of Investments	Range of the size of SEs Notional in US$m	Average Notional Of SEs in US$m	Company's Holding Fair Value in US$m	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses in US$m	Oth
Mezzanine Note CLOs									
North America									
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans - USD	2	395	395	17	7.47%	17	Non recou
Total Mezzanine Note CLOs	Financial assets at FVTPL		2			17	7.47%	17	Non recou
Income Note CLOs									
North America									
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans - USD	40	40-1,075	520	210	90.65%	210	Non recou
Country of Incorporation: Ireland	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans - USD	1	533	533	5	1.88%	5	Non recou
Total Income Note CLOs	Financial assets at FVTPL		41			215	92.53%	215	Non recou
Total			43			232			

As at 31 December 2018, the Company did not hold any subsidiaries.

The Company has a percentage range of 0.02% - 20.11% notional holding out of the entire outstanding notional balances of the structured entities as at 31 December 2018.

During the financial year ended 31 December 2018, the Company did not provide financial support to the unconsolidated structured entities and has no intention of providing financial or other support. The assessment was done for the Company as a whole.

*The investments are non-recourse securities with no contingent liabilities, where the Company's maximum loss is capped at the current carrying value.

10 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

The following note summarises related parties and related party transactions during the financial year.

TRANSACTIONS WITH ENTITIES WITH SIGNIFICANT INFLUENCE

GSO / Blackstone Debt Funds Management LLC acts as Investment Manager to the Company. Investment management fees earned by the Investment Manager amounted to US$815,857 (2018: US$3,800,369), of which US$28,281 (2018: US$1,156,819) was outstanding at the financial year end.

There were no performance fees earned by the Investment Manager during the financial year ended 31 December 2019 or 2018.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Board and the Investment Manager are the key management personnel as they are the persons who have the authority and responsibility for planning, directing and controlling the activities of the Company for the financial year ended 31 December 2019.

During the financial year ended 31 December 2019, the Company incurred Directors' fees for services as Directors and out-of-pocket expenses of US$374,700 (31 December 2018: US$399,959), of which US$Nil (31 December 2018: US$Nil) was outstanding at the financial year end.

No Director, nor the Company Secretary, had any beneficial interest in the shares of the Company during the financial year ended 31 December 2019 and 2018. The Company is domiciled in Ireland where shareholdings held by the non-executive Directors would not be considered the industry norm.

The following Directors' fees were incurred during the financial year ended 31 December 2019 and 2018 and the amounts for each financial year are shown in both EUR and US Dollar equivalent:

	2019 EUR	2019 US$ Equivalent	2018 EUR	2018 US$ Equivalent
Werner Schwanberg	64,200	72,405	64,200	76,690
Adrian Waters	60,360	68,074	60,360	72,103
Fergus Sheridan	62,560	70,555	62,560	74,730
Edward D'Alelio	61,560	69,427	61,560	73,536
Nicholas Moss	57,060	64,352	57,060	68,160
	305,740	344,813	305,740	365,219*

*The above amount excludes out-of-pocket expenses for the Board of US$29,887 (31 December 2018: US$34,740).

TRANSACTIONS WITH OTHER RELATED PARTIES

On 28 August 2018, the Board announced the BGLF Rollover Opportunity, as detailed in note 1. On 21 December 2018, it was announced that 33.463% of US Dollar Shareholders and 0.002% of Repurchase Pool Shareholders elected to roll their investment in the Company into an investment in BGLF C Shares. In January 2019, 133,450,591 US Dollar Shares and 488 Repurchase Pool Shares were converted into 133,451,107 Rollover Shares. Following this, BGLF allotted and admitted to trading on the Specialist Fund Segment of the Main Market of the LSE one new C share for each Rollover Share in consideration of the transfer of Rollover assets from the Company to BGLF. The listing of the BGLF C Shares was effective as and from 7 January 2019.

As at 31 December 2019, current employees of and accounts managed by or advised by the Investment Manager and its affiliates within the credit-focused business unit of The Blackstone Group L.P. hold 7,650 US Dollar Shares (2018: 375,000 US Dollar Shares) which represents approximately 0.02% (2018: 0.09%) of the issued shares of the Company. Distributions to current employees and accounts managed or advised by the Investment Manager and its affiliates were made on the same terms as those for other holders of US Dollar Shares.

10 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL (continued)

TRANSACTIONS WITH OTHER RELATED PARTIES (continued)

The Company may invest in other entities and transactions that are managed directly or indirectly by the Investment Manager or any of its affiliates and as at 31 December 2019, 28.35% (2018: 27.87%) of the Company's underlying investments are managed in this way and these are listed below:

CLO INVESTMENTS MANAGED BY GSO / BLACKSTONE AND AFFILIATES 2019

Investment	Investment Manager	Market
Dorchester Park CLO DAC 2015-1X SUB	GSO / Blackstone Debt Funds Management LLC	Primary

CLO INVESTMENTS MANAGED BY GSO / BLACKSTONE AND AFFILIATES 2018

Investment	Investment Manager	Market
Bowman Park CLO Ltd 2014-1X	GSO / Blackstone Debt Funds Management LLC	Secondary
Burnham Park CLO Ltd 2016-1A SUB	GSO / Blackstone Debt Funds Management LLC	Primary
Catskill Park CLO Ltd 2017-1A SUB	GSO / Blackstone Debt Funds Management LLC	Primary
Dorchester Park CLO DAC 2015-1X SUB	GSO / Blackstone Debt Funds Management LLC	Primary
Greenwood Park CLO Ltd 2018-1X SUB	GSO / Blackstone Debt Funds Management LLC	Primary
Jay Park CLO Ltd 2016-1A SUB	GSO / Blackstone Debt Funds Management LLC	Secondary
Stewart Park CLO Ltd 2016-1A SUB	GSO / Blackstone Debt Funds Management LLC	Primary
Taconic Park CLO Ltd 2016-1A SUB	GSO / Blackstone Debt Funds Management LLC	Primary
Treman Park CLO Ltd 2015-1A	GSO / Blackstone Debt Funds Management LLC	Secondary
Webster Park CLO Ltd 2015-1X SUB	GSO / Blackstone Debt Funds Management LLC	Primary

TRANSACTION WITH SUBSIDIARIES

As at 31 December 2019 and 2018, the Company had no subsidiary undertakings for financial reporting purposes.

The Company received US$Nil in distributions from the subsidiaries for the financial year ended 31 December 2019 (2018: US$3,362,895). There were total losses arising during the financial year ended 31 December 2019 amounting to US$Nil (2018: US$28,284,628).

There were no other related party transactions other than those listed above.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

INTRODUCTION

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's profitability. The Company is exposed to market risk (which includes interest rate risk, currency risk and other price risk), liquidity and credit risk arising from the financial instruments it holds.

The Company is a closed-ended fund and therefore has not been exposed to redemption risk relating to its own shares in issue. The portfolio assigned to the Repurchase Pool Shares is subject to many of the same risks as the rest of the portfolio held for the US Dollar Shares. As the Company is in the process of a Managed Wind-Down, the portfolios of both share classes are being actively sold to facilitate the return of the proceeds to the Shareholders.

The Company's financial assets include investments in CLOs which are not traded in an organised public market and which may be illiquid, and thus impact the unwind of the Company's portfolio.

The Investment Manager considers the risk and concentrations on a look-through basis level for the CLOs.

RISK MANAGEMENT STRUCTURE

The Board is ultimately responsible for identifying and controlling risks but relies on its delegated service providers (the Investment Manager, Custodian, Administrator and Registrar), to carry out ongoing management and monitoring of risks.

RISK MEASUREMENT AND REPORTING SYSTEM

The Company's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on models. The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks is primarily performed based on limits established by the Board. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept. In addition, the Company monitors and measures the overall risk-bearing capacity in relation to the aggregate risk exposure across risk types and activities.

