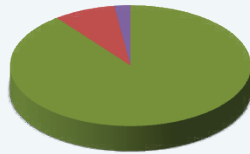




BDC Industry Review: Second Quarter 2014

FS Investment Corporation II

Total Assets.....\$4,205.1 Million
 Investments.....\$3,763.9 Million
 Cash & Equivalents.....\$349.9 Million
 Other.....\$91.3 Million



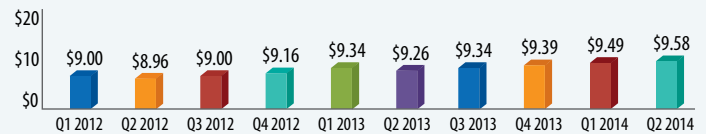
Last Offering Price:\$10.60
 Current Distribution Rate*:7.11%
 Reinvestment Price Per Share:.....Set by Board*
 Effective Date:.....February 14, 2012
 Offering Close Date:.....March 5, 2014

*Current distribution rate based on public offering price

Cash & Equivalents to Total Assets Ratio:.....8.3%
 Asset Type:Diversified Private Debt
 Number of Companies in Portfolio:201
 Sponsor/Advisor:Franklin Square Capital Partners
 Sub-Advisor:.....GSO – Blackstone
 Use of Total Return Swap (TRS):No*
 Assets of TRS:\$0 Million

*FS Investment Corporation II terminated the TRS agreement on June 13, 2013

Historical Price (Net Asset Value)



Investment Strategy

Strategy:

To invest primarily in senior secured, second-lien secured and to a lesser extent subordinated debt of private U.S. companies.

Company Size:

\$50 million to \$2.5 billion in revenue.

Average Portfolio Company Size:

\$273.4 million in EBITDA.

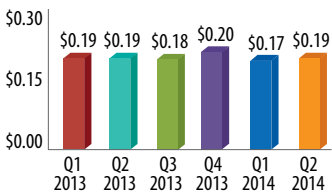
Management

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 \$69.5 billion in credit investments. Blackstone is one of the world's largest investment management firms, has roughly \$279 billion in assets under management.

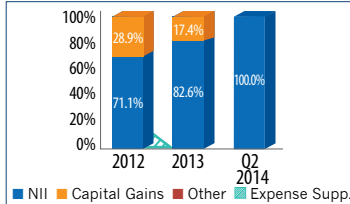
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$12.4 billion in BDC assets.

Historical Distribution Per Share



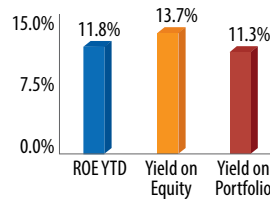
*Does not include special distributions

Sources of Distributions

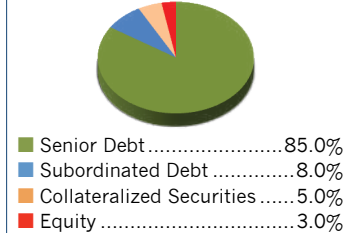


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

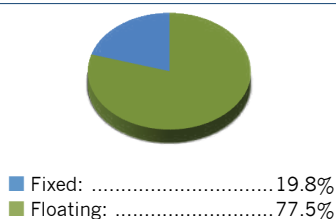
Industry	2014 YTD	2013
Consumer Services	17%	15%
Energy	13%	16%
Capital Goods	11%	8%
Software & Services	7%	7%
Telecommunication Services	6%	5%

Performance Returns

	2014* YTD	2013*	2012
FS Investment Corporation II	5.86%	10.81%	8.82%
S&P/LSTA Leveraged Loan Index	2.60%	5.25%	9.67%
BofA Merrill Lynch High Yield Master II	5.64%	7.42%	15.58%

*Annualized Returns based on NAV plus reinvestment of distributions
 *Limited operations for year of 2012, became effective 2/14/12

Floating vs. Fixed Rate Investments



*See additional notes on page 19.

Key Statistics

Total Operating Expense Ratio	5.5%
Interest Coverage Ratio	7.9x
Weighted Average Interest Rate	3.3%
Leverage Ratio	25.3%
Taxable Income Payout Ratio	96.4%
Net Change in Assets Payout Ratio	66.0%
Expense Support as % of NII	0.0%

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