Interim report and unaudited condensed interim financial statements for the financial period ended 30 June 2019

Carador Income Fund PLC

CONTENTS

CARADOR INCOME FUND PLC: INVESTMENT OBJECTIVE

The Shareholders of the US dollar class shares (the "US Dollar Shares") of Carador Income Fund plc (the "Company") passed a resolution on 17 December 2018 to change the investment objective and policy of the Company to realise all remaining assets of the Company with a view to returning capital to the Shareholders in an orderly manner (the "Managed Wind-Down"). The Company is now in the process of the Managed Wind-Down.

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 collateralised loan obligations ("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.

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 UK Listing Authority and are admitted to trading on the Main Market of the London Stock Exchange (the "LSE"). The repurchase pool class shares of the Company ("Repurchase Pool Shares") are admitted to trading on the Specialist Fund Segment of the Main Market of the LSE.

CHAIRMAN'S REPORT

I am pleased to present the Interim Report including unaudited condensed interim financial statements for the Company for the six months ended 30 June 2019.

In the second quarter of 2019, central banks completed the transition from tightening to easing. The prospects of coordinated easing across major economies propelled risk assets to new highs in the first half of 2019, turning the relationship between markets and the US Federal Reserve (the "Fed") on its head – risk assets are supposed to rally after the Fed cuts, not before. Historically, equity returns are flat in the six months prior to a Fed cut, but year-to-date through June, the stock market was up over 20%. Markets have a poor history of predicting the magnitude and timing of Fed actions, and we believe current conditions do not warrant as aggressive a rate path as markets currently price in. Notably, the US doesn't have a growth problem, and inflation may not be as weak as investors believe. Meanwhile, investors have jumped headfirst into longer duration bonds in hopes of lower rates for longer. They appear to be ignoring the issues bubbling under the surface that make risk assets unlikely to make much progress and credit spreads likely to widen from here. Policy may disappoint, corporate profits are slowing, and trade tensions are likely to resurface. The mismatch between expectations and reality may be a source of volatility for the remainder of 2019.

Performance[1]

During the six-month period ended 30 June 2019, the US Dollar Shares generated a total Net Asset Value ("NAV") return of 10.98% (0.72% in 1H 2018) including one distribution. The US Dollar Shares started the year with a NAV per share of $0.6105 and ended June at $0.6603, an improvement of 8.16% (4.18% decline in 1H 2018) in the NAV per share, although as noted below, the US Dollar Shares also paid a dividend of $0.0166 per share in respect of the period from 1 October 2018 to 31 December 2018. The US Dollar Shares closed June 2019 at US$0.6150 (US$0.5700 at 31 December 2018), a 6.86% discount (6.63% discount at 31 December 2018) to the NAV at 28 June 2019.

The Repurchase Pool Shares generated a total NAV return of 18.35% during the first half of 2019 (0.84% in 1H 2018).[2] 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 $0.7565 and a share price of $0.7200 ($0.6392 and $0.7250 at 31 December 2018, respectively).

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 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.

Quarterly declared dividends per US Dollar Share and Net Cashflow Coverage of Net Income

Year	Dividend Declared	Net Cashflow Cover[3]
1Q18	1.46c	1.9x
2Q18	1.86c	1.4x
3Q18	1.39c	1.3x
4Q18	1.66c	1.7x

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.

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

During the six months ended 30 June 2019, the following partial redemptions have occurred on 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%
Total	189,275,787		123,699,943			

During the six months ended 30 June 2019, the following partial redemptions have occurred on 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 full year 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 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.

Werner Schwanberg
Chairman
21 August 2019

[3] The Net Cashflow Coverage expresses the amount of times the distributions received from the portfolio assets during the quarter cover the dividend for the quarter.

INVESTMENT MANAGER'S REVIEW
For the six month period ended 30 June 2019

We are pleased to present our review of the first six months of 2019.

Bank Loan Market Overview [4,5]
Following a volatile end to 2018, the US corporate credit markets rallied in the first half of 2019. The snapback in the second quarter of 2019 slowed for loans as rate cut expectations worked against the bullish sentiment in the credit markets. Loans returned 5.4% year-to-date as of 30 June 2019. This represents the best first half-year performance in ten years, as lower levels of new issue loan supply offset the headwind of continued outflows from mutual funds and ETFs. High yield returned 9.9% year-to-date as of 30 June as the dovish tone from the Fed and the European Central Bank, coupled with de-escalation of the US/China trade conflict, propelled relatively strong performance over the quarter. May represented the only negative returning month for high yield bonds in 2019, with a return of -1.4%, largely due to the broader risk-off sentiment as retail investors exited the asset class driving $6 billion of outflows. This sentiment quickly reversed in June following accommodative statements by Fed Chairman Powell, which drove high yield fund inflows totalling $3.7 billion and a monthly return of 2.4%, the second highest returning month in 2019.

Higher quality loans outperformed the lower quality segment of the market during the first half of 2019, with the upper and middle tier loans within the Credit Suisse Leveraged Loan Index returning 5.8% and 5.5%, respectively, compared to lower tier loans, which returned just 3.3%. In contrast, high yield bond returns during the first half of 2019 were more consistent across credit quality. Upper tier high yield bonds within the Credit Suisse High Yield Index returned 10.2%, middle tier bonds returned 10.0%, and lower tier bonds returned 8.2% year-to-date as of 30 June 2019.

As of 30 June 2019, loan default rates had lowered compared to year-end 2018 levels. Per JP Morgan, the par-weighted loan default rate for the last-twelve-month ("LTM") period ending 30 June 2019 was 1.30%, which is down 42bp since the end of 2018 and down 69bp year-over-year. JP Morgan continues to expect 2019 year-end default rates of just 1.5% and 2020 default rates of 2.0%, which is below the long-term average for loans. Lower default rate expectations are supported by robust interest coverage, expected continuance of US GDP growth, and limited near-term US loan maturities.

CLO Market Overview
Despite the ultimate favourable regulatory ruling from the Japanese FSA during 2Q 2019, Japanese AAA CLO buyers were slow to return to the CLO market following scrutiny regarding the scale of investments. As the year progressed, a wave of existing and new US AAA buyers emerged to fill the void and changed the CLO landscape to include more syndicated AAA transactions versus the traditional anchored deal approach. This dynamic created opportunities for domestic buyers to increase their AAA exposure to top-tier managers and increase levels of risk tiering by manager, portfolio, and strength of document.

