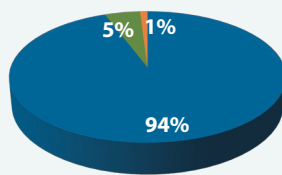


# BDC Industry Review: Fourth Quarter 2015

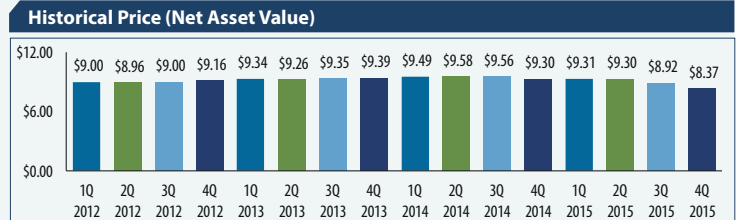
## FS Investment Corporation II

Total Assets .....	\$4,809.87 Million
Investments .....	\$4,532.88 Million
Cash & Equivalents .....	\$228.78 Million
Other .....	\$48.22 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
Cumulative Capital Raised during Offering (in Millions) .....	\$3,286.8

Cash & Equivalents to Total Assets Ratio .....	4.8%
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 (fair value) .....	Not Applicable



### 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:**  
\$168.7 million in EBITDA for direct. \$70.3 million originations.

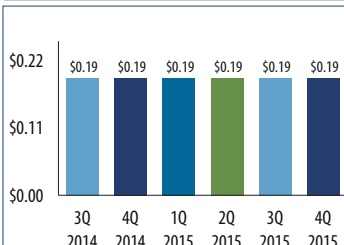
### Management

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.

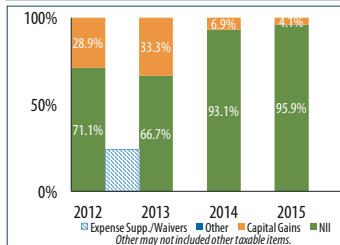
**GSO - Blackstone** – The credit arm of Blackstone, GSO manages over \$79.1 billion in credit investments. Blackstone is one of the world's largest investment management firm, has roughly \$336 billion in assets under management.

**Franklin Square Capital Partners** – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$17.0 billion in BDC assets.

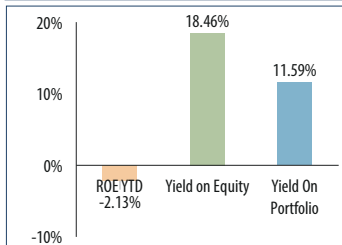
### Historical Distribution Per Share



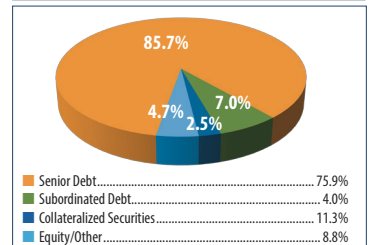
### Sources of Distributions



### Portfolio Yields



### Portfolio by Asset Type



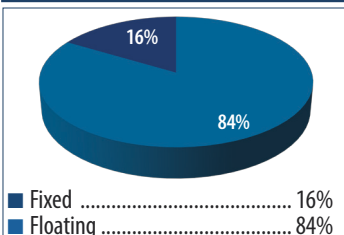
### Portfolio Concentration – Top 5 Industries

Industry	2015	2014
Energy	14.0%	14.0%
Software & Services	11.0%	8.0%
Capital Goods	11.0%	9.0%
Consumer Services	10.0%	17.0%
Consumer Durables & Apparel	8.0%	6.0%

### Performance Returns

	2015	2014	2013	2012
FS Investment Corporation II	-1.94%	6.92%	10.81%	6.11%
S&P/LSTA Leveraged Loan Index	-2.83%	0.99%	5.25%	9.67%
BofA Merrill Lynch High Yield Index	-4.87%	2.50%	7.42%	15.58%

### Floating vs. Fixed Rate Investments



### Key Statistics

Fund Operating Expense Ratio	6.46%
Interest Coverage Ratio	5.7x
Weighted Average Interest Rate	2.90%
Leverage Ratio	42.5%
Taxable Income Payout Ratio	91.3%
Net Change in Assets Payout Ratio	Not Meaningful
Expense Support/Fee Waivers as % of Distribution	0%

\*BDCs only reports adjusted net investment income quarterly, may differ from taxable income

### Contact Information

www.FSInvestmentCorpII.com

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