RISK MITIGATION

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control economic hedging transactions in a timely and accurate manner. The Company may use derivatives and other instruments only in connection with its risk management activities, but not for trading purposes.

EXCESSIVE RISK CONCENTRATION

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration indicates the relative sensitivity of the Company's performance to developments affecting a particular issuer, manager, asset class or geographical location.

In order to avoid excessive concentration of risk, the Company's policies and procedures included specific guidelines to focus on maintaining a diversified portfolio. Identified concentration of credit risks are controlled and managed accordingly. Following the vote by Shareholders to wind-down the Company, the Company's portfolio will become more concentrated as positions are sold off. The concentration risk as at 31 December 2019 and 2018 is disclosed in note 11(A)(iii) and 11(B).

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(A) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes interest rate risk, currency risk and other price risk. The Company may use derivative instruments to hedge the investment portfolio against currency risk. As at 31 December 2019 and 2018, the Company did not hold any derivative instruments.

The Company's investments are in CLO vehicles. The CLO vehicles typically have no significant assets other than the loans as collateral. Accordingly, payments on the CLO securities are payable solely from the cash flows from the collateral, net of all management fees and other expenses. Payments to the Company as a holder of Income Notes and/or Mezzanine Notes of CLO vehicles are met only after payments due on the Senior Notes (and, where appropriate, the Mezzanine Notes) have been made in full.

The following tables show the securities held by the Company as at 31 December 2019 and 2018 which are most susceptible to market risk arising from uncertainties about interest rates, foreign currency fluctuation and future prices of the instruments.

	Repurchase Pool Shares 31 December 2019 US$	US Dollar Shares 31 December 2019 US$	Company Total 31 December 2019 US$
Collateralised loan obligations			
Income Notes	998,497	1,844,134	2,842,631
Mezzanine Notes	1,092,040	5,398,281	6,490,321
Total Collateralised loan obligations	2,090,537	7,242,415	9,332,952
TOTAL INVESTMENTS AT FAIR VALUE	**2,090,537**	**7,242,415**	**9,332,952**

	Repurchase Pool Shares 31 December 2018 US$	US Dollar Shares 31 December 2018 US$	Company Total 31 December 2018 US$
Collateralised loan obligations			
Income Notes	11,197,434	202,884,046	214,081,480
Mezzanine Notes	2,773,546	14,795,465	17,569,011
Total Collateralised loan obligations	13,970,980	217,679,511	231,650,491
TOTAL INVESTMENTS AT FAIR VALUE	**13,970,980**	**217,679,511**	**231,650,491**

(i) Interest rate risk

The Company is exposed to interest rate risk on CLOs held by the Company and on a look-through basis to the underlying assets in the CLOs. Risk management of the CLOs is the responsibility of the respective CLO managers.

In certain transactions undertaken by CLO issuers, the fixed rate nature of some of the Senior and Mezzanine Notes and the floating rate nature of the assets may produce a fixed/floating interest rate mismatch between the assets and the liabilities of the CLO. CLOs may enter into one or more interest rate hedges with a counterparty acceptable to the ratings agencies to reduce this asset/liability mismatch, and therefore lower the return sensitivity of the CLO investments to changes in the absolute level of interest rates.

Management of interest rate risk

Objective and policy

The majority of the Company's financial assets are Income Notes and Mezzanine tranches of cash flow CLOs. The Company's investments have exposure to interest rate risk but this is limited to floating LIBOR-based exposure on the underlying assets (i.e. the loans and bonds) in the CLOs.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(A) MARKET RISK (continued)

(i) Interest rate risk (continued)

Management of interest rate risk (continued)

Objective and policy (continued)

The Company's investments in CLO securities are presented in the statement of financial position as "financial assets at fair value through profit or loss". The CLO Income Notes are measured at their "dirty" prices as the Board deem this to better reflect the trading conventions of the asset class. Income derived from the CLO Income Notes is presented in the statement of comprehensive income within net gains and losses (inclusive of accrued interest) on financial assets at fair value through profit or loss.

Payments of interest and principal to the various rated debt tranches issued by the issuer are normally made sequentially, first to the most senior class and then to the junior classes. These payments are made solely from the cash flows received from the underlying assets.

The Company is exposed to interest rate risk on its cash balance but this is not deemed to be significant for the financial year ended 31 December 2019 and 2018. The focus of the Company's risk management is therefore on the CLO investments.

Process
Prior to the change in the investment objective and investment policy of the Company on 17 December 2018, the Company invested mainly into the Mezzanine tranches or Income Notes issued by CLO vehicles, giving the Company the entitlement to any residual income after the more senior tranche notes issued by the CLO have received their contractual entitlements (in line with the priority of payments established in each CLO's formation documents). As the Company holds the Income Notes and Mezzanine tranches on the liability side of the CLO, there is a natural hedge on its investment for any change in interest rates on a look through basis to the underlying CLO (with an equal and opposite effect between the assets and liabilities of the CLO).

While the Investment Manager cannot manage the interest rate risk of the underlying assets of the CLOs, it monitors the performance of the deals and third-party CLO managers on an on-going basis. In particular, the Investment Manager monitors the relevant CLO managers for any significant decisions that may impact the returns on the CLO deals. On a look-through basis, the underlying assets in CLOs are subject to floating interest rates.

The asset spread of the portfolio fluctuates with movements in market fundamentals. This impacts the interest earned by the underlying portfolio. On a look-through basis, the underlying CLO manager will manage the portfolio such that, for example, new issue loans are bought into the portfolio at the latest market spreads and older loan assets are disposed of.

There were no changes in the risk exposures of the Company or in the risk management processes related to interest rate risk compared to the prior financial reporting period.

The portfolio profile of the Repurchase Pool Shares and the US Dollar Shares as at 31 December 2019 and 2018 includes 100% investments with a floating interest rate.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(A) MARKET RISK (continued)

(i) Interest rate risk (continued)

Management of interest rate risk (continued)
Process (continued)
The following table shows the Board's best estimate of the sensitivity of the portfolio (effect on net assets and profit or loss) to stressed changes in interest rates, with all other variables held constant, including IRR. The table assumes parallel shifts in the respective forward yield curves and illustrates the estimated change in the market value of the portfolio accounting for the variable interest movement. This risk is proportionally shared between the two share classes.

As at 31 December 2019 and 2018, the Directors took the view that, taking into consideration the economic environment and estimated future forecasts, it was reasonable to assume that interest rates would not change more than 1% in the following twelve months. The +/- 1% sensitivity was used to illustrate this.

Possible reasonable change in rate	Repurchase Pool Shares 31 December 2019 US$	US Dollar Shares 31 December 2019 US$	Company Total 31 December 2019 US$
+1%	(8,203)	6,453	(1,750)
- 1 %	10,485	(7,031)	3,454

Possible reasonable change in rate	Repurchase Pool Shares 31 December 2018 US$	US Dollar Shares 31 December 2018 US$	Company Total 31 December 2018 US$
+1%	368,939	5,141,155	5,510,094
- 1 %	(377,469)	(5,189,520)	(5,566,989)

(ii) Currency risk
Currency risk is the risk that the fair value or future cash flows of the Company's financial instruments will decline due to changes in exchange rates. The Company is exposed to currency risk to the extent that its assets and liabilities are not denominated in US Dollars, the functional currency.

Management of currency risk
Objective and policy
The Company is exposed to limited currency risk, as the vast majority of the Company's assets and liabilities are currently denominated in US Dollars.