As a result, US CLO issuance lagged slightly year-over-year with $65 billion issued through 30 June 2019, compared to $69 billion over the same period last year. JP Morgan estimates that US CLO issuance will total $115-$125 billion by year-end, which would represent a decline of approximately 8-12% year-over-year. CLO refinancing and resetting activities have also been muted so far during 2019, with only $23.1 billion of US CLOs refinanced or reset versus $83.9 billion in the first half of 2018.[6]

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 the first six months of the year, the Company liquidated $203.2 million notional and distributed $136.7 million to Shareholders through share repurchases.[7]

As at 30 June 2019, the top five investment exposures were:

Investment	Manager	Original Rating	% of Portfolio
CATSK 2017-1A SUB	GSO/Blackstone Debt Funds Management LLC	NR/NR	22.41%
TPARK 2016-1A SUB	GSO/Blackstone Debt Funds Management LLC	NR/NR	18.48%
BNPIP 2014-1X E	BNP Paribas Asset Management	NR/B	14.42%
BNPIP 2014-1X D	BNP Paribas Asset Management	NR/BB	8.42%
DORPK 2015-1X SUB	GSO/Blackstone Debt Funds Management LLC	NR/NR	6.45%

The Investment Manager believes that the combination of strong CLO manager selection, lower liability costs and longer duration facilitate economical and robust financing for loans in varying credit cycles.

4 Credit Suisse Credit Suisse Leveraged Loan Index, Credit Suisse High Yield Index, as of 28 June 2019. Upper Tier: Split BBB and BB; Middle Tier: Split BB, B and Split B; Lower Tier: CCC/Split CCC and Default.
5 S&P/LCD, as of 30 June 2019.
6 S&P/LCD, as of 05 August 2019.
7 $203.2 million notional does not include rollover trades which are discussed in note 1.

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 that was 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 will cease 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 will be held by the Company as cash on deposit and/or as cash equivalents. The Company will not undertake new borrowing other than for short-term purposes. The investment restrictions set out in the 2017 prospectus of the Company will not apply during the Managed Wind-Down, subject to the requirements of 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 19 July 2019, the Company announced the fifth partial compulsory redemption of US Dollar Shares, which would return by way of compulsory partial redemption of up to 23,474,177 US Dollar Shares at a rate of $0.6603 per US Dollar Share (approximately 30.857% of the US Dollar Shares). This redemption occurred on 31 July 2019. After this redemption, 19.823% (52,601,225) of the US Dollar Shares remained outstanding.

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

GSO/Blackstone Debt Funds Management LLC
21 August 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND INTERIM MANAGEMENT REPORT

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE INTERIM FINANCIAL REPORT

The Directors are responsible for preparing this interim management report in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union (the "EU"), the Transparency (Directive 2004/109/EC) (Amendment) Regulations 2007 (the "Transparency Directive") and the Transparency Rules of the Central Bank.

In preparing the interim financial information, the Directors are required to:

- prepare and present the interim financial information in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, the Transparency Directive and the Transparency Rules of the Central Bank;
- ensure the interim financial information has adequate disclosures;
- select and apply appropriate accounting policies; and
- make accounting estimates that are reasonable in the circumstances.

The Directors are responsible for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of the interim financial information that is free from material misstatement whether due to fraud or error.

We confirm that to the best of our knowledge:

(1) the unaudited condensed set of financial statements in the half-yearly financial report of the Company for the six months ended 30 June 2019 (the "interim financial information") which comprises the unaudited condensed interim statement of financial position, the unaudited condensed interim statement of comprehensive income, the unaudited condensed interim statement of changes in net assets, the unaudited condensed interim statement of cash flows and the related explanatory notes, have been presented and prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU.

(2) The interim financial information presented, as required by the Transparency Directive, includes:

a. an indication of important events that have occurred during the first 6 months of the financial year, and their impact on the unaudited condensed interim financial statements;

b. a description of the principal risks and uncertainties for the remaining 6 months of the financial year;

c. related parties' transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and

d. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year.

PRINCIPAL RISKS, UNCERTAINTIES, RISK MANAGEMENT, OBJECTIVES AND POLICIES

At an EGM of the Shareholders of the US Dollar Shares that was 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 Company's investment objective, prior to 17 December 2018, was to produce attractive and stable returns with a 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.

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, referred to in note 11 of these unaudited condensed interim financial statements. As at the financial period 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 net asset value ("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 mean 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 will reduce diversification and the spread of risk (including Market Price 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.

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.

The Directors anticipate that the principal risks and uncertainties will remain as outlined above and in note 11 for the remaining six months of the current financial year.

CONNECTED PARTY TRANSACTIONS

The Central Bank of Ireland 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 financial period complied with the obligations set out in paragraph one of NU 2.10.

Werner Schwanberg
Fergus Sheridan
Adrian Waters
Edward D'Alelio
Nicholas Moss

21 August 2019

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INDEPENDENT REVIEW REPORT TO CARADOR INCOME FUND PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2019 which comprises the unaudited condensed interim statement of financial position, unaudited condensed interim statement of comprehensive income, unaudited condensed interim statement of changes in net assets attributable to holders of shares, unaudited condensed interim statement of cash flows and the related explanatory notes. Our review was conducted having regard to the Financial Reporting Council's ("FRCs") International Standard on Review Engagements ("ISRE") (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly report for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Transparency Rules of the Central Bank of Ireland.

Emphasis of matter – non-going concern basis of preparation

We draw attention to note 2 of the unaudited condensed interim financial statements which explains that the unaudited condensed interim financial statements are not prepared on the going concern basis for the reason set out in that note. Our conclusion is not modified in respect of this matter.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for ensuring that the condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

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

Scope of review

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

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

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

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

KPMG

KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

21 August 2019

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Notes	30 June 2019 US$	31 December 2018 US$
ASSETS			
Cash and cash equivalents	6, 11	10,059,156	28,811,103
Other receivables	11	683,749	939,963
Financial assets at fair value through profit or loss	4, 9, 11	45,218,320	231,650,491
TOTAL ASSETS		55,961,225	261,401,557
LIABILITIES			
Expenses payable	5	723,583	2,179,971
TOTAL LIABILITIES (excluding net assets attributable to participating holders of shares)		723,583	2,179,971
NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF REPURCHASE POOL SHARES	3	5,006,107	15,748,150
NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF US DOLLAR SHARES	3	50,231,535	243,473,436
TOTAL NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF SHARES		55,237,642	259,221,586
TOTAL LIABILITIES (including net assets attributable to participating holders of shares)		55,961,225	261,401,557

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

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

UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2019

	Notes	30 June 2019 US$	30 June 2018 US$
Interest income on cash and cash equivalents		85,182	10,661
Miscellaneous income		3,286	79,585
Net loss on foreign exchange		(37,354)	(12,979)
Net gain on financial assets at fair value through profit or loss	4	28,184,288	6,077,289
TOTAL REVENUE		28,235,402	6,154,556
Investment management fees	5	(679,174)	(2,001,000)
Custodian fees	5	(12,526)	(32,704)
Administration fees	5	(50,102)	(132,182)
Directors' fees	5, 10	(194,994)	(194,994)
Auditor's fees	5	(105,821)	(97,390)
Other operating expenses	5	(563,199)	(240,222)
TOTAL OPERATING EXPENSES		(1,605,816)	(2,698,492)
OPERATING PROFIT BEFORE FINANCE COSTS		26,629,586	3,456,064
Fair value movement on Repurchase Pool Shares	3	(2,308,303)	(1,177,340)
Fair value movement on US Dollar Shares*	3	(24,320,302)	–
Interest expense	3	(981)	(587)
TOTAL FINANCE COSTS		(26,629,586)	(1,177,927)
INCOME FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO PARTICIPATING EQUITY HOLDERS OF US DOLLAR SHARES*		–	2,278,137
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO PARTICIPATING EQUITY HOLDERS OF US DOLLAR SHARES*		–	2,278,137

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

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

*US Dollar Shares were classified as equity in the previous interim period and income attributable to US Dollar Shareholders was shown as income for the financial period attributable to participating equity holders of US Dollar Shares. During the year ended 31 December 2018, the terms changed such that the shares now qualify as liabilities and are presented as such. Income attributable to US Dollar Shareholders for the financial period ended 30 June 2019 is shown as fair value movement on US Dollar Shares. See note 2C for further details.

