



**FS INVESTMENT
CORPORATION**
A Business Development Company

FS Investment Corporation

QUARTER ENDED MARCH 31, 2016 FINANCIAL INFORMATION

Important Disclosure Notice

This presentation may contain certain forward-looking statements, including statements with regard to the future performance of FS Investment Corporation (FSIC, the Company, we or us). Words such as “believes,” “expects,” “projects” and “future” or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements. Factors that could cause actual results to differ materially include changes in the economy, risks associated with possible disruption in FSIC's operations or the economy due generally to terrorism or natural disasters, future changes in laws or regulations and conditions in FSIC's operating area, and the price at which shares of common stock may trade on the New York Stock Exchange LLC (NYSE). Certain of these factors are enumerated in the filings FSIC makes with the Securities and Exchange Commission (SEC). FSIC undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation contains summaries of certain financial and statistical information about FSIC. The information contained in this presentation is summary information that is intended to be considered in the context of FSIC's SEC filings and other public announcements that FSIC may make, by press release or otherwise, from time to time. FSIC undertakes no duty or obligation to update or revise the information contained in this presentation. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. Investors should not view the past performance of FSIC, or information about the market, as indicative of FSIC's future results.

This presentation contains certain financial measures that have not been prepared in accordance with U.S. generally accepted accounting principles (GAAP). FSIC uses these non-GAAP financial measures internally in analyzing financial results and believes that the presentation of these non-GAAP financial measures is useful to investors as an additional tool to evaluate ongoing results and trends and in comparing FSIC's financial results with other business development companies.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures, and should be read only in conjunction with FSIC's consolidated financial statements prepared in accordance with GAAP. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures has been provided in the table on page 15 included in this presentation and investors are encouraged to review the reconciliation in the table and the related footnotes.

Dollar amounts herein (except for per share amounts) are presented in thousands. Certain figures in this presentation have been rounded.

Financial and Portfolio Highlights

Financial Highlights

(all per share amounts are basic and diluted) ¹	Q1-16	Q4-15	Q1-15
Net investment income per share	\$ 0.21	\$ 0.23	\$ 0.21
Adjusted net investment income per share ^{2*}	\$ 0.21	\$ 0.24	\$ 0.23
Total net realized and unrealized gain (loss) on investments per share	\$ (0.26)	\$ (0.55)	\$ 0.08
Net increase (decrease) in net assets resulting from operations (Earnings per Share)	\$ (0.05)	\$ (0.32)	\$ 0.29
Stockholder distributions per share ³	\$ 0.22275	\$ 0.22275	\$ 0.22275
Net asset value per share at period end	\$ 8.82	\$ 9.10	\$ 9.90
Weighted average shares outstanding	242,847,016	242,800,333	241,084,292
Shares outstanding, end of period	242,847,016	242,847,016	241,101,342

Portfolio Highlights

(in thousands)	Q1-16	Q4-15	Q1-15
Purchases	\$ 55,617	\$ 563,346	\$ 191,510
Sales and Redemptions	(169,128)	(511,289)	(237,355)
Net Portfolio Activity	\$ (113,511)	\$ 52,057	\$ (45,845)
Total fair value of investments	\$ 3,866,748	\$ 4,029,371	\$ 4,161,683
Total assets	\$ 3,992,829	\$ 4,149,663	\$ 4,364,352

*See page 15 hereof for reconciliations between net investment income per share and adjusted net investment income per share.

Endnotes begin on page 16.

