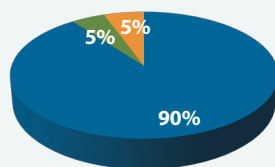


# BDC Industry Review: Fourth Quarter 2015

## FS Investment Corporation III

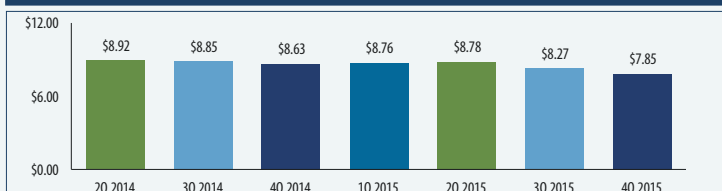
Total Assets	\$3,058.49 Million
Investments	\$2,744.63 Million
Cash & Equivalents	\$142.39 Million
Other	\$171.46 Million



Public Offering Price	\$9.05
Current Distribution Rate	7.73%
Reinvestment Price Per Share	90% POP
Effective Date	December 31, 2013
Offering Close Date	February 29, 2016
Cumulative Capital Raised during Offering	\$2,354.5

\*Shares still offered through RIA channel.

### Historical Price (Net Asset Value)



Cash & Equivalents to Total Assets Ratio	4.7%
Asset Type	Diversified Private Debt
Number of Companies in Portfolio	130
Sponsor/Advisor	Franklin Square Capital Partners
Sub-Advisor	GSO - Blackstone
Use of Total Return Swap (TRS)	Yes
Assets of TRS (fair value)	\$365.2 Million

### 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:

\$212.8 million in EBITDA, \$77.8 million in EBITDA for direct originations

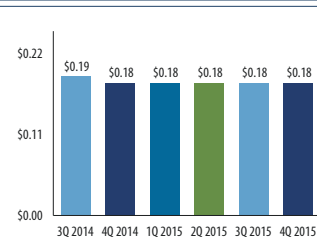
### Management

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.

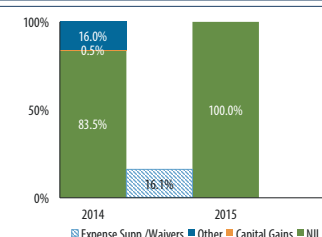
**GSO - Blackstone** – The credit arm of Blackstone, GSO manages over \$79.1 billion in credit investments. Blackstone is one of the world's largest investment management firms, has roughly \$336 billion in assets under management.

**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.

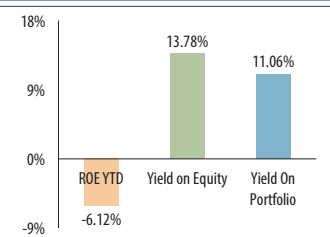
### Historical Distribution Per Share



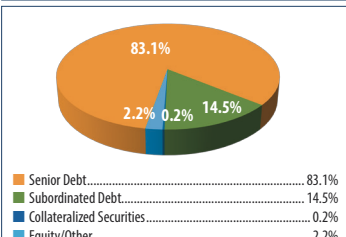
### Sources of Distributions



### Portfolio Yields



### Portfolio by Asset Type



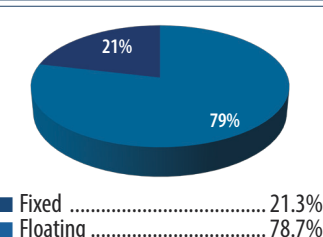
### Portfolio Concentration – Top 5 Industries

Industry	2015	2014
Software & Services	15%	12%
Health Care Equipment & Supplies	15%	1%
Capital Goods	10%	5%
Commercial & Professional Svc.	10%	11%
Consumer Services	9%	14%

### Performance Returns

	2015	2014
FS Investment Corporation III	-0.93%	1.67%
S&P/LSTA Leveraged Loan Index	-2.83%	0.99%
BofA Merrill Lynch High Yield Index	-4.87%	2.50%

### Floating vs. Fixed Rate Investments



### Key Statistics

Fund Operating Expense Ratio	5.02%
Interest Coverage Ratio	9.0x
Weighted Average Interest Rate	2.72%
Leverage Ratio	41.8%
Taxable Income Payout Ratio	93.0%
Net Change in Assets Payout Ratio	Not Meaningful
Expense Support/Fee Waivers as % of Distribution	0.0%

### Contact Information

<http://www.Franklinsquare.com/Our-Funds/FSIC-III/Overview>  
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 877-372-9880