Process
The Company held immaterial amounts of Euro and GBP cash at the financial year ended 31 December 2019 and 2018 to cover expense invoices. The effect of currency fluctuations on these small foreign currency cash balances is deemed immaterial to the Company. There is no exposure to currency risk aside from cash in foreign currency.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(A) MARKET RISK (continued)

(ii) Currency risk (continued)

Management of currency risk (continued)
Process (continued)
The total net exposure to foreign currencies at the reporting date was as follows:

EXPOSURE TO FOREIGN EXCHANGE RATES	Repurchase Pool Shares 31 December 2019 US$	US Dollar Shares 31 December 2019 US$	Company Total 31 December 2019 US$
EUR Exposure			
Cash and cash equivalents	77,583	332,348	409,931
EUR Exposure	**77,583**	**332,348**	**409,931**
GBP Exposure			
Cash and cash equivalents	44,490	122,829	167,319
GBP Exposure	**44,490**	**122,829**	**167,319**

TOTAL EXPOSURE	**122,073**	**455,177**	**557,250**

EXPOSURE TO FOREIGN EXCHANGE RATES	**Repurchase Pool Shares 31 December 2018 US$**	**US Dollar Shares 31 December 2018 US$**	**Company Total 31 December 2018 US$**
EUR Exposure			
Cash and cash equivalents	69,741	257,017	326,758
EUR Exposure	**69,741**	**257,017**	**326,758**
GBP Exposure			
Cash and cash equivalents	42,773	118,086	160,859
GBP Exposure	**42,773**	**118,086**	**160,859**
TOTAL EXPOSURE	**112,514**	**375,103**	**487,617**

The following tables are the Board's best estimate of the sensitivity of the portfolio to changes in foreign currencies as at 31 December 2019 and 2018. As at 31 December 2019 and 2018, the Directors took the view that, considering the economic environment, the volatility of the US Dollar against the Euro and Sterling and the limited exposure of the Company to non-base currencies, a shift in rates of 5% and 10%, respectively, was a reasonable threshold to use.

		Repurchase Pool Shares 31 December 2019		**US Dollar Shares 31 December 2019**		**Company Total 31 December 2019**	
	Possible change in exchange rate	**Net exposure US$**	**Effect on net assets and profit or loss US$**	**Net exposure US$**	**Effect on net assets and profit or loss US$**	**Net exposure US$**	**Effect on net assets and profit or loss US$**
Euro/US Dollar	+/-5%	77,583	(+/-) 3,879	332,348	(+/-) 16,617	409,931	(+/-) 20,496
GBP/US Dollar	+/-10%	44,490	(+/-) 4,449	122,829	(+/-) 12,283	167,319	(+/-) 16,732

		Repurchase Pool Shares 31 December 2018		**US Dollar Shares 31 December 2018**		**Company Total 31 December 2018**	
	Possible change in exchange rate	**Net exposure US$**	**Effect on net assets and profit or loss US$**	**Net exposure US$**	**Effect on net assets and profit or loss US$**	**Net exposure US$**	**Effect on net assets and profit or loss US$**
Euro/US Dollar	+/-5%	69,741	(+/-) 3,487	257,017	(+/-) 12,851	326,758	(+/-) 16,338
GBP/US Dollar	+/-10%	42,773	(+/-) 4,277	118,086	(+/-) 11,809	160,859	(+/-) 16,086

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(A) MARKET RISK (continued)

(iii) Other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Management of other price risk
Objective and policy
The Board do not believe that the returns on investments are correlated to any specific index or other price variable. The other price risk that applies to investments in CLO securities is limited and is restricted to the concentration risk of the investments between asset class and geographical exposure. Prior to the change in the investment objective and investment policy of the Company on 17 December 2018, each investment was assessed with a view to providing diversification in terms of underlying assets, issuer, sector, and maturity profile.

The Company's investments are susceptible to market price risk arising from uncertainties about future prices of financial instruments. All securities invested in present a risk of loss of capital. Any increase or decrease in the market price of investments would alter the Company's NAV to the extent that it is invested at any point in time. The Investment Manager sought to mitigate risk by diversification across geographical and industry sectors on a look-through basis to the underlying assets of the CLOs. The Investment Manager acknowledges that other price risk will become more concentrated in the Company's portfolio as the Managed Wind-Down progresses.

Process
At the EGM of the Shareholders of the US Dollar Shares convened on 17 December 2018, the investment objective of the Company was changed such that the Company will be managed with the intention of realising all remaining assets of the Company with a view to returning capital to the Shareholders in an orderly manner as part of the Managed Wind-Down.

The Managed Wind-Down will be effected with a view to the Company realising all of its investments in a manner that achieves a balance between maximising the value from the Company's investments and making timely returns of capital to Shareholders.

The Company has ceased to make any new investments except where necessary in the reasonable opinion of the Investment Manager in order to protect or enhance the value of any existing investments or to facilitate orderly disposals.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(A) MARKET RISK (continued)

(iii) Other price risk (continued)

Management of other price risk (continued)
Process (continued)
The following tables analyse the Company's concentration of other price risk by subsector in the secured loan asset class and by geographical area as at 31 December 2019 and 2018.

By Asset Class	**Repurchase Pool Shares 31 December 2019 US$**	**US Dollar Shares 31 December 2019 US$**	**Company Total 31 December 2019 US$**
Broadly syndicated sub-investment grade secured loans - North America	1,157,542	5,529,703	6,687,245
Broadly syndicated sub-investment grade secured loans - Ireland*	932,995	1,712,712	2,645,707
	2,090,537	**7,242,415**	**9,332,952**

By Asset Class	Repurchase Pool Shares 31 December 2018 US$	US Dollar Shares 31 December 2018 US$	Company Total 31 December 2018 US$
Broadly syndicated sub-investment grade secured loans - North America	12,816,097	214,492,728	227,308,825
Broadly syndicated sub-investment grade secured loans - Ireland*	1,154,883	3,186,783	4,341,666
	13,970,980	**217,679,511**	**231,650,491**

*Investment domiciled in Ireland is US Dollar denominated.

If the value of investments was to increase or decrease by 5%, the impact on the NAV of the Company would be +/- US$466,648 (Repurchase Pool Share US$104,527 and US Dollar Share US$362,121) (2018: +/- US$11,582,525 (Repurchase Pool Share US$698,549 and US Dollar Share US$10,883,976)). As at 31 December 2019 and 2018, the Directors took the view that, taking into consideration the economic environment, it was reasonable to use 5% in the above sensitivity analysis.

(B) CREDIT RISK
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. It is the Company's policy to enter into financial instruments with a range of reputable counterparties.

Management of credit risk
Objective and policy
The Managed Wind-Down has resulted in the Company commencing realisation of all of its investments in a manner that achieves a balance between maximising the value from the Company's investments and making timely returns of capital to Shareholders. Any assets to which rollover elections relate were transferred in accordance with the provisions of the BGLF Rollover Opportunity, following which the Company commenced selling its remaining investments either to co-investors in the relevant asset or to third parties, but in all cases with the objective of achieving the best available price in a reasonable time scale.

The Company has ceased to make any new investments except where necessary in the reasonable opinion of the Investment Manager in order to protect or enhance the value of any existing investments or to facilitate orderly disposals.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(B) CREDIT RISK (continued)

Management of credit risk (continued)
Process
The Company's portfolio of CLO investments has been actively managed to minimise default risk and potential loss through comprehensive credit analysis performed by the Investment Manager's experienced credit research team and use of the Investment Manager's proprietary risk management systems. The Investment Manager's CLO investment process is both quantitative and qualitative in nature, with an emphasis on bottom-up, fundamental credit research. Any analysis of a CLO position, whether debt or CLO Income Note, begins with an understanding of the underlying credit risk. This is achieved by mapping the CLO portfolio against the Investment Manager's own issuer credit universe (with over 1,200 corporate issuers) and then overlaying proprietary and market stresses to the portfolio. Investing in CLO securities also requires a disciplined assessment of the CLO arbitrage, CLO structural protections, and manager style, performance history, portfolio composition, and experience managing CLOs.

