



BDC Industry Review: Fourth Quarter 2013

FS Investment Corporation II

Total Assets..... \$3,322.0 Million
 Investments..... \$2,655.8 Million
 Cash & Equivalents..... \$581.6 Million
 Other..... \$84.6 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

*Repurchase price will be no less than NAV and no more than 2.5% over NAV

Cash & Equivalents to Total Assets Ratio:..... 17.5%
 Asset Type: Diversified Private Debt
 Number of Companies in Portfolio: 179
 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

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:

\$242.1 million in EBITDA.

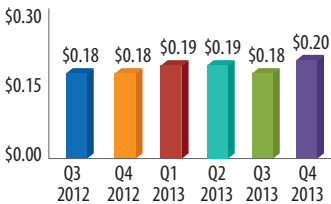
Management

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 \$65 billion in credit investments. Blackstone is one of the world's largest investment management firms, has roughly \$266 billion in assets under management.

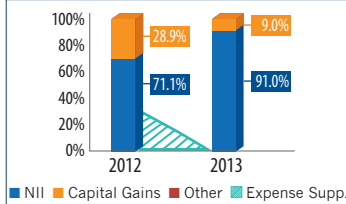
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages over \$10 billion in BDC assets.

Historical Distribution Per Share



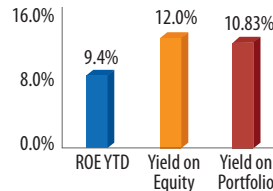
*Does not include special distributions

Sources of Distributions

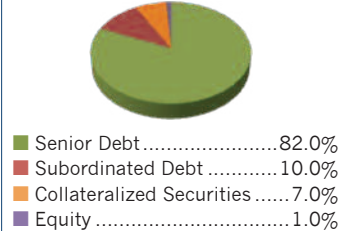


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

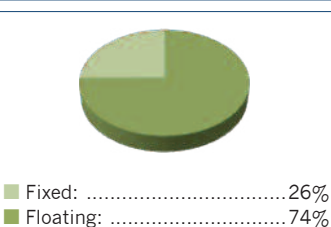
Industry	2013	2012
Energy	16%	19%
Consumer Services	15%	5%
Diversified Financials	8%	7%
Capital Goods	8%	17%
Retailing	7%	0%

Performance Returns

	2013	2012
FS Investment Corporation II	10.81%	6.11%
S&P/LSTA Leveraged Loan Index	5.25%	9.67%
BofA Merrill Lynch High Yield Master II	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



Key Statistics

Total Operating Expense Ratio	4.5%
Interest Coverage Ratio	10.4x
Weighted Average Interest Rate	3.2%
Leverage Ratio	21.7%
Taxable Income Payout Ratio	110%
Net Change in Assets Payout Ratio	87%
Expense Support as % of NII	0%

Contact Information

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* See additional notes on page 19.

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