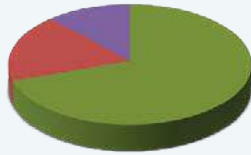


BDC Industry Review: Third Quarter 2014



FS Investment Corporation III

Total Assets.....	\$595.3 Million
Investments.....	\$415.0 Million
Cash & Equivalents.....	\$109.4 Million
Other.....	\$70.9 Million

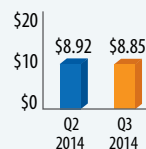


Public Offering Price:	\$10.00
Current Distribution Rate:	7.00%
Reinvestment Price Per Share:.....	95% POP
Effective Date:.....	December 31, 2013
Number of Months Effective:.....	9

Cash & Equivalents to Total Assets Ratio:.....	18.4%
Asset Type:	Diversified Private Debt
Number of Companies in Portfolio:	63
Sponsor/Advisor:	Franklin Square Capital Partners
Sub-Advisor:.....	GSO - Blackstone
Use of Total Return Swap (TRS):	Yes
Assets of TRS:	\$205.7 Million*

*TRS Agreement began June 26, 2014

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:

\$193.1 million in EBITDA

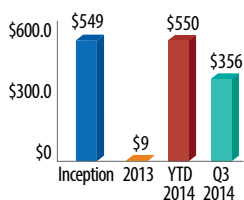
Management

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 over \$70.2 billion in credit investments. Blackstone is one of the world's largest investment management firms, has roughly \$284 billion in assets under management.

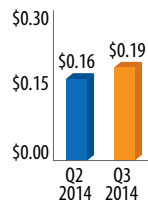
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$13.5 billion in BDC assets.

Gross Offering Proceeds



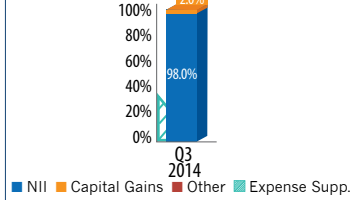
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



*Does not include special distributions

Sources of Distributions

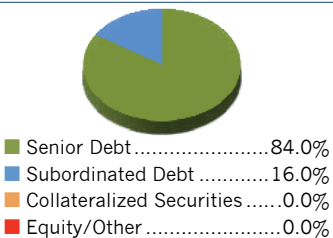


*Other may include other taxable income items.

Portfolio Yields

NA-Limited Operating Data

Portfolio by Asset Type



Portfolio Concentration - Top 5 Industries

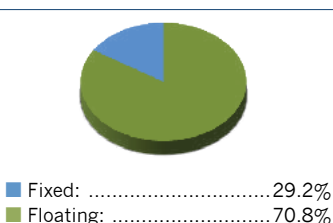
Industry	2014 YTD
Energy	20%
Consumer Services	17%
Capital Goods	12%
Commercial & Professional Services	11%
Materials	9%

Performance Returns

	2014 YTD
FS Investment Corporation III	NA
S&P/LSTA Leveraged Loan Index	2.11%
BofA Merrill Lynch High Yield Master II	3.61%

* YTD returns are not annualized
** Annualized due to limited operating data in 2014

Floating vs. Fixed Rate Investments



Key Statistics

Fund Operating Expense Ratio.....	NA
Interest Coverage Ratio.....	NA
Weighted Average Interest Rate	NA
Leverage Ratio.....	18.7%
Taxable Income Payout Ratio*	101.7%
Net Change in Assets Payout Ratio	176.4%
Expense Support % of Distribution	35.0%

*Commenced operations on April 2, 2014 - limited operating data

Contact Information

www.FSInvestmentCorpiii.com
Franklin Square Capital Partners
2929 Arch Street, Suite 675
Philadelphia, PA 19104
(877) 372-9880

*See additional notes on page 19.

© 2014 Blue Vault Reports. All rights reserved. The information contained herein is not represented to be guaranteed, complete or timely. Past performance is not indicative of future results. The reproduction and distribution of the Blue Vault Partners BDC Industry Review is strictly prohibited. Information contained in the Blue Vault Partners BDC Industry Review should not be considered investment advice. For additional information please call 877-256-2304.