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 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		
Profit for the financial period attributable to participating equity holders of US Dollar Shares		2,278,137
Distributions to Participating Equity Holders of US Dollar Shares	15	(14,795,546)
NET ASSETS ATTRIBUTABLE TO PARTICIPATING EQUITY HOLDERS OF US DOLLAR SHARES AS AT 30 JUNE 2018*		286,747,353
TRANSACTIONS WITH PARTICIPATING EQUITY HOLDERS OF US DOLLAR SHARES		
Loss for the financial period attributable to participating equity holders of US Dollar Shares		(30,312,859)
Distributions to Participating Equity Holders of US Dollar Shares	15	(12,961,058)
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*		–

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF SHARES
For the six months ended 30 June 2019

	Notes	US$
NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF SHARES AS AT 31 DECEMBER 2018*		259,221,586
TRANSACTIONS WITH PARTICIPATING HOLDERS OF SHARES		
Transfer to Rollover Shares	1	(89,457,779)
Redemption of Repurchase Pool Shares	7	(13,049,997)
Redemption of US Dollar Shares	7	(123,699,943)
Fair value movement on Shares		26,628,605
Distributions to Participating Holders of US Dollar Shares	15	(4,404,830)
NET ASSETS ATTRIBUTABLE TO PARTICIPATING HOLDERS OF SHARES AS AT 30 JUNE 2019		55,237,642

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

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

*US Dollar Shares were classified as equity in the previous interim period. During the year ended 31 December 2018, the terms changed such that the shares now qualify as liabilities and are presented as such. See note 2C for further details.

UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the six months ended 30 June 2019

	Notes	30 June 2019 US$	30 June 2018 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the financial period attributable to participating equity holders of US Dollar Shares		–	2,278,137
Adjustments for non-cash items and working capital:			
Amounts attributable to Repurchase Pool Shareholders	3	2,308,303	1,177,340
Amounts attributable to US Dollar Shareholders	3	24,320,302	–
Decrease in payables		(1,456,388)	(1,626,766)
Decrease/(increase) in receivables		256,214	(1,738,965)
Net (gain)/loss on financial assets at fair value through profit or loss		(9,836,180)	9,718,053
NET CASH INFLOW FROM OPERATING ACTIVITIES		**15,592,251**	**9,807,799**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		–	(30,065,569)*
Disposal and paydowns of investments		115,345,040	97,923,638*
NET CASH INFLOW FROM INVESTING ACTIVITIES		**115,345,040**	**67,858,069**
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions to US Dollar Shareholders	15	(4,404,830)	(14,795,546)
Transfer to Rollover Shares	1	(8,534,468)	–
Redemptions paid to Repurchase Pool Shareholders	7	(13,049,997)	(61,499,945)
Redemptions paid to US Dollar Shareholders	7	(123,699,943)	–
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(149,689,238)**	**(76,295,491)**
Net (decrease)/increase in cash and cash equivalents		(18,751,947)	1,370,377
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		**28,811,103**	**11,235,987**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		**10,059,156**	**12,606,364**
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 unaudited condensed interim financial statements.

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

*Balances include investment in unconsolidated subsidiaries. Please see note 9 for further details.

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, pursuant to Part 24 of the Companies Act 2014. The US Dollar Shares are admitted to the Official List of the UK Listing Authority with a premium listing and are admitted to trading on the Main Market of 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 are classified as a liability in accordance with the requirements of IAS 32 Financial Instruments: Presentation ("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 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 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 Shares Conversion Date. The Company repurchased all of the Rollover 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 is now 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 30 June 2019, there were 76,075,402 US Dollar Shares and 6,617,236 Repurchase Pool Shares in issue.

2 SIGNIFICANT ACCOUNTING POLICIES

2A STATEMENT OF COMPLIANCE

These unaudited condensed interim financial statements for the six months ended 30 June 2019, have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as endorsed by the EU. The unaudited condensed interim financial statements do not contain all of the information and disclosures required in the full annual financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") as adopted by the EU and also in accordance with Irish Company Law. The audited statutory financial statements for the year ended 31 December 2018, together with the independent auditor's report thereon, have been filed with the Central Bank and with the Companies Registration Office (the "CRO") and are also available on the Company's website. The auditor's report on those financial statements was unqualified with an emphasis of matter paragraph. The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied in the financial statements for the year ended 31 December 2018, as described in those annual financial statements, unless otherwise stated below.

These unaudited condensed interim financial statements for the six months ended 30 June 2019 have been reviewed by the auditors having regard to International Standard on Review Engagements ("ISRE") (UK and Ireland) 2410, whose report is set on page 7.

2B ADOPTION OF NEW ACCOUNTING STANDARDS AND AMENDMENTS, INCLUDING ACCOUNTING POLICY CHANGES

New standards adopted during the financial period ended 30 June 2019 are detailed below. These standards did not have any material impact on the Company's financial statements.

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

2C BASIS OF PREPARATION

The Company is in the process of a Managed Wind-Down, therefore it is no longer appropriate to prepare the unaudited condensed interim financial statements on a going concern basis. The unaudited condensed interim financial statements are prepared on a non-going concern basis. Although the unaudited condensed interim financial statements are prepared on a different basis to the prior unaudited condensed interim financial statements, there is no substantial change as the main assets and liabilities are financial assets and liabilities and are shown at fair value.

The Company's unaudited condensed interim financial statements have been prepared on a historical cost basis, except for 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 unaudited condensed interim financial statements is also US Dollar.

The unaudited condensed interim financial statements comprise the Company's unaudited condensed interim statement of financial position, unaudited condensed interim statement of comprehensive income, unaudited condensed interim statement of changes in net assets and unaudited condensed interim statement of cash flows together with the related notes.

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2C BASIS OF PREPARATION (CONTINUED)
The Company's liabilities include expenses payable to service providers. For the financial period ended 30 June 2019 and financial year ended 31 December 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 NAV of the US Dollar Shares was classified as equity as at 31 December 2017. On 17 December 2018, due to the change in the investment objective of the Company and the decision taken to either transfer to BGLF or realise all remaining assets with a view to returning capital to the remaining Shareholders, the classification of US Dollar Shares changed from equity to liability, in line with IAS 32. The measurement of the shares did not change.