Select Historical Information

	As of				
(dollar amounts in thousands)	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Investments, at fair value	\$ 3,866,748	\$ 4,029,371	\$ 4,100,079	\$ 4,007,381	\$ 4,161,683
Portfolio Data					
Number of Portfolio Companies	111	114	117	110	110
Average Annual EBITDA of Portfolio Companies	\$ 114,300	\$ 113,200	\$ 140,400	\$ 145,000	\$ 151,400
Weighted Average Purchase Price of Debt Investments (as a % of par)	98.3%	98.3%	98.3%	98.3%	97.8%
% of Investments on Non-Accrual (based on fair value) ⁴	0.3%	—	—	0.0%	0.5%
Asset Class (based on fair value)					
Senior Secured Loans—First Lien	54%	54%	47%	46%	53%
Senior Secured Loans—Second Lien	15%	15%	22%	21%	17%
Senior Secured Bonds	5%	6%	8%	9%	8%
Subordinated Debt	12%	11%	11%	12%	11%
Collateralized Securities	2%	2%	2%	3%	3%
Equity/Other	12%	12%	10%	9%	8%
Portfolio Composition by Strategy (based on fair value)⁵					
Direct Originations	86%	85%	79%	77%	77%
Opportunistic	11%	12%	16%	19%	18%
Broadly Syndicated/Other	3%	3%	5%	4%	5%
Interest Rate Type (based on fair value)					
% Variable Rate	66.2%	66.8%	68.2%	66.4%	68.7%
% Fixed Rate	21.6%	21.6%	22.0%	24.1%	23.1%
% Income Producing Equity/Other Investments	4.2%	4.1%	3.6%	3.7%	3.1%
% Non-Income Producing Equity/Other Investments	8.0%	7.5%	6.2%	5.8%	5.1%
Yields (based on amortized cost)⁶					
Gross Portfolio Yield Prior to Leverage	9.6%	9.8%	9.9%	9.9%	10.0%
Gross Portfolio Yield Prior to Leverage—Excluding Non-Income Producing Assets	10.4%	10.4%	10.4%	10.4%	10.5%



Select Direct Origination Information

	Three Months Ended				
(dollar amounts in thousands)	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
New Direct Originations					
Total Commitments (including unfunded commitments)	\$ 43,598	\$ 604,203	\$ 192,637	\$ 494,661	\$ 192,643
Exited Investments (including partial paydowns)	(113,615)	(318,719)	(35,090)	(623,554)	(146,077)
Net Direct Originations	\$ (70,017)	\$ 285,484	\$ 157,547	\$ (128,893)	\$ 46,566
New Direct Originations by Asset Class (including unfunded commitments)					
Senior Secured Loans—First Lien	20%	60%	69%	64%	89%
Senior Secured Loans—Second Lien	—	6%	20%	24%	10%
Senior Secured Bonds	—	10%	1%	—	—
Subordinated Debt	26%	12%	7%	4%	0%
Collateralized Securities	—	—	—	—	—
Equity/Other	54%	12%	3%	8%	1%
Average New Direct Origination Commitment Amount	\$ 8,720	\$ 37,763	\$ 12,842	\$ 29,098	\$ 24,080
Weighted Average Maturity for New Direct Originations	11/23/2025	10/10/2021	10/8/2021	9/6/2020	12/26/2019
Gross Portfolio Yield Prior to Leverage (based on amortized cost) of New Direct Originations Funded during Period ⁶	6.0%	10.6%	9.0%	9.1%	10.0%
Gross Portfolio Yield Prior to Leverage (based on amortized cost) of New Direct Originations Funded during Period—Excluding Non-Income Producing Assets ⁶	10.9%	12.3%	9.3%	9.9%	10.1%
Gross Portfolio Yield Prior to Leverage (based on amortized cost) of Direct Originations Exited during Period ⁶	9.0%	9.9%	10.8%	10.7%	8.5%

	As of	
Characteristics of All Direct Originations held in Portfolio	3/31/2016	12/31/2015
Direct Originations, at fair value	\$ 3,340,429	\$ 3,434,588
Number of Portfolio Companies	70	71
Average Annual EBITDA of Portfolio Companies	\$ 65,300	\$ 61,500
Average Leverage Through Tranche of Portfolio Companies—Excluding Equity/Other and Collateralized Securities	5.0x	4.9x
% of Investments on Non-Accrual (based on fair value)	0.1%	—
Gross Portfolio Yield Prior to Leverage (based on amortized cost) of Funded Direct Originations ⁶	9.7%	9.7%
Gross Portfolio Yield Prior to Leverage (based on amortized cost) of Funded Direct Originations—Excluding Non-Income Producing Assets ⁶	10.4%	10.4%