All assets in the portfolio receive default, recovery, prepayment, and reinvestment assumptions. The portfolio is then separated into performing and stressed assets. Stressed assets are defined as assets trading below $90, spread (discount margin) above 700bp, and/or credit risk factor ("CRF") greater than 4. These stressed assets receive customised assumptions based on industry, watch list, market, and credit specific views. The Investment Manager works with its credit research team and portfolio managers to discuss any concentration of risk identified in the underlying portfolio. The Investment Manager's views on credit risk drive the various stress scenarios applied to each CLO portfolio. Each investment is reviewed under a positive, base, negative, and stressed case IRR scenario.

In addition to reviewing CLO offering materials and reporting documentation, ongoing due diligence of the underlying CLO managers is critical to the investment analysis. The Investment Manager is constantly monitoring CLO manager's strategy and style and also evaluates the CLO manager's franchise, behaviour, and track record in order to fine tune any analysis assumptions. When evaluating CLO managers, the Investment Manager looks across their outstanding CLOs to assess comfort across all of the CLOs they manage, not just the CLO in which the Investment Manager is investing. The Investment Manager considers how portfolio quality has changed over time to help identify style drift, and evaluates historical performance, trading patterns, historical distributions, CLO test results, asset concentration, and portfolio quality measures. Certain managers may have greater liquidity than others, even if quantitative measures of their performance are equivalent, or even worse than other managers. In certain cases, an illiquidity premium may be applied for less frequently traded managers.

The Investment Manager generally trades via The Depository Trust Company ("DTC") or Euroclear, which, on the whole, limits counterparty risk. A small part of the portfolio includes physical securities. Physical securities are delivered against payment, thus mitigating counterparty risk.

As the Company is now in the process of a Managed Wind-Down, the Company has ceased to make any new investments except where necessary in the reasonable opinion of the Investment Manager in order to protect or enhance the value of any existing investments or to facilitate orderly disposals.

The following table analyses the Company's maximum credit exposure to credit risk for the components of the statement of financial position. The split between the two share classes is disclosed in note 3.

	31 December 2019 US$	31 December 2018 US$
Cash and cash equivalents	16,046,805	28,811,103
Other receivables	549,339	939,963
Financial assets at fair value through profit or loss	9,332,952	231,650,491
	25,929,096	**261,401,557**

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(B) CREDIT RISK (continued)

Management of credit risk (continued)
Process (continued)
The cash and substantially all of the assets of the Company are held by the Custodian or one or more of its sub-custodians. Bankruptcy or insolvency of the Custodian or its sub-custodians may cause the Company's rights with respect to securities held by the Custodian or its sub-custodians to be delayed or limited. The Company or its sub-custodians monitor its risk by monitoring the credit quality and financial positions of the Custodian. State Street Corporation is the parent company of the Custodian. The long-term rating of State Street Corporation as at 31 December 2019 was A1 (Source: Moody's) (2018: A1).

The following tables show the breakdown of financial assets at fair value through profit or loss by country of incorporation as at 31 December 2019 and 2018:

	Repurchase Pool Shares 31 December 2019 US$	US Dollar Shares 31 December 2019 US$	Company Total 31 December 2019 US$
Cayman Islands	1,157,542	5,529,703	6,687,245
Ireland	932,995	1,712,712	2,645,707
	2,090,537	**7,242,415**	**9,332,952**

	Repurchase Pool Shares 31 December 2018 US$	US Dollar Shares 31 December 2018 US$	Company Total 31 December 2018 US$
Cayman Islands	12,816,097	214,492,728	227,308,825
Ireland	1,154,883	3,186,783	4,341,666
	13,970,980	**217,679,511**	**231,650,491**

The following table summarises the Company's portfolio concentrations as at 31 December 2019 and 2018:

	Maximum portfolio holdings of a single asset % of total portfolio	Average portfolio holdings of a single asset % of total portfolio
Repurchase Pool	52.24%	25.00%
US Dollar	46.85%	12.50%
31 December 2019 Company Total	36.36%	12.50%
Repurchase Pool	23.64%	10.00%
US Dollar	8.99%	2.33%
31 December 2018 Company Total	8.45%	2.33%

The following table summarises the portfolio by asset class and ratings of the portfolio as at 31 December 2019:

By asset class	Repurchase Pool Shares 31 December 2019 US$	US Dollar Shares 31 December 2019 US$	Company Total 31 December 2019 US$
Mezzanine Notes	1,092,040	5,398,281	6,490,321
Income Notes	998,497	1,844,134	2,842,631
	2,090,537	**7,242,415**	**9,332,952**

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(B) CREDIT RISK (continued)

Management of credit risk (continued)
Process (continued)
The following table summarises the portfolio by asset class and ratings of the portfolio as at 31 December 2018:

By asset class	Repurchase Pool Shares 31 December 2018 US$	US Dollar Shares 31 December 2018 US$	Company Total 31 December 2018 US$
Mezzanine Notes	2,773,546	14,795,465	17,569,011
Income Notes	11,197,434	202,884,046	214,081,480
	13,970,980	**217,679,511**	**231,650,491**

The CLO vehicles themselves do not have "default" rates. CLOs invest in loans (and bonds) issued to various borrower companies. The interest and principal received on the loans pay the interest (and principal) of the CLO notes, starting at the most senior (AAA) tranche notes and working the way down the waterfall to the least senior tranches. If there are losses on the underlying loans from defaults, those losses impact the CLO Income Notes first.

Senior and Mezzanine tranches of CLOs are rated, while the lowest tranche - the subordinated note, also known as "CLO equity" or "Income Note" is non-rated ("NR"). For the purpose of the asset class breakdown above, the Mezzanine CLO investments were originally rated A/BBB/BB/B. The Investment Manager monitors credit risk for both rated and unrated investments in the same manner.

The Company's portfolio is partly invested in the Income Notes tranches of CLOs which are subject to potential non-payment and are by definition, non-rated securities. The Company assesses the quality of non-rated assets based on a fundamental analysis of the underlying loans in the respective portfolios. The terms and conditions of the underlying CLOs and the implications of other rights on the CLOs are reviewed to determine any impact on the expected cash flow from the underlying CLO.

With the exception of investments in Mezzanine CLO Notes, the Company will typically be in a first loss or subordinated position with respect to realised losses on the collateral of each CLO investment. The leveraged nature of the Income Notes and the Mezzanine Notes, in particular, magnifies the adverse impact of collateral defaults.

Income noteholders accept that they will bear the first loss, if any, on the underlying pool of loan assets in return for a higher expected return.

As at 31 December 2019, the Company held the following Mezzanine CLO investments:

CLO Issuer	Tranche	Seniority	Manager	Credit Rating	Original Rating	Nominal Holding	Market Value US$
BNPIP 2014-1	BNPIP 2014-1X D	M	BNP Paribas Asset Management	NR/B+	NR/BB	5,372,000	3,393,373
BNPIP 2014-1	BNPIP 2014-1X E	M	BNP Paribas Asset Management	NR/CCC	NR/B	10,770,315	3,096,948
Total							**6,490,321**

As at 31 December 2018, the Company held the following Mezzanine CLO investments:

CLO Issuer	Tranche	Seniority	Manager	Credit Rating	Original Rating	Nominal Holding	Market Value US$
BNPIP 2014-1	BNPIP 2014-1X D	M	BNP Paribas Asset Management	NR/BB	NR/BB	8,074,000	7,142,431
BNPIP 2014-1	BNPIP 2014-1X E	M	BNP Paribas Asset Management	NR/CCC+	NR/B	14,000,000	10,426,580
Total							**17,569,011**

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(B) CREDIT RISK (continued)

Management of credit risk (continued)
Process (continued)
The Company may be adversely impacted by an increase in its credit exposure related to investing and other activities. The Company is exposed to the potential for credit-related losses that can occur as a result of an individual, counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships, commitments and other transactions. These exposures may arise, for example, from a decline in the financial condition of a counterparty, from entering into swap or other derivative contracts under which counterparties have obligations to make payments to us, from a decrease in the value of securities of third parties that the Company holds as collateral, or from extending credit through guarantees or other arrangements. As the Company's credit exposure increases, it could have an adverse effect on the Company's business and profitability if material unexpected credit losses occur.