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.

2D SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES
The preparation of the unaudited condensed interim 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 unaudited condensed interim 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 30 June 2019 and 31 December 2018. See note 3 for details of the NAV attributable to the Repurchase Pool Shares and US Dollar Shares.

Judgements
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 30 June 2019 and 31 December 2018, all CLOs in which the Company invests meet the definition of non–controlled structured entities in accordance with IFRS 12. These conclusions are further detailed in note 9.

2E 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 and does not deem any to be relevant to the Company.

3 SEGMENTAL REPORTING

As required by IFRS 8 Operating Segments ("IFRS 8"), the information provided to the Board and Investment Manager, who are the Chief Operating Decision Makers, can be classified into two segments as at 30 June 2019 and 31 December 2018 (30 June 2018: two segments), 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.

The Board has assessed that the Rollover Shareholders do not constitute a separate operating segment under IFRS 8, as they are 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 is not available for the Rollover Shareholders as separate books and records are 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 period. Accordingly, there is no requirement to change the existing operating segments within the Company for the purposes of the unaudited condensed interim financial statements for the six months ended 30 June 2019.

3 SEGMENTAL REPORTING (CONTINUED)

The value of trading between the operating segments during the financial period amounted to US$Nil (30 June 2018: US$12,071,076).

The below tables detail the revenue, loss and net assets split between the operating segments for the financial period ended 30 June 2019 and as at 30 June 2019.

	Repurchase Pool Shares 30 June 2019 US$	US Dollar Shares 30 June 2019 US$	Total 30 June 2019 US$
Interest income on cash and cash equivalents	6,654	78,528	85,182
Miscellaneous income	39	3,247	3,286
Net loss on foreign exchange	(4,563)	(32,791)	(37,354)
Net gain on financial assets at fair value through profit or loss	2,490,896	25,693,392	28,184,288
Total revenue for reportable segments	**2,493,026**	**25,742,376**	**28,235,402**
Operating expenses	(184,516)	(1,421,300)	(1,605,816)
Interest expense on cash and cash equivalents	(207)	(774)	(981)
Total profit for reportable segments	**2,308,303**	**24,320,302**	**26,628,605**

	Repurchase Pool Shares 30 June 2019 US$	US Dollar Shares 30 June 2019 US$	Total 30 June 2019 US$
Financial assets at fair value through profit or loss	4,301,450	40,916,870	45,218,320
Other receivables	183,581	500,168	683,749
Cash and cash equivalents	564,622	9,494,534	10,059,156
Expenses payable	(43,546)	(680,037)	(723,583)
Net assets for reportable segments	**5,006,107**	**50,231,535**	**55,237,642**

The below tables detail the revenue, loss and net assets split between the operating segments for the financial period ended 30 June 2018 and as at 31 December 2018.

	Repurchase Pool Shares 30 June 2018 US$	US Dollar Shares 30 June 2018 US$	Total 30 June 2018 US$
Interest income on cash and cash equivalents	4,751	5,910	10,661
Miscellaneous income	23,872	55,713	79,585
Net loss on foreign exchange	(3,429)	(9,550)	(12,979)
Net gain on financial assets at fair value through profit or loss	1,601,300	4,475,989	6,077,289
Total revenue for reportable segments	**1,626,494**	**4,528,062**	**6,154,556**
Operating expenses	(449,042)	(2,249,450)	(2,698,492)
Interest expense on cash and cash equivalents	(112)	(475)	(587)
Total profit for reportable segments	**1,177,340**	**2,278,137**	**3,455,477**

3 SEGMENTAL REPORTING (CONTINUED)

	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**

As discussed 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, assets to which rollover elections related to were transferred in accordance with the provisions of the BGLF Rollover Opportunity.

	30 June 2019 US$	31 December 2018 US$
NAV – US Dollar Shares (76,075,402)	50,231,535	243,473,436
NAV Per US Dollar Share	0.6603	0.6105
NAV – Repurchase Pool Shares (6,617,236)	5,006,107	15,748,150
NAV Per Repurchase Pool Share	0.7565	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

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 assets measured at fair value as at 30 June 2019 and 31 December 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 unaudited condensed interim statement of financial position. All fair value measurements below are recurring.

	US Dollar Shares US$	Repurchase Pool Shares US$	Total as at 30 June 2019 US$
Level 1	–	–	–
Level 2	–	–	–
Level 3	40,916,870	4,301,450	45,218,320
Total	40,916,870	4,301,450	45,218,320

	US Dollar Shares US$	Repurchase Pool Shares US$	Total as at 31December 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.

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 that have been 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 unaudited condensed interim statement of financial position but for which fair value is disclosed, the Company discloses the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

For the financial period ended 30 June 2019 and the year ended 31 December 2018, cash and cash equivalents, other receivables and expenses payable, whose carrying amounts approximate fair value, were classified as Level 2 within the fair value hierarchy.

For the financial period ended 30 June 2019 and the year ended 31 December 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 period ended 30 June 2019 and financial year ended 31 December 2018. Where transfers between levels arise, they are deemed to occur at the end of the reporting period.

As at 30 June 2019 and 31 December 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 2018, certain CLOs with a fair value of US$195,282,158 were transferred from Level 2 to Level 3. This followed a Board reassessment as to what constitutes an 'observable' input in the fair market valuation to determine the level within the hierarchy in which a broker quote is categorised. This is highly subjective. Given the low volume of trading in December, it was concluded that there was little market colour available at or around the measurement date and this resulted in the re-classification of the CLO equity as a Level 3 investment due to the illiquidity of the product, lack of trading activity and the unobservable inputs used in the valuations.

As at 30 June 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 of financial assets at fair value through profit or loss from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy as at 30 June 2019:

	CLOs – US Dollar Shares US$	CLOs – Repurchase Pool Shares US$	Total as at 30 June 2019 US$
Balance as at 1 January 2019	217,679,511	13,970,980	231,650,491
Net gain on financial assets at fair value through profit or loss	8,373,278	1,462,902	9,836,180
Disposal and paydowns of investments	(185,135,919)	(11,132,432)	(196,268,351)
Balance as at 30 June 2019	**40,916,870**	**4,301,450**	**45,218,320**

The following table shows a reconciliation of financial assets at fair value through profit or loss 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 US$	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
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 30 June 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$	30,941,033	Broker Quotes	0.01%-71.60%	44.13%	5% increase/decrease will have a fair value impact of +/- US$1,547,052
Repurchase Pool Shares US$	1,443,183	Broker Quotes	30.40%-42.27%	20.05%	5% increase/decrease will have a fair value impact of +/- US$72,159
Total Income Notes	32,384,216				
Mezzanine Notes					
US Dollar Shares US$	9,975,837	Broker Quotes	75.42%-86.62%	80.35%	5% increase/decrease will have a fair value impact of US$498,792
Repurchase Pool Shares US$	2,858,267	Broker Quotes	75.42%	75.42%	5% increase/decrease will have a fair value impact of +/- US$142,913
Total Mezzanine Notes	12,834,104				
TOTAL	45,218,320				

*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.