Quarterly Operating Results

	Three Months Ended				
(dollar amounts in thousands, except per share amounts)	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Total investment income	\$ 103,063	\$ 114,763	\$ 103,668	\$ 147,731	\$ 108,635
Net expenses	(53,125)	(52,556)	(39,902)	(54,207)	(56,986)
Net investment income before taxes	\$ 49,938	\$ 62,207	\$ 63,766	\$ 93,524	\$ 51,649
Excise taxes	—	(6,056)	—	—	—
Net investment income	\$ 49,938	\$ 56,151	\$ 63,766	\$ 93,524	\$ 51,649
Total net realized and unrealized gain (loss) on investments	(62,035)	(134,619)	(69,045)	(41,818)	18,777
Net increase (decrease) in net assets resulting from operations	\$ (12,097)	\$ (78,468)	\$ (5,279)	\$ 51,706	\$ 70,426
Per share¹					
Net investment income	\$ 0.21	\$ 0.23	\$ 0.26	\$ 0.39	\$ 0.21
Adjusted net investment income ²	\$ 0.21	\$ 0.24	\$ 0.21	\$ 0.35	\$ 0.23
Net increase (decrease) in net assets resulting from operations (Earnings per Share)	\$ (0.05)	\$ (0.32)	\$ (0.02)	\$ 0.21	\$ 0.29
Stockholder distributions ³	\$ 0.22275	\$ 0.22275	\$ 0.22275	\$ 0.22275	\$ 0.22275
Weighted average shares outstanding	242,847,016	242,800,333	242,227,762	241,653,069	241,084,292
Shares outstanding, end of period	242,847,016	242,847,016	242,274,372	241,702,625	241,101,342



Quarterly Operating Results Detail

	Three Months Ended				
(in thousands)	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Investment income					
From non-controlled/unaffiliated investments:					
Interest income	\$ 99,452	\$ 101,654	\$ 99,468	\$ 115,773	\$ 103,939
Fee income	1,642	9,685	3,290	25,721	4,696
Dividend income	—	980	—	5,519	—
From non-controlled/affiliated investments:					
Interest income	967	975	910	718	—
Fee income	—	790	—	—	—
Dividend income	224	299	—	—	—
From controlled/affiliated investments:					
Interest income	778	380	—	—	—
Total investment income	\$ 103,063	\$ 114,763	\$ 103,668	\$ 147,731	\$ 108,635
Operating expenses					
Management fees	\$ 17,812	\$ 18,408	\$ 18,852	\$ 19,103	\$ 19,038
Capital gains incentive fees ⁷	—	(2,657)	(13,811)	(8,355)	3,748
Subordinated income incentive fees	12,485	13,375	12,485	21,271	13,905
Administrative services expenses	1,196	1,409	900	882	991
Accounting and administrative fees	228	260	261	285	276
Interest expense	18,894	19,428	19,352	19,048	17,299
Directors' fees	229	338	232	229	227
Other general and administrative expenses	2,281	1,995	1,631	1,744	1,502
Total operating expenses	\$ 53,125	\$ 52,556	\$ 39,902	\$ 54,207	\$ 56,986
Net investment income before taxes	\$ 49,938	\$ 62,207	\$ 63,766	\$ 93,524	\$ 51,649
Excise taxes	—	(6,056)	—	—	—
Net investment income	\$ 49,938	\$ 56,151	\$ 63,766	\$ 93,524	\$ 51,649