As stated above, the Investment Manager assesses the credit risk of the CLOs on a look-through basis to the underlying loans in each CLO. The Investment Manager seeks to provide diversification in terms of underlying assets, issuer section, geography and maturity profile.

The Company's top ten look-through exposure to corporate borrowers is detailed in the following tables:

US Dollar
31 December 2019

Issuer	Rating	Sector	%
American Airlines	Ba1/BB-	Transportation: Consumer	1.40%
PriSo Acquisition	B2/B	Construction & Building	1.24%
Riverbed Technology	B2/CCC+	High Tech	1.10%
Bass Pro Group	B1/B+	Retail	1.07%
Air Medical Group	B1/B	Healthcare & Pharmaceuticals	0.96%
Rovi Solutions	Ba3/B+	High Tech	0.92%
Carestream Health (Onex Carestream Finance LP)	B1/B	Healthcare & Pharmaceuticals	0.90%
Blue Ribbon	B2/B-	Beverage, Food & Tobacco	0.89%
Petsmart	B2/B-	Retail	0.88%
Asurion LLC	Ba3/B+	Banking, Finance, Insurance & Real Estate	0.88%
Petco	B2/CCC+	Retail	0.88%
Zekelman Industries	B1/B+	Metals & Mining	0.87%
Centurylink Inc	Ba3/BB	Telecommunications	0.87%

Repurchase Pool
31 December 2019

Issuer	Rating	Sector	%
American Airlines	Ba1/BB-	Transportation: Consumer	1.26%
PriSo Acquisition	B2/B	Construction & Building	1.04%
Riverbed Technology	B2/CCC+	High Tech	0.95%
Asurion LLC	Ba3/B+	Banking, Finance, Insurance & Real Estate	0.93%
Altice SFRFP	B2/B	Media: Broadcasting & Subscription	0.90%
Air Medical Group	B1/B	Healthcare & Pharmaceuticals	0.84%
Carestream Health (Onex Carestream Finance LP)	B1/B	Healthcare & Pharmaceuticals	0.76%
Petco	B2/CCC+	Retail	0.73%
First Eagle Holdings	Ba1/BB+	Banking, Finance, Insurance & Real Estate	0.70%
Advantage Sales & Marketing	B2/B-	Services: Business	0.70%

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(B) CREDIT RISK (continued)

Management of credit risk (continued)
Process (continued)
The Company's top ten look-through exposure to corporate borrowers is detailed in the following tables:

US Dollar
31 December 2018

Issuer	Rating	Sector	%
Asurion LLC	Ba3/B+	Insurance	0.76%
First Data Corp	Ba2/BB-	Financial Intermediaries	0.71%
Transdigm	Ba2/B+	Aerospace	0.70%
Centurylink Inc	Ba3/BB	Cable Television	0.66%
Univision Communications	B2/B	Cable Television	0.66%
SS&C Technologies Inc	Ba3/BB	Information Technology	0.63%
Scientific Games	Ba3/B+	Leisure Goods/Activities	0.63%
Calpine Corp	Ba2/B+	Utilities	0.59%
Avolon Ltd	Ba3/B+	Aerospace	0.57%
Air Medical Group	B1/B	Transportation	0.57%

Repurchase Pool
31 December 2018

Issuer	Rating	Sector	%
Altice SFRFP	B3/B	Telecommunications	0.86%
Univision Communications	B2/B	Cable Television	0.83%
Calpine Corp	Ba2/B+	Utilities	0.83%
Centurylink Inc	Ba3/BB	Cable Television	0.75%
Texas Competitive Electric	Ba2/BB	Utilities	0.75%
Scientific Games	Ba3/B+	Leisure Goods/Activities	0.72%
Endo Pharmaceuticals	Ba2/B	Healthcare & Pharmaceuticals	0.71%
Air Medical Group	B1/B	Transportation	0.69%
SS&C Technologies Inc	Ba3/BB	Information Technology	0.66%

Asurion LLC	Ba3/B+	Insurance	0.61%

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(B) CREDIT RISK (continued)

Management of credit risk (continued)
Process (continued)
Concentration of the Company's financial assets by industry, in excess of 0.5%, was as follows:

US Dollar
31 December 2019

Industry	% of portfolio	Industry	% of portfolio
Healthcare & Pharmaceuticals	11.64%	Media: Advertising, Printing & Publishing	2.47%
High Tech Industries	10.76%	Consumer Goods: Durable	2.30%
Retail	7.62%	Consumer Goods: Non-durable	2.30%
Services: Business	6.32%	Utilities: Electric	2.27%
Hotel, Gaming & Leisure	5.31%	Capital Equipment	2.24%
Beverage, Food & Tobacco	4.75%	Transportation: Cargo	2.15%
Telecommunications	4.58%	Metals & Mining	1.68%
Banking, Finance, Insurance & Real Estate	4.25%	Containers, Packaging & Glass	1.58%
Media: Broadcasting & Subscription	4.05%	Environmental Industries	0.86%
Services: Consumer	3.91%		
Construction & Building	3.83%		
Automotive	3.40%		
Chemicals, Plastics & Rubber	3.03%		
Energy: Oil and Gas	2.75%		
Aerospace & Defense	2.71%		
Transportation: Consumer	2.65%		

Repurchase Pool
31 December 2019

Industry	% of portfolio	Industry	% of portfolio
Healthcare & Pharmaceuticals	12.39%	Aerospace and Defense	2.45%
High Tech Industries	11.31%	Utilities: Electric	2.29%
Services: Business	6.29%	Consumer goods: Durable	2.02%
Retail	5.66%	Consumer goods: Non-durable	2.00%
Hotel, Gaming & Leisure	5.45%	Containers, Packaging & Glass	1.92%
Banking, Finance, Insurance & Real Estate	5.30%	Media: Advertising, Printing & Publishing	1.90%
Media: Broadcasting & Subscription	4.81%	Transportation: Cargo	1.52%
Beverage, Food & Tobacco	4.56%	Metals & Mining	1.16%
Telecommunications	4.44%	Environmental Industries	1.12%
Construction & Building	4.42%		
Services: Consumer	4.08%		
Chemicals, Plastics & Rubber	3.10%		
Transportation: Consumer	2.90%		
Energy: Oil & Gas	2.83%		
Automotive	2.79%		
Capital Equipment	2.50%		

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(B) CREDIT RISK (continued)

Management of credit risk (continued)
Process (continued)
Concentration of the Company's financial assets by industry, in excess of 0.5%, was as follows:

US Dollar
31 December 2018

Industry	% of portfolio	Industry	% of portfolio
Healthcare & Pharmaceuticals	12.09%	Automotive	2.36%
High Tech Industries	11.77%	Containers, Packaging & Glass	2.26%
Services: Business	8.79%	Transportation: Consumer	1.69%
Banking, Finance, Insurance & Real Estate	7.50%	Consumer Goods: Durable	1.50%
Telecommunications	6.70%	Consumer Goods: Non-durable	1.36%
Hotel, Gaming & Leisure	5.14%	Metals & Mining	1.01%
Media: Broadcasting & Subscription	4.51%	Media: Advertising, Printing & Publishing	0.97%
Construction & Building	3.62%	Environmental Industries	0.96%
Retail Stores	3.50%	Energy: Electricity	0.77%
Beverage, Food & Tobacco	3.44%	Media: Diversified & Production	0.69%
Chemicals, Plastics & Rubber	3.44%		

Services: Consumer	3.37%
Utilities: Electric	3.14%
Aerospace & Defense	3.09%
Oil and Gas	2.82%
Capital Equipment	2.75%