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 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%	5% increase/decrease will have a fair value impact of +/- US$10,144,202
Repurchase Pool Shares US$	11,197,434	Broker Quotes	3.40%-87.00%	34.94%	5% increase/decrease will have a fair value impact of +/- US$559,872
Total Income Notes	214,081,480				
Mezzanine Notes					
US Dollar Shares US$	14,795,465	Broker Quotes	73.15%-87.22%	79.34%	5% increase/decrease will have a fair value impact of +/- US$739,773
Repurchase Pool Shares US$	2,773,546	Broker Quotes	73.15%	73.15%	5% increase/decrease will have a fair value impact of +/- US$138,677
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 30 June 2019 and 31 December 2018 that seems 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.

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 30 June 2019 and 31 December 2018:

	30 June 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	2,308,303	(1,141,818)
Balance as at 30 June/31 December	**5,006,107**	**15,748,150**

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 US Dollar Shares from the opening balance to the closing balance as at 30 June 2019 and 31 December 2018:

	30 June 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	(123,699,943)	–
Fair value movement	24,320,302	–
Distributions	(4,404,830)	–
Balance as at 30 June/31 December	**50,231,535**	**243,473,436**

The following table sets out information about significant unobservable inputs used as at 30 June 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$	5,006,107	Unadjusted NAV of the Shares	5% increase/decrease will have a fair value impact of +/- US$250,305
US Dollar Shares US$	50,231,535	Unadjusted NAV of the Shares	5% increase/decrease will have a fair value impact of +/- US$2,511,577
Total	**55,237,642**		

The following table sets out information about significant unobservable inputs used as at 31 December 2018 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$	15,748,150	Unadjusted NAV of the Shares	5% increase/decrease will have a fair value impact of +/- US$787,408
US Dollar Shares US$	243,473,436	Unadjusted NAV of the Shares	5% increase/decrease will have a fair value impact of +/- US$12,173,672
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 period ended 30 June 2019 for the US Dollar Shares amounted to US$602,238 (30 June 2018: US$1,670,654) and for the Repurchase Pool Shares amounted to US$76,936 (30 June 2018: US$330,346).

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 period end or relevant repurchase date, as applicable, plus dividends per US Dollar Share (if any) paid in the financial 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 financial 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 was established to track the performance fee payable to the Investment Manager in respect of the Repurchase Pool Shares. The performance fee is calculated subject to the below conditions.

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 of 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”).

5 OPERATING EXPENSES (CONTINUED)

INVESTMENT MANAGER (CONTINUED)

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 period ended 30 June 2019 or 30 June 2018.

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

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 period ended 30 June 2019 and 30 June 2018 are reflected in the unaudited condensed interim statement of comprehensive income and the amounts due as at 30 June 2019 and 31 December 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 unaudited condensed interim financial statements.

During the financial period ended 30 June 2019, Directors' fees amounted to US$177,767 (30 June 2018: US$177,767) plus out of pocket expenses of US$17,227 (30 June 2018: US$17,227), of which US$Nil (2018: US$Nil) remained payable at the financial period end.

Other operating expenses incurred during the financial period ended 30 June 2019 and 2018 are disclosed in the unaudited condensed interim statement of comprehensive income.

Accruals as at 30 June 2019 and 31 December 2018 are detailed in the following table:

ACCRUAL	30 June 2019 US$	31 December 2018 US$
Investment management fees	85,810	1,156,819
Custodian fees	29,045	10,765
Administration fees	119,434	69,332
Auditors' fees	93,557	299,770
Other professional fees	286,133	279,816
Other operating expenses	109,604	363,469
	723,583	2,179,971

6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents balances are held with the Custodian.

7 PARTICIPATING SHARES

As at 30 June 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 30 June 2019, there were 76,075,402 US Dollar Shares (31 December 2018: 398,801,780) in issue. As at 30 June 2019, net assets attributable to participating holders of US Dollar Shares were US$50,231,535 (31 December 2018: US$243,473,436).

7 PARTICIPATING SHARES (CONTINUED)

US DOLLAR SHARES (CONTINUED)

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 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 30 June 2019, there were 6,617,236 Repurchase Pool Shares (31 December 2018: 24,637,358) in issue. As at 30 June 2019, net assets attributable to participating holders of Repurchase Pool Shares were US$5,006,107 (31 December 2018: US$15,748,150).

C SHARES

At the AGM held on 31 July 2017, the Shareholders approved a 12 month Placement Programme to allow for the raising of additional capital to be issued as either US Dollar or C Shares. Under the Placement Programme, C Shares were to be made available for subscription at US$1 per C share. The Placement Programme closed on 10 October 2018. No C Shares were ever issued.

ROLLOVER SHARES

Following a vote by Shareholders on the Rollover Opportunity, 133,450,591 US Dollar Shares and 488 Repurchase Pool Shares converted into 133,451,107 Rollover Shares on the BGLF Rollover Date. The Rollover Shares were not transferable and were created by allocating to such class a pro rata amount of the Company's assets and liabilities attributable to each of the US Dollar Shares and Repurchase Pool Shares based on the NAV of each share class as at 31 December 2018.

Each US Dollar Share that elected to rollover converted into one Rollover Share and each Repurchase Pool Share that elected to rollover converted into such proportion of Rollover Shares as is pro rata to the respective NAV per US Dollar Share compared with the NAV per Repurchase Pool Share.

Immediately following the conversion of the US Dollar Shares and Repurchase Pool Shares into Rollover Shares, the Company repurchased all of the Rollover Shares in-kind and transferred the assets attributable to the Rollover Shares to BGLF in consideration for BGLF issuing BGLF C Shares to the holders of Rollover Shares. Each holder of Rollover Shares received one BGLF C Share in respect of each Rollover Share it holds as at the Rollover Date.

The Rollover Shares existed solely for the purpose of the capital reorganisation to facilitate the Rollover Opportunity. No Rollover Shares were in issue at the end of the financial period and no separate NAV was calculated for the Rollover Shares during 2019.

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.

During the year ended 31 December 2018, the Board distributed all or part of the net income of the US Dollar Shares (after reasonable expenses and retaining an element of cash flow receipts on Income Notes of CLOs) from the underlying investments as quarterly dividends in January, April, July and October. Repurchase Pool Shares have no entitlement to distributions. On 21 February 2018, the Board announced that in seeking to provide stable dividends at rates that reflect net income actually generated, the Company would move to a floating dividend such that, in any financial quarter, the dividends paid are equal to the cash income the Company has received, net of reasonable expenses, while retaining an element of cash flow receipts on CLO Income Notes as principal for reinvestment.