Quarterly Gain/Loss Information

	Three Months Ended				
(in thousands)	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Realized gain/loss					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	\$ (13,779)	\$ (20,291)	\$ (21,246)	\$ (24,174)	\$ 3,285
Net realized gain (loss) on foreign currency	84	(9)	266	(1,007)	110
Total net realized gain (loss)	\$ (13,695)	\$ (20,300)	\$ (20,980)	\$ (25,181)	\$ 3,395
Unrealized gain/loss					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	\$ (54,703)	\$ (123,595)	\$ (74,848)	\$ (24,301)	\$ 10,589
Non-controlled/affiliated investments	6,367	7,632	27,220	8,050	1,345
Controlled/affiliated investments	1,633	743	—	—	—
Net change in unrealized gain (loss) on foreign currency	(1,637)	901	(437)	(386)	3,448
Total net unrealized gain (loss)	\$ (48,340)	\$ (114,319)	\$ (48,065)	\$ (16,637)	\$ 15,382
Total net realized and unrealized gain (loss) on investments	\$ (62,035)	\$ (134,619)	\$ (69,045)	\$ (41,818)	\$ 18,777



Quarterly Balance Sheets

	As of				
(in thousands, except per share amounts)	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Assets					
Investments, at fair value	\$ 3,866,748	\$ 4,029,371	\$ 4,100,079	\$ 4,007,381	\$ 4,161,683
Cash	71,376	80,807	85,609	273,749	83,894
Foreign currency, at fair value	—	1,180	326	13,167	4,986
Receivable for investments sold and repaid	7,614	66	24,221	7,909	40,961
Interest receivable	45,482	34,600	50,419	40,108	59,245
Deferred financing costs	1,139	2,910	3,281	14,925	12,238
Prepaid expenses and other assets	470	729	969	1,106	1,345
Total assets	\$ 3,992,829	\$ 4,149,663	\$ 4,264,904	\$ 4,358,345	\$ 4,364,352
Liabilities					
Payable for investments purchased	\$ 2,627	\$ —	\$ —	\$ 995	\$ 832
Credit facilities payable	32,728	34,625	31,812	32,624	174,005
Unsecured notes payable	988,958	989,764	989,159	1,000,000	725,000
Repurchase agreement payable	725,000	800,000	800,000	800,000	950,000
Stockholder distributions payable	54,093	54,093	53,965	53,838	53,706
Management fees payable	17,812	18,415	18,845	19,081	19,073
Accrued capital gains incentive fees	—	—	2,657	16,468	24,823
Subordinated income incentive fees payable	12,485	13,374	12,490	21,271	13,905
Administrative services expense payable	978	946	401	765	613
Interest payable	13,696	22,061	18,417	21,810	14,983
Directors' fees payable	230	282	219	288	288
Other accrued expenses and liabilities	1,484	7,175	980	1,662	1,412
Total liabilities	\$ 1,850,091	\$ 1,940,735	\$ 1,928,945	\$ 1,968,802	\$ 1,978,640
Stockholders' equity					
Preferred stock, \$0.001 par value	—	—	—	—	—
Common stock, \$0.001 par value	\$ 243	\$ 243	\$ 242	\$ 242	\$ 241
Capital in excess of par value	2,264,345	2,264,345	2,272,178	2,266,517	2,260,554
Accumulated undistributed net realized gains on investments and gain/loss on foreign currency	(59,443)	(45,748)	(43,105)	11,972	37,153
Accumulated undistributed (distributions in excess of) net investment income	143,791	147,946	150,183	106,286	66,601
Net unrealized appreciation (depreciation) on investments and gain/loss on foreign currency	(206,198)	(157,858)	(43,539)	4,526	21,163
Total stockholders' equity	\$ 2,142,738	\$ 2,208,928	\$ 2,335,959	\$ 2,389,543	\$ 2,385,712
Total liabilities and stockholders' equity	\$ 3,992,829	\$ 4,149,663	\$ 4,264,904	\$ 4,358,345	\$ 4,364,352
Net asset value per share of common stock at period end	\$ 8.82	\$ 9.10	\$ 9.64	\$ 9.89	\$ 9.90



Financing Arrangements

Financing Arrangements as of March 31, 2016	Type of Financing Arrangement	Rate	Amount Outstanding	Amount Available	Maturity Date
(in thousands)					
ING Credit Facility	Revolving Credit Facility	L+2.50%	\$ 32,728*	\$ 267,272	April 3, 2018
JPM Facility	Repurchase Agreement	3.25%	\$ 725,000	\$ —	April 15, 2017
4.000% Notes due 2019	Unsecured Notes	4.00%	\$ 400,000	\$ —	July 15, 2019
4.250% Notes due 2020	Unsecured Notes	4.25%	\$ 325,000	\$ —	January 15, 2020
4.750% Notes due 2022	Unsecured Notes	4.75%	\$ 275,000	\$ —	May 15, 2022