Repurchase Pool
31 December 2018

Industry	% of portfolio	Industry	% of portfolio
Healthcare & Pharmaceuticals	12.60%	Capital Equipment	2.30%
High Tech Industries	9.95%	Automotive	1.87%
Telecommunications	7.80%	Consumer goods: Non-durable	1.77%
Services: Business	7.54%	Consumer goods: Durable	1.63%
Banking, Finance, Insurance & Real Estate	6.84%	Environmental Industries	1.48%
Hotel, Gaming & Leisure	5.53%	Transportation: Consumer	1.48%
Media: Broadcasting & Subscription	4.53%	Media: Advertising, Printing & Publishing	1.23%
Chemicals, Plastics & Rubber	3.88%	Metals & Mining	0.89%
Retail	3.88%	Utilities: Oil and Gas	0.88%
Construction & Building	3.69%	Media: Diversified & Production	0.84%
Utilities: Electric	3.64%	Transportation: Cargo	0.68%
Beverage, Food & Tobacco	3.19%	Energy: Electricity	0.56%
Energy: Oil & Gas	2.84%		
Containers, Packaging & Glass	2.68%		
Services: Consumer	2.61%		
Aerospace and Defense	2.42%		

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

(B) CREDIT RISK (continued)

Management of credit risk (continued)
Process (continued)

Impairment review
IFRS 9 requires an impairment assessment to be carried out on its financial assets carried at amortised cost. Impairment does not apply to financial assets classified as fair value through profit or loss. As at 31 December 2019, cash and cash equivalents and other receivables are held with counterparties with a credit rating of A1 or are due to be settled within 3 months of the reporting date. The Board considers the probability of default to be close to zero, as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised in the financial statements for the financial year ended 31 December 2019, based on 12-month expected credit losses. As such, any impairment would be wholly insignificant to the Company. There was no impairment recognised in the financial statements for the financial year ended 31 December 2019 and 2018.

(C) LIQUIDITY RISK
Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price.

Management of liquidity risk
Objective and policy
Due to the illiquid nature of the investments of the Company and the length of time that may be required to liquidate such investments, redemption by Shareholders is at the discretion of the Company. The Company does not have any long-term or structural borrowings. The introduction to note 11 details the potential liquidity risk arising from the Company's structure and the nature of its investments. The Company's financial instruments include investments in collateralised debt obligations traded over-the-counter which are not traded in an organised public market and which may be illiquid.

Process
During the financial year, none of the assets of the Company were subject to special liquidity arrangements arising from their illiquid nature.

In 2017, a redemption opportunity was put to Shareholders. It was accepted by 26.6% of the Shareholders, consequently Repurchase Pool Shares were established and 26.6% of the Company's portfolio was transferred to the Repurchase Pool. As at 31 December 2019, there were 6,617,236 Repurchase Pool Shares (2018: 24,637,358) in issue.

On 17 December 2018, two EGMs of the Company were convened at which: (a) Shareholders holding US Dollar Shares approved changes to the investment objective and policy of the Company to facilitate and authorise the Board to instruct the Investment Manager to effect a Managed Wind-Down of the portfolio attributable to the US Dollar Shares; and (b) Shareholders of the Company approved amendments to the constitution of the Company to provide for the termination of the Company before 2022.

On 21 December 2018, it was announced that 33.463% of US Dollar Shareholders and 0.002% of Repurchase Pool Shareholders elected to roll their investment in the Company into an investment in BGLF C Shares. Subsequent to the financial year end, 133,450,591 US Dollar Shares and 488 Repurchase Pool Shares were converted into 133,451,107 Rollover Shares. Following this, BGLF allotted and admitted to trading on the Specialist Fund Segment of the Main Market of the LSE one new C share for each Rollover Share in consideration of the transfer of Rollover assets from the Company to BGLF. The listing of the BGLF C Shares was effective as and from 7 January 2019.

As the Company is in the process of a Managed Wind-Down, the portfolios of both share classes are being actively sold to facilitate the return of the proceeds to the Shareholders. Cash distributions, by way of a redemption of shares, are made to US Dollar Shareholders and Repurchase Pool Shareholders on the realisation of their respective portfolios.

12 EARNINGS PER SHARE

The Earnings Per Share ("EPS") is calculated by dividing the profit/(loss) for the financial year attributable to the relevant Shareholders by the weighted average number of shares outstanding in the financial year.

	Financial year ended 31 December 2019		Financial year ended 31 December 2018	
	Repurchase Pool Shares US$	US Dollar Shares US$	Repurchase Pool Shares US$	US Dollar Shares US$
Profit/(loss) for the financial year all attributable to relevant Shareholders	298,443	18,863,817	(1,141,818)	(28,034,722)

Number of relevant shares for basic earnings per share	12,843,894	131,155,556	70,696,422	398,801,780
Basic and diluted earnings per share	0.02	0.14	(0.02)	(0.07)

For the financial year ended 31 December 2019 and 2018, there are no potential shares in existence, hence no diluted EPS adjustments arise .

13 TAXATION

Under current law and Irish practice, the Company qualifies as an investment undertaking under Section 739B of the Taxes Consolidation Act 1997 and is not therefore chargeable to Irish tax on its relevant income or relevant gains. No stamp duty, transfer or registration tax is payable in the Republic of Ireland on the issue, redemption or transfer of shares in the Company. Distributions and interest on securities issued in countries other than the Republic of Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between the Republic of Ireland and other countries. The Company may not therefore be able to reclaim withholding tax suffered by it in particular countries.

To the extent that a chargeable event arises in respect of a Shareholder, the Company may be required to deduct tax in connection with that chargeable event and pay the tax to the Irish Revenue Commissioners. A chargeable event can include payments to Shareholders, appropriation, cancellation, redemption, repurchase or transfer of shares, or a deemed disposal of shares every eight years beginning from the date of acquisition of those shares.

Certain exemptions can apply. In the absence of an appropriate declaration or written confirmation from the Revenue Commissioners which confirms that no such declaration is required, the Company will be liable for Irish tax on the occurrence of a chargeable event.

14 DISTRIBUTIONS

The Board declared the following distributions during the financial year ended 31 December 2019 on the US Dollar Shares:

- On 22 January 2019, the Board declared a dividend of US$0.0166 per US Dollar Share in respect of the financial period from 1 October 2018 to 31 December 2018. The dividend was paid on 6 February 2019 to Shareholders on the share register as at the close of business on 1 February 2019. The amount paid in respect of this dividend was US$4,404,830.

As disclosed in the 2018 Circular, the Board do not intend to declare any dividends during the wind-down period, therefore no dividends have been paid in respect of any shares after the payment of the dividend in respect of the quarter ended 31 December 2018.

15 OTHER EVENTS DURING THE FINANCIAL YEAR

As discussed in note 1, in January 2019, 133,450,591 US Dollar Shares and 488 Repurchase Pool Shares were converted into 133,451,107 Rollover Shares. Following this, Blackstone / GSO Loan Financing Limited ("BGLF") allotted and admitted to trading on the Specialist Fund Segment of the Main Market of the LSE one new C share for each Rollover Share in consideration of the transfer of Rollover assets from the Company to BGLF. The listing of the BGLF C Shares was effective as and from 7 January 2019.

During the financial year ended 31 December 2019, the following partial redemptions have occurred in relation to the US Dollar Shares:

Announcement Date	No. of Shares redeemed	Redemption Date	Redemption Amount US$	Price per Share	% of outstanding US Dollar Shares redeemed	% of issued US Dollar Shares outstanding
21/02/2019	51,068,428	28/02/2019	32,499,947	US$0.6364	19.246%	80.754%
23/04/2019	31,655,342	30/04/2019	20,499,999	US$0.6476	14.773%	68.825%
22/05/2019	85,399,031	31/05/2019	56,499,998	US$0.6616	46.761%	36.641%
24/06/2019	21,152,986	30/06/2019	14,199,999	US$0.6713	21.756%	28.670%
19/07/2019	23,474,177	31/07/2019	15,499,999	US$0.6603	30.857%	19.823%
21/10/2019	11,994,516	31/10/2019	6,999,999	US$0.5836	22.803%	15.303%
Total	**224,744,480**		**146,199,941**			

During the financial year ended 31 December 2019, the following partial redemptions have occurred in relation to the Repurchase Pool Shares:

Announcement Date	No. of Shares redeemed	Redemption Date	Redemption Amount US$	Price per Share	% of outstanding Repurchase Pool Shares redeemed	% of issued Repurchase Pool Shares outstanding
21/02/2019	4,681,645	28/02/2019	3,249,998	US$0.6942	19.003%	13,814%
23/04/2019	2,103,491	30/04/2019	1,499,999	US$0.7131	10.541%	12.358%
22/05/2019	9,531,590	31/05/2019	7,000,000	US$0.7344	53.393%	5.759%
24/06/2019	1,702,908	30/06/2019	1,300,000	US$0.7634	20.467%	4.581%
Total	**18,019,634**		**13,049,997**			

On 29 April 2019, the Company released its annual report and accounts for the financial year ended 31 December 2018.