As disclosed in the 2018 Circular, the Board does not intend to declare any dividends during the wind-down period, therefore no further dividends will be 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 period ended 30 June 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 period	–	2,308,303	–	24,320,302	26,628,605
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	–	–	(189,275,787)	(123,699,943)	(123,699,943)
Closing balance as at 30 June 2019	**6,617,236**	**5,006,107**	**76,075,402**	**50,231,535**	**55,237,642**

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 are no agreements for the provision of any services by means of soft commission.

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 30 June 2019 and 31 December 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 30 June 2019:

Structured Entity ("SE")	Line item in the unaudited condensed interim 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	Carador'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	Other*
Mezzanine Note CLOs									
North America									
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Broadly Syndicated Investment Grade Loans – USD	2	353	353	13	28.38%	13	Non recourse
Total Mezzanine Note CLOs	Financial assets at FVTPL		2			13	28.38%	13	Non recourse
Income Note CLOs									
North America									
Country of Incorporation: Cayman Islands	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans – USD	11	40-1,029	389	29	63.73%	29	Non recourse
Country of Incorporation: Ireland	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans – USD	1	533	533	3	7.89%	3	Non recourse
Total Income Note CLOs	Financial assets at FVTPL		12			32	71.62%	32	Non recourse
Total			14			45			

As at 30 June 2019, the Company did not hold any subsidiaries.

The Company has a percentage range of 0.01% – 20.67% notional holding out of the entire outstanding notional balances of the structured entities as at 30 June 2019.

During the financial period ended 30 June 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 unaudited condensed interim 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	Carador'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	Other*
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 recourse
Total Mezzanine Note CLOs	Financial assets at FVTPL		2			17	7.47%	17	Non recourse
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 recourse
Country of Incorporation: Ireland	Financial assets at FVTPL	Broadly Syndicated sub-Investment Grade Secured Loans – USD	1	533	533	5	1.88%	5	Non recourse
Total Income Note CLOs	Financial assets at FVTPL		41			215	92.53%	215	Non recourse
Total			43			232			

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

The Company had 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 period.

TRANSACTIONS WITH ENTITIES WITH SIGNIFICANT INFLUENCE

GSO/Blackstone Debt Funds Management LLC acts as Investment Manager to the Company (the "Investment Manager"). Investment management fees earned by the Investment Manager amounted to US$679,174 (30 June 2018: US$2,001,000), of which US$85,810 (31 December 2018: US$1,156,819) was outstanding at the financial period end.

There were no performance fees earned by the Investment Manager during the financial period ended 30 June 2019 or 30 June 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 period ended 30 June 2019.

During the financial period ended 30 June 2019, the Company incurred Directors' fees for services as Directors and out-of-pocket expenses of US$194,994 (30 June 2018: US$194,994), of which US$Nil (31 December 2018: US$Nil) was outstanding at the financial period end.

No Director, nor the Company Secretary, had any beneficial interest in the shares of the Company during the financial period ended 30 June 2019 or financial year ended 31 December 2018. The Company is domiciled in Ireland where shareholdings held by the non-executive Directors would not be considered the industry norm.

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 30 June 2019, current employees and accounts managed or advised by the Investment Manager and its affiliates within the credit-focused business unit of The Blackstone Group L.P. hold 14,333 US Dollar Shares (31 December 2018: 375,000 US Dollar Shares) which represents approximately 0.02% (31 December 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.

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 30 June 2019, 62.13% (31 December 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 30 JUNE 2019

Investment	Investment Manager	Market
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
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

10 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

CLO INVESTMENTS MANAGED BY GSO/BLACKSTONE AND AFFILIATES 31 DECEMBER 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

TRANSACTIONS WITH SUBSIDIARIES

As at 30 June 2019 and 31 December 2018, the Company had no subsidiary undertakings for financial reporting purposes.

The Company received US$Nil in distributions from the subsidiaries for the financial period ended 30 June 2019 (30 June 2018: US$992,800). There were total losses arising during the financial period ended 30 June 2019 amounting to US$Nil (30 June 2018: US$1,071,167).

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 of Directors 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.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

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 30 June 2019 and 31 December 2018 is disclosed in note 11(A)(iii) and 11(B).

(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 risks. The Company may use derivative instruments to hedge the investment portfolio against currency risk. As at 30 June 2019 and 31 December 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 30 June 2019 and 31 December 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 30 June 2019 US$	US Dollar Shares 30 June 2019 US$	Total 30 June 2019 US$
Collateralised loan obligations			
Income Notes	1,443,183	30,941,033	32,384,216
Mezzanine Notes	2,858,267	9,975,837	12,834,104
Total Collateralised loan obligations	4,301,450	40,916,870	45,218,320
TOTAL INVESTMENTS AT FAIR VALUE	4,301,450	40,916,870	45,218,320

	31 December 2018 US$	31 December 2018 US$	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

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

(A) MARKET RISK (CONTINUED)

(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. The Investment Manager will, however, ensure diversification across the portfolio of CLOs in terms of underlying assets, issuer selection, geography and maturity profile.

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.

The Company's investments in CLO securities are presented in the unaudited condensed interim 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 unaudited condensed interim 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 period ended 30 June 2019 and financial year ended 31 December 2018. The focus of the Company's risk management is therefore on the CLO investments.

Process

The Company invests 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 30 June 2019 and 31 December 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 30 June 2019 and 31 December 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 30 June 2019 US$	US Dollar Shares 30 June 2019 US$	Company Total 30 June 2019 US$
+1%	(155,997)	(965,106)	(1,121,103)
- 1%	599,074	3,252,011	3,851,085

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. However, the Company may invest in underlying assets which are denominated in currencies other than US Dollar (e.g., Euro). Accordingly, the value of such investments may be affected, favourably or unfavourably predominately, by fluctuations in currency rates and which, if unhedged, could have the potential to have a significant effect on returns.

Process

To reduce the impact on the Company of currency fluctuations and the volatility of returns which may result from currency exposure, the Investment Manager may hedge the currency exposure of the assets of the Company with the use of derivative financial instruments. The Company did not have any foreign exchange forward contracts at the financial period ended 30 June 2019 and financial year ended 31 December 2018.

The Company held immaterial amounts of Euro and GBP cash as at 30 June 2019 and 31 December 2018 to cover expense invoices. 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 as at 30 June 2019 and 31 December 2018 was as follows:

EXPOSURE TO FOREIGN EXCHANGE RATES	Repurchase Pool Shares 30 June 2019 US$	US Dollar Shares 30 June 2019 US$	Company Total 30 June 2019 US$
EUR Exposure			
Cash and cash equivalents	69,306	259,327	328,633
EUR Exposure	69,306	259,327	328,633
GBP Exposure			
Cash and cash equivalents	42,742	118,003	160,745
GBP Exposure	42,742	118,003	160,745
TOTAL EXPOSURE	112,048	377,330	489,378

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 30 June 2019 and 31 December 2018. As at 30 June 2019 and 31 December 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 30 June 2019		US Dollar Shares 30 June 2019		Company Total 30 June 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%	69,306	(+/-) 3,465	259,327	(+/-) 12,966	328,633	(+/-) 16,431
GBP/US Dollar	+/-10%	42,742	(+/-) 4,274	118,003	(+/-) 11,800	160,745	(+/-) 16,074

		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. Each investment is 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 seeks 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 that was 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.