* Borrowings in Euros. Euro balance outstanding of €28,738 has been converted to U.S. dollars at an exchange rate of €1.00 to \$1.14 as of March 31, 2016 to reflect total amount outstanding in U.S. dollars.

Total debt outstanding under financing arrangements	\$1,757,728
Debt/equity ratio ⁸	82.0%
Weighted average effective interest rate on borrowings (including non-usage fees)	4.0%
% of debt outstanding at fixed interest rates	98.1%
% of debt outstanding at variable interest rates	1.9%

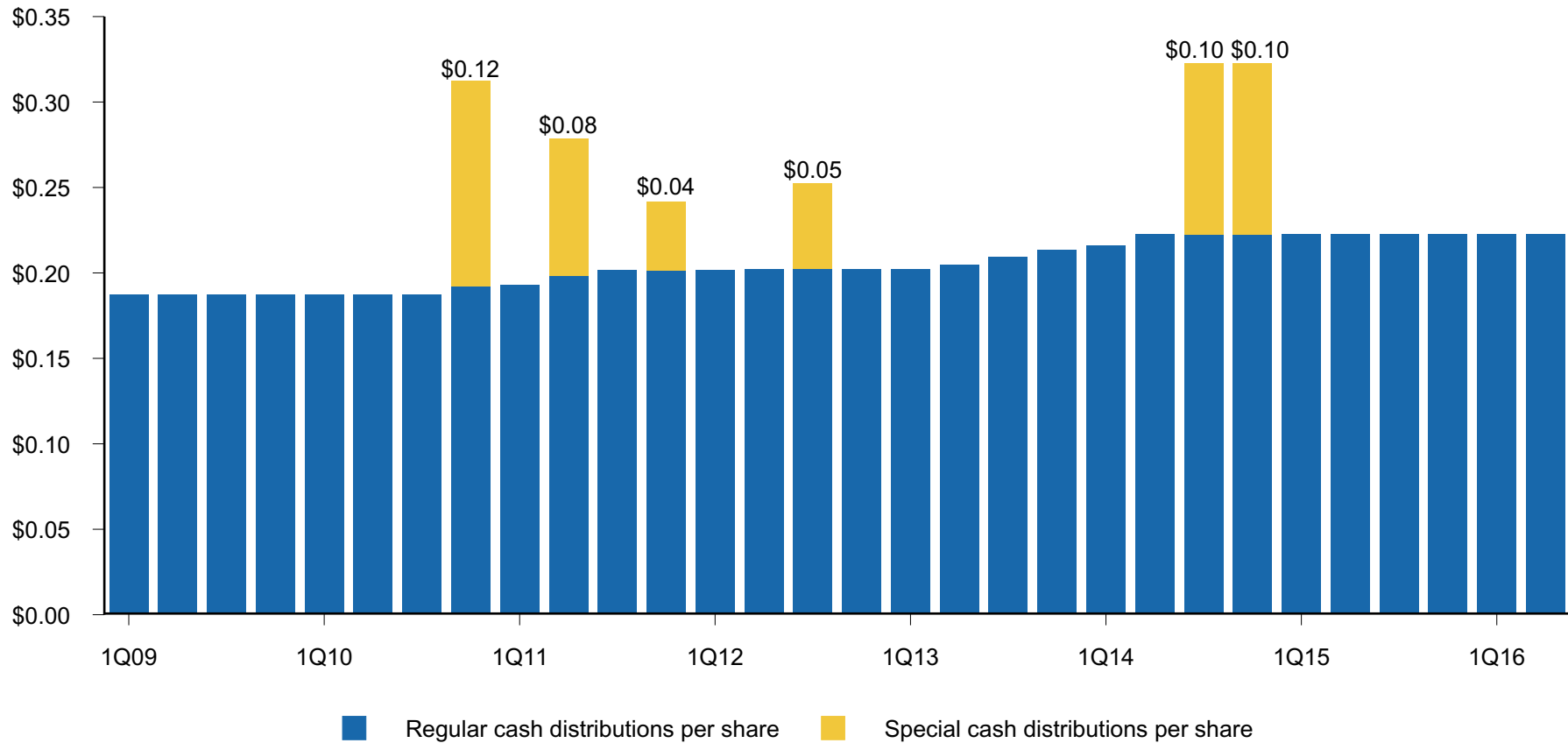
Financing Arrangements as of December 31, 2015	Type of Financing Arrangement	Rate	Amount Outstanding	Amount Available	Maturity Date
(in thousands)					
Broad Street Credit Facility	Revolving Credit Facility	L+1.50%	\$ —	\$ 125,000	January 19, 2016
ING Credit Facility	Revolving Credit Facility	L+2.50%	\$ 34,625**	\$ 265,375	April 3, 2018
JPM Facility	Repurchase Agreement	3.25%	\$ 800,000	\$ —	April 15, 2017
4.000% Notes due 2019	Unsecured Notes	4.00%	\$ 400,000	\$ —	July 15, 2019
4.250% Notes due 2020	Unsecured Notes	4.25%	\$ 325,000	\$ —	January 15, 2020
4.750% Notes due 2022	Unsecured Notes	4.75%	\$ 275,000	\$ —	May 15, 2022

