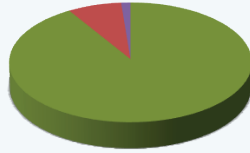


# BDC Industry Review: Second Quarter 2015

## FS Investment Corporation II

Total Assets.....\$5,122.4 Million  
 Investments.....\$4,668.4 Million  
 Cash & Equivalents.....\$386.9 Million  
 Other.....\$67.1 Million



Last Offering Price: .....Closed  
 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:.....7.6%  
 Asset Type: .....Diversified Private Debt  
 Number of Companies in Portfolio: .....183  
 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:

\$206.4 million in EBITDA.

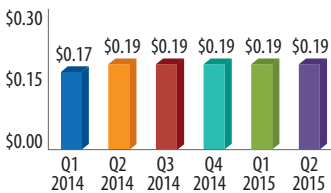
### Management

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 \$81 billion in credit investments. Blackstone is one of the world's largest investment management firm, has roughly \$310 billion in assets under management.

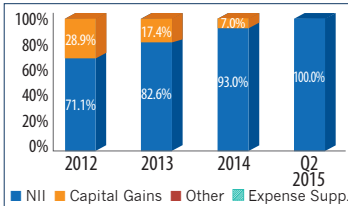
**Franklin Square Capital Partners** – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$16.8 billion in BDC assets.

### Historical Distribution Per Share



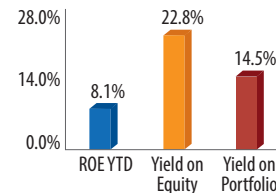
\*Does not include special distributions

### Sources of Distributions

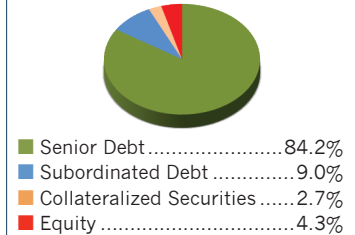


\*Other may include other taxable income items.

### Portfolio Yields



### Portfolio by Asset Type



### Portfolio Concentration – Top 5 Industries

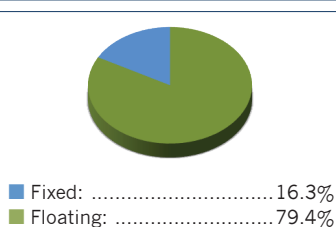
Industry	2015 YTD	2014
Energy	17%	14%
Consumer Services	12%	17%
Capital Goods	10%	9%
Software & Services	9%	8%
Materials	8%	6%

### Performance Returns

	2015* YTD	2014	2013*	2012
FS Investment Corporation II	4.09%	6.92%	10.81%	8.82%
S&P/LSTA Leveraged Loan Index	1.76%	0.99%	5.25%	9.67%
BofA Merrill Lynch High Yield Master II	2.49%	2.50%	7.42%	15.58%

\*YTD returns are not annualized  
 \*Limited operations for year of 2012, became effective 2/14/12

### Floating vs. Fixed Rate Investments



### Key Statistics

Total Operating Expense Ratio	6.6%
Interest Coverage Ratio	6.2x
Weighted Average Interest Rate	2.9%
Leverage Ratio	40.3%
Taxable Income Payout Ratio*	92.4%
Net Change in Assets Payout Ratio	100.4%
Expense Support % of Distribution	0.0%

### Contact Information

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**Franklin Square Capital Partners**  
**2929 Arch Street, Suite 675**  
**Philadelphia, PA 19104**  
**(877) 372-9880**

\*See additional notes on page 22.