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 30 June 2019 and 31 December 2018.

By Asset Class	Repurchase Pool Shares 30 June 2019 US$	US Dollar Shares 30 June 2019 US$	Company Total 30 June 2019 US$
Broadly syndicated sub-investment grade secured loans – North America	3,044,201	38,608,920	41,653,121
Broadly syndicated sub-investment grade secured loans – Ireland*	1,257,249	2,307,950	3,565,199
	4,301,450	40,916,870	45,218,320

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.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

(A) MARKET RISK (CONTINUED)
(iii) Other price risk (continued)
Management of other price risk (continued)
Process (continued)
If the value of investments was to increase or decrease by 5%, the impact on the NAV of the Company would be +/- US$2,260,916 (Repurchase Pool Share US$215,072 and US Dollar Share US$2,045,844) (31 December 2018: +/- US$11,582,525 (Repurchase Pool Share US$698,549 and US Dollar Share US$10,883,976)). As at 30 June 2019 and 31 December 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 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. Any assets to which rollover elections relate are to be 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 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.

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.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

(B) CREDIT RISK (CONTINUED)
Management of credit risk (continued)
Process (continued)
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 unaudited condensed interim statement of financial position. The split between the two share classes is disclosed in note 3.

	30 June 2019 US$	31 December 2018 US$
Cash and cash equivalents	10,059,156	28,811,103
Other receivables	683,749	939,963
Financial assets at fair value through profit or loss	45,218,320	231,650,491
	55,961,225	261,401,557

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 30 June 2019 was A1 (Source: Moody's) (31 December 2018: A1).

The following tables show the breakdown by country of incorporation as at 30 June 2019 and 31 December 2018:

	Repurchase Pool Shares 30 June 2019 US$	US Dollar Shares 30 June 2019 US$	Company Total 30 June 2019 US$
Cayman Islands	3,044,201	38,608,920	41,653,121
Ireland	1,257,249	2,307,950	3,565,199
	4,301,450	40,916,870	45,218,320

	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 30 June 2019 and 31 December 2018:

	Maximum portfolio holdings of a single asset % of total portfolio	Average portfolio holdings of a single asset % of total portfolio
Repurchase Pool	66.45%	25.00%
US Dollar	30.25%	7.14%
30 June 2019 Company Total	27.38%	7.14%
Repurchase Pool	23.64%	10.00%
US Dollar	8.99%	2.33%
31 December 2018 Company Total	8.45%	2.33%

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

(B) CREDIT RISK (CONTINUED)

Management of credit risk (continued)

Process (continued)

The following tables summarise the portfolio by asset class and ratings of the portfolio as at 30 June 2019 and 31 December 2018:

By asset class	Repurchase Pool Shares 30 June 2019 US$	US Dollar Shares 30 June 2019 US$	Company Total 30 June 2019 US$
Mezzanine Notes	2,858,267	9,975,837	12,834,104
Income Notes	1,443,183	30,941,033	32,384,216
	4,301,450	40,916,870	45,218,320

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.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

(B) CREDIT RISK (CONTINUED)

Management of credit risk (continued)

Process (continued)

As at 30 June 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/BB	NR/BB	5,372,000	4,723,722
BNPIP 2014-1	BNPIP 2014-1X E	M	BNP Paribas Asset Management	NR/CCC+	NR/B	10,561,000	8,110,382
Total							12,834,104

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

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 as at 30 June 2019 is detailed in the following tables:

US Dollar
30 June 2019

Issuer	Rating	Sector	%
Centurylink Inc	Ba3/BB	Cable Television	1.20%
Altice SFRFP	B2/B	Telecommunications	0.89%
Asurion LLC	Ba3/B+	Insurance	0.88%
Berry Plastics Group	Ba2/BB+	Containers, Packaging & Glass	0.76%
Transdigm	Ba3/B+	Aerospace	0.72%
American Airlines Inc	Ba1/BB-	Aerospace	0.67%
Texas Competitive Electric	Ba1/BB	Utilities	0.65%
Air Medical Group	B1/B	Transportation	0.65%
SS&C Technologies Inc	Ba2/BB	Information Technology	0.65%
Univision Communications	B2/B	Cable Television	0.64%

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

(B) CREDIT RISK (CONTINUED)
Management of credit risk (continued)
Process (continued)

Repurchase Pool
30 June 2019

Issuer	Rating	Sector	%
Berry Plastics Group	Ba2/BB+	Containers, Packaging & Glass	1.11%
American Airlines Inc	Ba1/BB-	Aerospace	1.09%
Dell Inc	Baa3/BB+	Information Technology	1.02%
PriSo Acquisition Corp	B2/B	Construction & Building	0.95%
Prime Security Services Borrower LLC	Ba3/B+	Services: Consumer	0.86%
Air Medical Group	B1/B	Transportation	0.82%
Asurion LLC	Ba3/B+	Insurance	0.82%
Altice SFRFP	B2/B	Telecommunications	0.78%
Carestream Health	B1/B	Healthcare & Pharmaceuticals	0.75%
DaVita Healthcare Partners	Baa3/BB	Healthcare & Pharmaceuticals	0.74%

The Company's top ten look-through exposure to corporate borrowers as at 31 December 2018 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%, as at 30 June 2019 was as follows:

US Dollar
30 June 2019

Industry	% of portfolio	Industry	% of portfolio
Healthcare & Pharmaceuticals	14.92%	Aerospace & Defense	2.16%
High Tech Industries	12.70%	Energy: Oil & Gas	2.01%
Banking, Finance, Insurance & Real Estate	7.12%	Transportation: Consumer	1.71%
Services: Business	6.93%	Consumer Goods: Durable	1.56%
Telecommunications	5.96%	Environmental Industries	1.52%
Hotel, Gaming & Leisure	5.34%	Media: Advertising, Printing & Publishing	1.22%
Media: Broadcasting & Subscription	5.19%	Transportation: Cargo	0.86%
Retail	4.10%	Consumer Goods: Non-durable	0.80%
Beverage, Food & Tobacco	3.79%	Metals & Mining	0.80%
Construction & Building	3.49%		
Utilities: Electric	3.42%		
Chemicals, Plastics & Rubber	3.00%		
Capital Equipment	2.91%		
Services: Consumer	2.82%		
Containers, Packaging & Glass	2.71%		
Automotive	2.35%		

Repurchase Pool
30 June 2019

Industry	% of portfolio	Industry	% of portfolio
Healthcare & Pharmaceuticals	13.66%	Capital Equipment	2.43%
High Tech Industries	11.91%	Containers, Packaging & Glass	2.38%
Services: Business	6.70%	Aerospace & Defense	2.12%
Banking, Finance, Insurance & Real Estate	6.49%	Consumer goods: Durable	1.85%
Retail	5.96%	Energy: Oil & Gas	1.75%
Hotel, Gaming & Leisure	4.95%	Transportation: Cargo	1.55%
Media: Broadcasting & Subscription	4.57%	Environmental Industries	1.29%
Construction & Building	4.43%	Consumer goods: Non-durable	1.05%
Utilities: Electric	4.07%	Metals & Mining	1.01%
Telecommunications	3.90%		
Beverage, Food & Tobacco	3.84%		
Chemicals, Plastics & Rubber	3.07%		
Services: Consumer	2.97%		
Automotive	2.65%		
Media: Advertising, Printing & Publishing	2.53%		
Transportation: Consumer	2.45%		

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%, as at 31 December 2018 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%		

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 30 June 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 unaudited condensed interim financial statements for the financial period ended 30 June 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 period ended 30 June 2019 or the financial year ended 31 December 2018.