** Amount includes borrowings in U.S. dollars and Euros. Euro balance outstanding of €29,125 has been converted to U.S. dollars at an exchange rate of €1.00 to \$1.09 as of December 31, 2015 to reflect total amount outstanding in U.S. dollars.

Total debt outstanding under financing arrangements	\$1,834,625
Debt/equity ratio ⁸	83.1%
Weighted average effective interest rate on borrowings (including non-usage fees)	4.0%
% of debt outstanding at fixed interest rates	98.1%
% of debt outstanding at variable interest rates	1.9%



Distribution History⁹

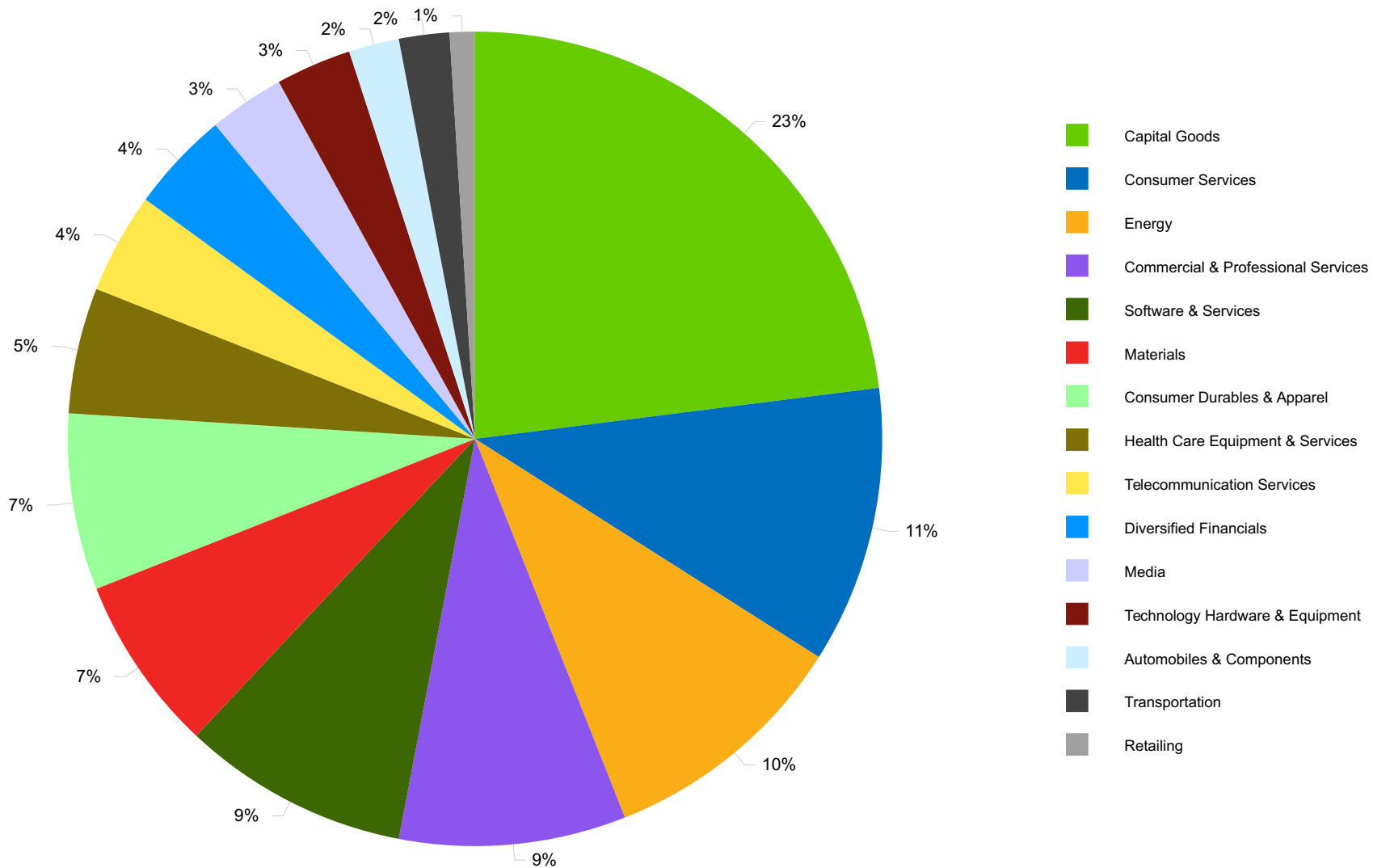


- On May 9, 2016, the Company announced a regular quarterly cash distribution of \$0.22275 per share, which will be paid on or about July 5, 2016 to stockholders of record as of the close of business on June 22, 2016.
- As of March 31, 2016, FSIC had approximately \$152.0 million (\$0.63 per share based on shares outstanding) of undistributed net investment income and approximately \$42.1 million (\$0.17 per share based on shares outstanding) of accumulated capital losses on a tax basis.