At the AGM of the Company held on 3 July 2019, Shareholders approved the following ordinary resolutions:

Ordinary Resolutions

1. That the reports of the Board of Directors of the Company and of the auditor of the Company, KPMG, and the accounts for the financial year ended 31 December 2018 be and are hereby received and that the Company's affairs were reviewed.
2. That KPMG be re-appointed as auditors of the Company.
3. That the Directors be and are hereby authorised to fix the remuneration of the auditors of the Company.
4. That Mr Edward D'Alelio be re-elected as a Director of the Company.
5. That Mr Werner Schwanberg be re-elected as a Director of the Company.
6. That Mr Fergus Sheridan be re-elected as a Director of the Company.
7. That Mr Adrian Waters be re-elected as a Director of the Company.
8. That Mr Nicholas Moss be re-elected as a Director of the Company.

Effective 30 June 2019, Fidante Partners Europe Limited (trading as Fidante Capital) resigned as Financial Advisor and Corporate Broker due to strategic commercial reasons.

Effective 23 July 2019, the Company has appointed Bradwell Limited, a nominee company of Arthur Cox (Irish legal advisers to the Company) as Company Secretary, replacing State Street Fund Services (Ireland) Limited.

On 21 August 2019, the Company released its interim report and accounts for the half year 2019.

There were no other significant events during the financial year which are not disclosed elsewhere which would require revision of the figures or disclosures in the financial statements.

16 SUBSEQUENT EVENTS

On 8 January 2020, along with five smaller holdings, the Company sold its holding in Dorchester Park CLO DAC 2015-1X SUB at a premium to its 31 December 2019 valuation, significantly reducing the number of CLO assets held by the Company.

In 2020, up to the date of signing of these financial statements, the following partial redemptions have occurred in relation to the US Dollar Shares:

Announcement Date	No. of Shares redeemed	Redemption Date	Redemption Amount US$	Price per Share	% of outstanding US Dollar Shares redeemed	% of issued US Dollar Shares outstanding
23/01/2020	25,519,504	31/01/2020	14,000,000	US$0.5486	62.846%	5.686%
Total	**25,519,504**		**14,000,000**			

In 2020, up to the date of signing of these financial statements, the following partial redemptions have occurred in relation to the Repurchase Pool Shares:

Announcement Date	No. of Shares redeemed	Redemption Date	Redemption Amount US$	Price per Share	% of outstanding Repurchase Pool Shares redeemed	% of issued Repurchase Pool Shares outstanding
23/01/2020	2,981,448	31/01/2020	1,350,000	US$0.4528	45.056%	2.517%
Total	**2,981,448**		**1,350,000**			

On 3 February 2020, the Company provided an update on the divestment of the portfolio, a directorate change, and a change in the portfolio advisor.

Since the Managed Wind-Down began until 21 April 2020, the Company had sold 46 positions in total, raising $160.2 million attributable to the US Dollar Shares, which was returned to US Dollar Shareholders through a series of seven compulsory redemptions. These assets have been sold, on average, at a premium to their latest month end valuation. Inclusive of the December 2018 dividend, these realisations have resulted in an effective realised gain to shareholders of approximately +1.6% above the December 2018 net asset value.

To reduce the Company's ongoing costs and bring the size of the Board in line with the nature, scale and complexity of the Company at this stage of the Managed Wind-Down, the Company announces that Adrian Waters and Edward D'Alelio have stepped down from the Board with effect from 31 January 2020. It is also anticipated that Nicholas Moss will step down from the Board on 30 April 2020 after the 2019 annual report and audited financial statements have been approved. Fergus Sheridan was appointed to Chair of the Audit Committee on 24 March 2020.

The Company's Investment Manager has also informed the Board that J. Richard Blewitt, the portfolio adviser for the Company, has resigned from GSO. All other members of the GSO Structured Credit Investment Committee and investment team remain unchanged.

The Directors and the Investment Manager continue to carefully monitor the ongoing developments regarding COVID-19, which is adversely impacting global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global supply chains and adversely impacting a number of industries, such as transportation, hospitality and entertainment. The outbreak will have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus on the Company or the overall economy. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to portfolio asset performance and financial results of the Company. In addition to the factors described above, other factors that may affect market, economic and geopolitical conditions, and thereby adversely affect the Company include, without limitation, a global economic slowdown, changes in interest rates and/or a lack of availability of credit across the globe, commodity price volatility and changes in law and/or regulation, and uncertainty regarding government and regulatory policy.

There were no other significant events since the financial year end which would require revision of the figures or disclosures in the financial statements.

17 COMPARATIVE INFORMATION

Comparative information has been regrouped or reclassified as necessary to conform to the current year's presentation.

18 CONTINGENT LIABILITIES

The Board is not aware of any contingent liabilities as at 31 December 2019.

19 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 21 April 2020.

SCHEDULE OF INVESTMENTS - REPURCHASE POOL SHARES (UNAUDITED)
As at 31 December 2019

	Nominal holdings	Market value of US$	% of NAV
COLLATERALISED LOAN OBLIGATIONS			
REGION OF TRADE			
North America			
COUNTRY OF INCORPORATION			
Cayman Islands (December 2018: 4.94%)			
Apidos CLO 2013-14X INC	1,611,960	64,478	0.26
BNPP IP CLO Ltd 2014-1X E*	3,797,808	1,092,040	4.32
Rampart CLO 2007 Ltd 2007-1A SUB	2,926,000	1,024	0.00
		1,157,542	**4.58**
Ireland (December 2018: 0.45%)			
Dorchester Park CLO DAC 2015-1X SUB	2,660,000	932,995	3.69
		932,995	**3.69**
TOTAL COLLATERALISED LOAN OBLIGATIONS (DECEMBER 2018: 5.39%)		**2,090,537**	**8.27**
TOTAL INVESTMENTS AT FAIR VALUE - REPURCHASE POOL (DECEMBER 2018: 5.39%)		**2,090,537**	**8.27**

**This investment is a Mezzanine CLO tranche. All other investments are Income or Subordinated CLO tranches.*

SCHEDULE OF INVESTMENTS - US DOLLAR SHARES (UNAUDITED)
As at 31 December 2019

	Nominal holdings	Market value of US$	% of NAV
COLLATERALISED LOAN OBLIGATIONS			
REGION OF TRADE			
North America			
COUNTRY OF INCORPORATION			
Cayman Islands (December 2018: 82.74%)			
Apidos CLO 2013-14X INC	2,959,040	118,362	0.47
Apidos CLO 2014-18A	1,465,000	11,061	0.04
BNPP IP CLO Ltd 2014-1X D*	5,372,000	3,393,373	13.43
BNPP IP CLO Ltd 2014-1X E*	6,972,507	2,004,908	7.93
Magnetite IX Ltd	10,734,519	-	0.00
Magnetite XI Ltd	2,383,934	119	0.00
Rampart CLO 2007 Ltd 2007-1A SUB	5,372,000	1,880	0.01
		5,529,703	**21.88**
COUNTRY OF INCORPORATION			
Ireland (December 2018: 1.23%)			
Dorchester Park CLO DAC 2015-1X SUB	4,883,000	1,712,712	6.78
		1,712,712	**6.78**
TOTAL COLLATERALISED LOAN OBLIGATIONS (DECEMBER 2018: 83.97%)		**7,242,415**	**28.66**
TOTAL INVESTMENTS AT FAIR VALUE - US DOLLAR (DECEMBER 2018: 83.97%)		**7,242,415**	**28.66**
TOTAL INVESTMENTS AT FAIR VALUE (DECEMBER 2018: 89.36%)		**9,332,952**	**36.93**
OTHER ASSETS (DECEMBER 2018: 11.48%)		**16,596,144**	**65.67**
OTHER LIABILITIES (DECEMBER 2018: (0.84%))		**(657,797)**	**(2.60)**
TOTAL NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS		**25,271,299**	**100.00**