11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

(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 period, 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 30 June 2019, there were 6,617,236 Repurchase Pool Shares (31 December 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. 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 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 STOCK LENDING

The Company did not enter into any stock lending transactions during the financial period ended 30 June 2019 (30 June 2018: US$Nil).

13 EARNINGS PER SHARE

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

		Financial period ended 30 June 2019		Financial period ended 30 June 2018
	Repurchase Pool Shares US$	US Dollar Shares US$	Repurchase Pool Shares US$	US Dollar Shares US$
Profit for the financial period all attributable to relevant Shareholders	2,308,303	24,320,302	1,177,340	2,278,137
Number of relevant shares for basic earnings per share	19,173,755	211,033,803	93,324,811	398,801,780
Basic and diluted earnings per share	0.12	0.12	0.01	0.01

13 EARNINGS PER SHARE (CONTINUED)

	Financial period ended 31 December 2018		Financial period ended 31 December 2017	
	Repurchase Pool Shares US$	US Dollar Shares US$	Repurchase Pool Shares US$	US Dollar Shares US$
(Loss)/profit for the financial year all attributable to relevant Shareholders	(1,141,818)	(28,034,722)	612,196	36,411,229
Number of relevant shares for basic earnings per share	70,696,422	398,801,780	24,141,221	519,112,133
Basic and diluted earnings per share	(0.02)	(0.07)	0.03	0.07

For the financial period ended 30 June 2019 and 30 June 2018, and the year ended 31 December 2018 and 2017, there are no potential shares in existence, hence no diluted EPS adjustments arise.

14 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.

15 DISTRIBUTIONS

The Board declared the following distributions during the financial period ended 30 June 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 does not intend to declare any dividends during the wind-down period, therefore no further dividends will be paid in respect of any shares after the payment of the dividend in respect of the quarter ended 31 December 2018.

16 SEASONAL OR CYCLICAL CHANGES

The Company is not subject to seasonal or cyclical changes.

17 OTHER EVENTS DURING THE FINANCIAL PERIOD

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, 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 six months ended 30 June 2019, the following partial redemptions have occurred on 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%
Total	189,275,787		123,699,943			

During the six months ended 30 June 2019, the following partial redemptions have occurred on 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 full year 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 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.

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

18 SUBSEQUENT EVENTS

From 1 July 2019 up to the date of signing of these financial statements, the following partial redemptions have occurred:

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
19/07/2019	23,474,177	31/07/2019	15,500,000	US$0.6603	30.857%	19.823%
Total	23,474,177		15,500,000			

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

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

19 APPROVAL OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The unaudited condensed interim financial statements were approved and authorised for issue by the Board on 21 August 2019.

SCHEDULE OF INVESTMENTS – REPURCHASE POOL SHARES (UNAUDITED)
As at 30 June 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	80,598	0.15
BNPP IP CLO Ltd 2014-1X E*	3,724,000	2,858,267	5.17
Rampart CLO 2007 Ltd 2007-1A SUB	2,926,000	105,336	0.19
		3,044,201	5.51
Ireland (December 2018: 0.45%)			
Dorchester Park CLO DAC 2015-1X SUB	2,660,000	1,257,249	2.28
		1,257,249	2.28
TOTAL COLLATERALISED LOAN OBLIGATIONS (DECEMBER 2018: 5.39%)		4,301,450	7.79
TOTAL INVESTMENTS AT FAIR VALUE – REPURCHASE POOL (DECEMBER 2018: 5.39%)		4,301,450	7.79

*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 30 June 2019

	Nominal holdings	Market value of US$	% of NAV
COLLATERALISED LOAN OBLIGATIONS			
REGION OF TRADE			
North America			
COUNTRY OF INCORPORATION			
Cayman Islands (December 2017: 82.74%)			
Apidos CLO 2013-14X INC	2,959,040	147,952	0.27
Apidos CLO 2014-18A	1,465,000	11,061	0.02
BNPP IP CLO Ltd 2014-1X D*	5,372,000	4,723,722	8.55
BNPP IP CLO Ltd 2014-1X E*	6,837,000	5,252,115	9.51
Burnham Park CLO Ltd 2014-1A	1,465,000	1,015,245	1.84
Catskill Park CLO Ltd 2017-1A SUB	18,118,400	12,379,397	22.41
Dryden Senior Loan Fund 2016-43A SUB	3,418,000	1,954,412	3.53
Magnetite IX Ltd	2,383,934	988,856	1.79
Magnetite XI Ltd	10,734,519	778,253	1.41
Neuberger Berman CLO Ltd 2016-23A SUBF	55,077	30,430	0.05
Rampart CLO 2007 Ltd 2007-1A SUB	5,372,000	193,392	0.35
Taconic Park CLO Ltd 2016-1A SUB	17,299,000	10,206,410	18.48
Treman Park CLO Ltd 2015-1A	1,953,000	927,675	1.68
		38,608,920	**69.89**
COUNTRY OF INCORPORATION			
Ireland (December 2018: 1.23%)			
Dorchester Park CLO DAC 2015-1X SUB	4,883,000	2,307,950	4.18
		2,307,950	**4.18**
TOTAL COLLATERALISED LOAN OBLIGATIONS (DECEMBER 2018: 83.97%)		40,916,870	74.07
TOTAL INVESTMENTS AT FAIR VALUE – US DOLLAR (DECEMBER 2018: 83.97%)		40,916,870	74.07
TOTAL INVESTMENTS AT FAIR VALUE (DECEMBER 2018: 89.36%)		45,218,320	81.86
OTHER ASSETS (DECEMBER 2018: 11.48%)		10,742,905	19.45
OTHER LIABILITIES (DECEMBER 2018: (0.84%))		(723,583)	(1.31)
TOTAL NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS		55,237,642	100.00

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

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Fergus Sheridan**
Adrian Waters**
Edward D'Alelio
Nicholas Moss**

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COMPANY REGISTRATION NUMBER: 415764
US Dollar Shares ISIN: IE00B3D60Z08

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

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