

# BDC Industry Review: Fourth Quarter 2014

## FS Energy & Power Fund

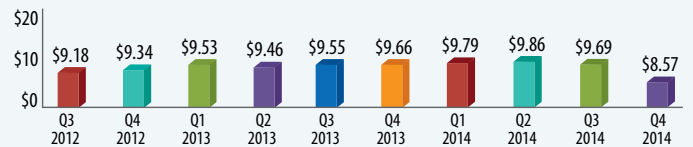
Total Assets.....\$3,714.4 Million  
 Investments.....\$3,375.2 Million  
 Cash & Equivalents.....\$225.1 Million  
 Other.....\$114.0 Million



Public Offering Price: .....\$9.80  
 Current Distribution Rate\*: .....7.23%  
 Reinvestment Price Per Share:.....90% POP  
 Effective Date:.....May 12, 2011  
 Number of Months Effective:.....43

Cash & Equivalents to Total Assets Ratio:.....6.1%  
 Asset Type: ..... Diversified Private Debt  
 Number of Companies in Portfolio: .....125  
 Sponsor/Advisor: ..... Franklin Square Capital Partners  
 Sub-Advisor:..... GSO – Blackstone  
 Use of Total Return Swap (TRS): .....No  
 Assets of TRS: .....\$0 Million

### Historical Price (Net Asset Value)



### Investment Strategy

#### Strategy:

To invest primarily in the debt and income-oriented equity securities of private U.S. companies in the energy and power industry.

#### Company Size:

Not Applicable

#### Average Portfolio Company Size:

\$233.3 million in EBITDA

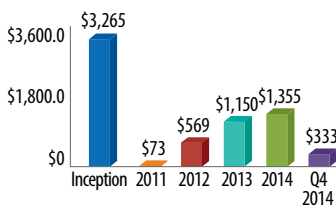
### Management

Investments are sourced, underwritten and managed in a collaborative effort between Franklin Square (FS) Capital Partners and the sub-advisor, GSO Capital Partners, a Blackstone company.

**GSO - Blackstone** – The credit arm of Blackstone, GSO manages over \$72.9 billion in credit investments. Blackstone is one of the world's largest investment management firms, has roughly \$290.4 billion in assets under management.

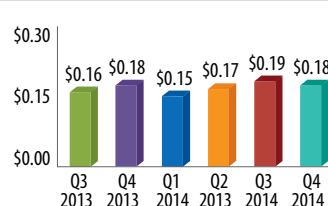
**Franklin Square Capital Partners** – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$14.9 billion in BDC assets.

### Gross Offering Proceeds



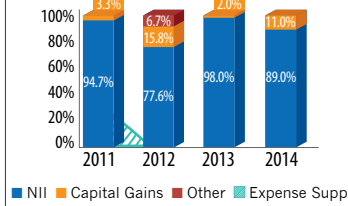
\*Includes reinvested distributions (in millions)

### Historical Distribution Per Share



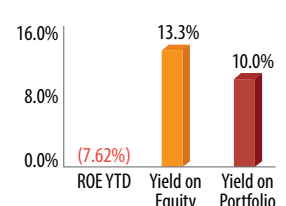
\*Does not include special distributions

### Sources of Distributions



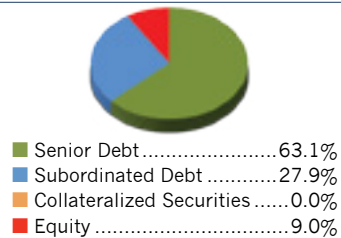
\*Other may include other taxable income items.  
 \*Offering Price as of 7/1/14.

### Portfolio Yields



\*ROE was -7.62% for the year 2014

### Portfolio by Asset Type



### Portfolio Concentration – Top 5 Industries

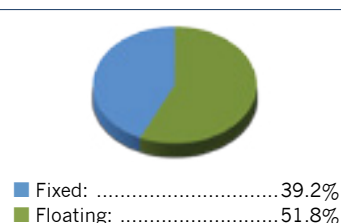
Industry	2014 YTD	2013
Upstream	54%	48%
Midstream	7%	13%
Downstream	0%	0%
Power	10%	7%
Service & Equipment	29%	32%

### Performance Returns

	2014 YTD	2013	2012	2011**
FS Energy & Power Fund	(4.14%)	10.49%	14.07%	2.11%
S&P/LSTA Leveraged Loan Index	0.99%	5.25%	9.67%	1.51%
BofA Merrill Lynch High Yield Master II	2.50%	7.42%	15.58%	4.38%

\*\*YTD returns are not annualized  
 \*Annualized due to limited operating data in 2011

### Floating vs. Fixed Rate Investments



### Key Statistics

Fund Operating Expense Ratio.....	4.3%
Interest Coverage Ratio.....	9.9x
Weighted Average Interest Rate.....	2.6%
Leverage Ratio.....	29.4%
Taxable Income Payout Ratio.....	111.9%
Net Change in Assets Payout Ratio.....	(96.2%)
Expense Support % of Distribution.....	0.0%

[www.FSEnergyandPowerFund.com](http://www.FSEnergyandPowerFund.com)

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\*See additional notes on page 19.