



BDC Industry Review: Fourth Quarter 2013

FS Investment Corporation

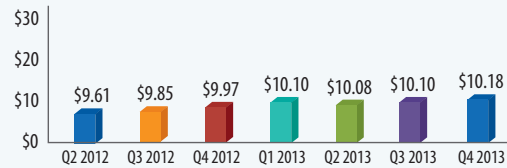
Total Assets.....\$4,444.6 Million
 Investments.....\$4,137.6 Million
 Cash & Equivalents.....\$227.3 Million
 Other.....\$79.7 Million



Last Offering Price:\$10.80
 Distribution Yield on Last POP:.....8.25%
 Effective Date:.....January 2, 2009
 Offering Close Date:.....May 16, 2012
 Reinvestment Price Per Share:.....Set by Board*

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

Historical Price (Net Asset Value)



Cash & Equivalents to Total Assets:5.1%
 Asset Type: Diversified Private Debt
 Number of Companies in Portfolio: 165
 Sponsor/Advisor: Franklin Square Capital Partners
 Sub-Advisor: Blackstone - GSO
 Use of Total Return Swap (TRS):No
 Assets of TRS: Not Available

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:

\$190.7 million in EBITDA

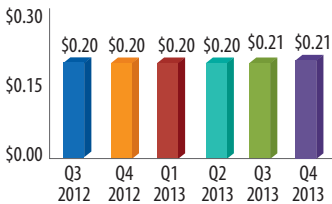
Management

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

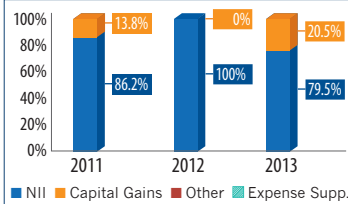
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages over \$10 billion in BDC assets.

Historical Distribution Per Share



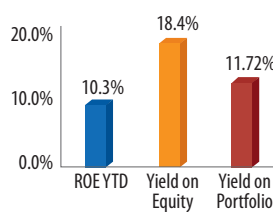
*Does not include special distributions

Sources of Distributions

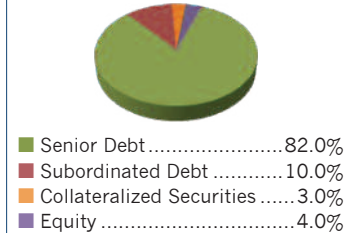


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

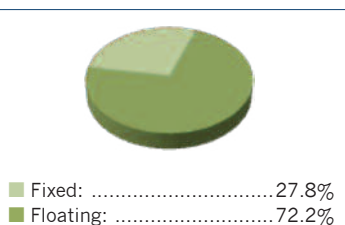
Industry	2013	2012
Capital Goods	21%	17%
Consumer Services	11%	7%
Energy	11%	11%
Software & Services	9%	9%
Commercial & Professional Services	8%	7%

Performance Returns

	2013	2012	2011
FS Investment Corporation	10.43%	15.83%	8.93%
S&P/LSTA Leveraged Loan Index	5.25%	9.67%	1.51%
BofA Merrill Lynch High Yield Master II	7.42%	15.58%	4.38%

* Annualized Returns based on NAV plus reinvestment of distributions

Floating vs. Fixed Rate Investments



Key Statistics

Fund Operating Expense Ratio	6.7%
Interest Coverage Ratio	6.9x
Weighted Average Interest Rate	2.9%
Leverage Ratio	37.7%
Taxable Income Payout Ratio	90.0%
Net Change in Assets Payout Ratio	80.0%
Expense Support % of Distributions	0%

Contact Information

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* See additional notes on page 19.

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Additonal BDC Notes

Business Development Corporation of America

- 24% of portfolio is invested in investment funds and vehicles (including CLOs)
- TRS investments performed well, creating \$17.4 million of the \$42.7 million or 41% of the GAAP earnings for the year

CION Investment Corp.

- Surpassed \$150 million in total assets
- Portfolio yields may appear low due to CION's rapid gain in assets during 2013, yields are divided by average assets for the year
- 100% floating rate investments

Corporate Capital Trust

- Direct origination of 15 investments totaling \$704 million for the year
- 1.5% expected additional yield from originated investments
- Added an additional \$320 million in borrowing capacity
- Received a BBB- credit rating from Standard & Poor's

FS Energy and Power Fund

- Shifted portfolio from 39% to 61% variable rate investments from 2012 to end of 2013
- Direct origination investments now represent 25% of the portfolio

FS Investment Corp.

- Listed on the NYSE on April 16, 2014 under the ticker symbol 'FSIC'
- Received a BBB- rating from Standard & Poor's, announced April 1, 2014
- Variable rate investments increased slightly to 72.2% from 69.4% in 2012

FS Investment Corp. II

- Closed to new investors, announced March 25, 2014
- Received a BBB- rating from Standard & Poor's, announced April 1, 2014

HMS Income Fund

- HMS waived over \$1.8 million in management fees and operating expenses
- Portfolio is 100% invested in senior debt
- Continued focus on investing in lower middle market (LMM) companies

Sierra Income Corp.

- Major shift to variable rate investments from 16% to 57% from 2012 to end of 2013
- Nearly 14% of investments are in the Oil and Gas sector