**This investment is a Mezzanine CLO tranche. All other investments are Income or Subordinated CLO tranches.*

SUMMARY OF KEY FINANCIAL INFORMATION (UNAUDITED)

NAV HISTORY	Financial year ended 31 December 2019		Financial year ended 31 December 2018		Financial year ended 31 December 2017	
	Repurchase Pool Shares	US Dollar	Repurchase Pool Shares	US Dollar	Repurchase Pool Shares	US Dollar
NAV	US$2,996,247	US$22,275,052	US$15,748,150	US$243,473,436	US$107,889,914	US$299,264,762
NAV per share	US$0.4528	US$0.5486	US$0.6392	US$0.6105	US$0.7469	US$0.7504
Shares in issue at the financial year end	6,617,236	40,606,709	24,637,358	398,801,780	144,451,569	398,801,780
Value of investments	US$2,090,537	US$7,242,415	US$13,970,980	US$217,679,511	US$96,670,553	US$297,312,674
Number of investments	4	8	10	43	50	54

The financial year-end exchange rate was EUR: US$1.11904 (31 December 2018: US$1.14315). The average rate for the financial year was EUR: US$0.893809 (31 December 2018: US$1.27360).

PORTFOLIO CHANGES MATERIAL ACQUISITIONS AND DISPOSALS/PAYDOWNS (UNAUDITED)
For the financial year ended 31 December 2019

Disposals/Paydowns*	Quantity sold	US$ proceeds
Neuberger Berman CLO Ltd 2014-17X SUB	21,952,000	10,976,000
ARES CLO Ltd 2013-3X SUB	29,928,000	10,774,080
Taconic Park CLO Ltd 2016-1A SUB	17,299,000	10,552,390
Catskill Park CLO Ltd 2017-1A SUB	18,118,400	10,055,712
Cedar Funding Ltd 2016-5A SUB	9,842,010	8,946,378
Highbridge Loan Management Ltd 10A-16 SUB	13,673,000	8,103,987
Webster Park CLO Ltd 2015-1X SUB	7,276,600	6,039,578
Highbridge Loan Management Ltd 3A-2014 SUB	10,530,661	5,761,325
Neuberger Berman CLO Ltd 2013-14X SUB	13,996,000	5,571,926
Voya CLO Ltd 2015-2X SUB	8,790,000	5,527,152
Palmer Square CLO Ltd 2015-1A SUB	8,210,000	5,267,536
Jay Park CLO Ltd 2016-1A SUB	6,787,600	4,192,701
Parallel Ltd 2018-1A SUB	4,657,000	4,054,267
Magnetite CLO Ltd 2016-18A SUB	6,653,000	3,878,699

Dryden Senior Loan Fund 2015-41X SUB	5,986,840	3,855,847
York CLO Ltd 2015-1A SUB	4,657,000	3,585,890
Carlyle Global Market Strategies 2015-1A SUB	6,653,000	3,319,847
Greenwood Park CLO Ltd 2018-1A SUB	3,825,000	3,186,225
ARES CLO Ltd 2016-39A SUB	4,883,000	3,172,973
Carlyle Global Market Strategies 2012-4X	3,447,407	2,378,711
Stewart Park CLO Ltd 2015-1X SUB	7,543,000	2,195,767
Neuberger Berman CLO Ltd 2016-21A SUB	2,262,000	1,914,783
Dryden Senior Loan Fund 2016-43A SUB	3,418,000	1,896,990
Cedar Funding Ltd 2014-4A SUB	2,197,000	1,658,735
Palmer Square CLO Ltd 2018-1A SUB	1,996,000	1,651,690
Apidos CLO 2016-24A SUB	2,640,000	1,581,624
Neuberger Berman CLO Ltd 2013-14A SUB	3,655,152	1,462,060
Carlyle Global Market Strategies 2013-3A SUB	2,725,476	1,294,601
Carlyle Global Market Strategies 2016-1A SUB	1,465,000	1,271,620
Neuberger Berman CLO Ltd 2016-23A SUB	2,008,077	1,220,372
BURNHAM PARK CLO LTD. BURNH 2016 1A SUB	1,465,000	908,300
Neuberger Berman CLO Ltd 2013-15X SUB	1,709,000	744,270
Dryden Senior Loan Fund 2016-45X SUB	1,156,112	723,379
Treman Park CLO Ltd 2015-1A SUB	1,953,000	683,550
Dryden Senior Loan Fund 2015-41A SUB	910,000	591,500
Bowman Park CLO Ltd 2014-1X SUB	1,220,000	460,794

*This represents the total disposals/paydowns for the financial year ended 31 December 2019.

There were no acquisitions during the financial year ended 31 December 2019.

MANAGEMENT AND ADMINISTRATION

DIRECTORS*
Werner Schwanberg (Chairman)**
Fergus Sheridan**
Adrian Waters** *(resigned 31 January 2020)*
Edward D'Alelio *(resigned 31 January 2020)*
Nicholas Moss**

ADMINISTRATOR
State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

COMPANY SECRETARY *(from 23 July 2019)*
Bradwell Limited
10 Earlsfort Terrace
Dublin 2
D02 T380
Ireland

COMPANY SECRETARY *(until 23 July 2019)*
State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

CUSTODIAN
State Street Custodial Services (Ireland) Limited
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SOLICITORS AS TO IRISH LAW
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REGISTRAR
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Sandyford Industrial Estate Dublin 18
Ireland

REGISTERED OFFICE
78 Sir John Rogerson's Quay
Dublin 2
Ireland

COMPANY REGISTRATION NUMBER: 415764
US Dollar Shares ISIN: IE00B3D60Z08

INVESTMENT MANAGER
GSO / Blackstone Debt Funds Management LLC
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NY 10154
United States of America

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United Kingdom

JOINT FINANCIAL ADVISER AND JOINT CORPORATE BROKER
Nplus1 Singer Advisory LLP
One Bartholomew Lane
London EC2N 2AX
United Kingdom

INDEPENDENT AUDITOR
KPMG
1 Harbourmaster Place
IFSC
Dublin1
Ireland

*All Directors of the Company are Non-Executive Directors.
**Independent Directors.

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[1] Credit Suisse Leveraged Loan Index, Credit Suisse High Yield Index, Bloomberg Barclays U.S. Aggregate Index, as at 31 December 2019. Upper tier: split BBB and BB; middle tier: Split BB, B and Split B; lower tier: CCC/Split CCC and default

[2] Lipper FMI; JP Morgan, as of December 31, 2019; includes all weekly and monthly reporting funds if reported by 6 January 2020.

[3] JP Morgan High Yield and Leveraged Loan Monitor, as of 31 December 2019.

[4] LCD for CLO issuance, as of 31 December 2019. JPM for CLO issuance estimate (new issuance only) as of 12 February 2020.

[5] $258.6 million notional does not include rollover trades which are discussed in note 1.

[6] The top five investment exposures table considers investments classified as Financial assets at fair value through profit or loss per the Statement of Financial Position and forms an integral part of the financial statements.

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