

BDC Industry Review: Third Quarter 2013



FS Investment Corporation II

Total Assets.....	\$2,681.5 Million
Investments.....	\$2,159.7 Million
Cash & Equivalents.....	\$485.7 Million
Other.....	\$36.0 Million



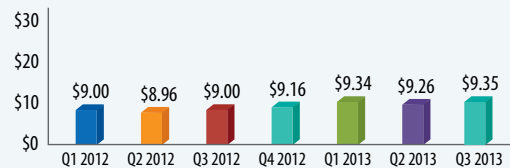
Cash & Equivalents to Total Assets Ratio:..... 18.1%
 Asset Type:..... Diversified Private Debt
 Number of Companies in Portfolio:..... 165
 Sponsor/Advisor:..... Franklin Square Capital Partners
 Sub-Advisor:..... GSO – Blackstone
 Use of Total Return Swap (TRS):..... No*
 Assets of TRS:..... Not Available

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

Public Offering Price:..... \$10.50
 Current Distribution Rate*:..... 7.18%
 Reinvestment Price Per Share:..... 90% POP
 Effective Date:..... February 14, 2012
 Number of Months Effective:..... 21

*Current distribution rate based on public offering price

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:

\$247.7 million in EBITDA.

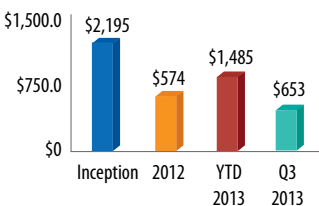
Management

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 \$63 billion in credit investments. Blackstone is one of the world's largest investment management firms, has roughly \$248 billion in assets under management.

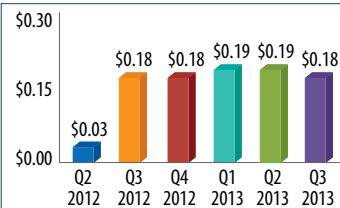
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$9.2 billion in BDC assets.

Gross Offering Proceeds



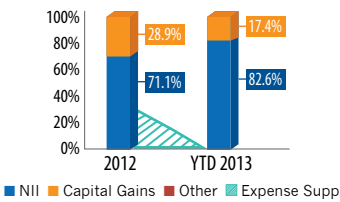
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



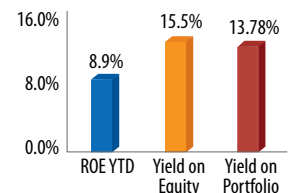
*Does not include special distributions

Sources of Distributions

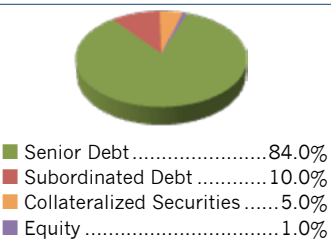


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

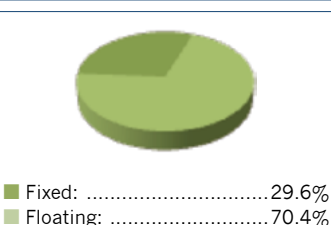
Industry	YTD 2013	2012
Energy	14%	19%
Retailing	14%	0%
Capital Goods	9%	17%
Consumer Durables and Apparel	7%	4%
Consumer Services	6%	5%

Performance Returns

	YTD 2013	2012
FS Investment Corporation II	8.19%	8.82%
S&P/LSTA Leveraged Loan Index	3.53%	9.67%
BofA Merrill Lynch High Yield Master II	3.79%	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



Key Statistics

Total Operating Expense Ratio.....	4.7%
Interest Coverage Ratio.....	11.0x
Weighted Average Interest Rate.....	3.1%
Leverage Ratio.....	26.9%
Taxable Income Payout Ratio.....	98%
Net Change in Assets Payout Ratio.....	112%
Expense Support as % of NII.....	0%

Contact Information

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* See additional notes on page 19.

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