Investment Portfolio

Industry Diversification

As of March 31, 2016, based on fair value



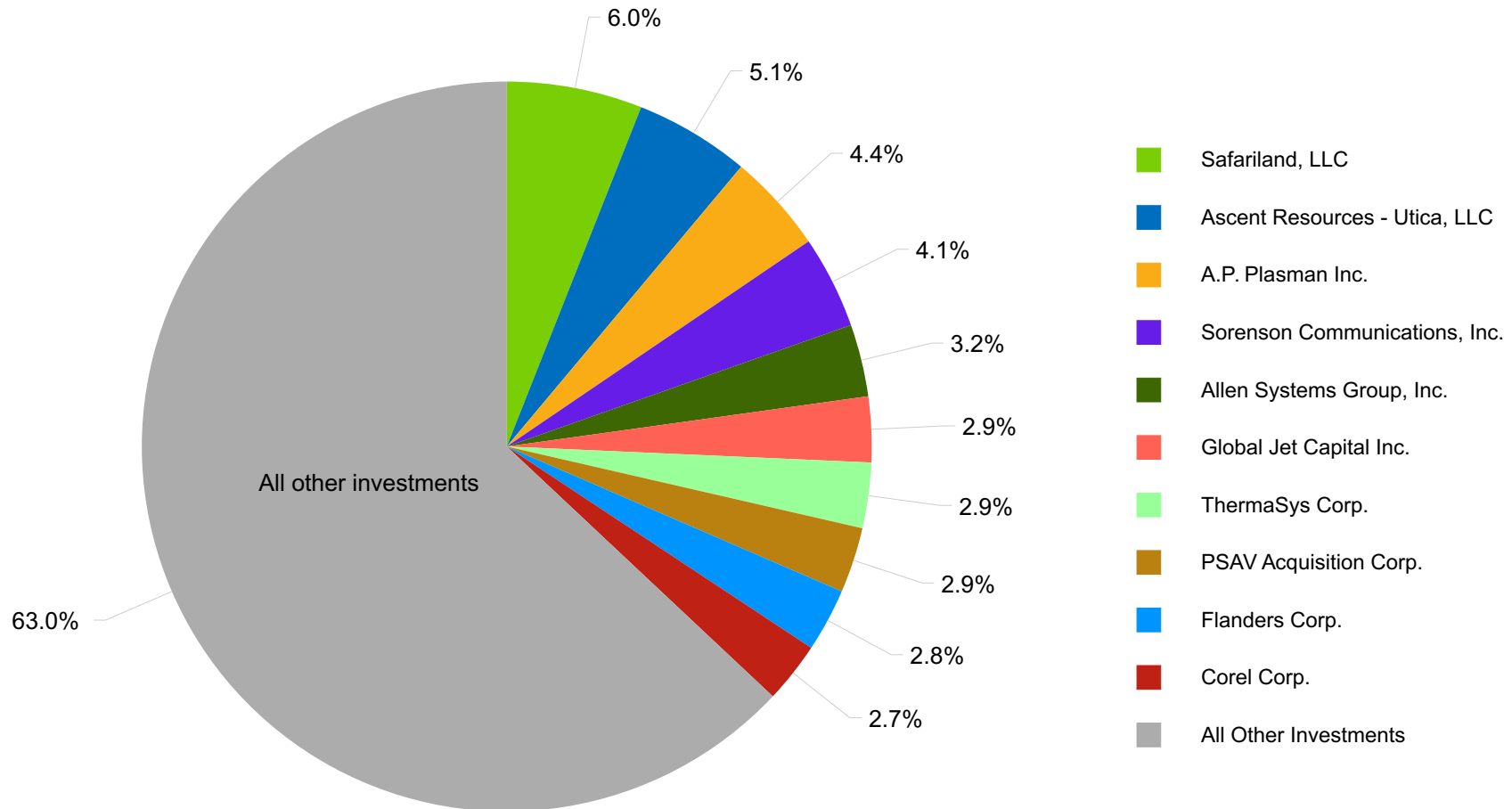
- As of March 31, 2016, FSIC's three largest industry concentrations based on fair value were Capital Goods (23%); Consumer Services (11%); and Energy (10%).
- As of March 31, 2016, FSIC's portfolio assets in Semiconductors & Semiconductor Equipment amounted to less than 1% based on fair value.



Issuer Concentration

Issuer Concentration

Top ten portfolio companies as of March 31, 2016, based on fair value and excluding unfunded commitment amounts



- FSIC's top ten portfolio companies by fair value represent 37.0% of the Company's total portfolio as of March 31, 2016.

Portfolio Asset Quality

As of

Investment Rating ¹⁰	March 31, 2016		December 31, 2015		March 31, 2015	
	Fair Value	% of Portfolio	Fair Value	% of Portfolio	Fair Value	% of Portfolio
1	\$ 792,723	21%	\$ 723,402	18%	\$ 500,953	12%
2	2,260,569	59%	2,748,923	68%	3,159,656	76%
3	702,620	18%	501,659	13%	459,260	11%
4	94,135	2%	44,046	1%	20,200	0%
5	16,701	0%	11,341	0%	21,614	1%
Total	\$ 3,866,748	100%	\$ 4,029,371	100%	\$ 4,161,683	100%

Investment Rating¹⁰ Summary Description

1	Investment exceeding expectations and/or capital gain expected.
2	Performing investment generally executing in accordance with the portfolio company's business plan—full return of principal and interest expected.
3	Performing investment requiring closer monitoring.
4	Underperforming investment—some loss of interest or dividend possible, but still expecting a positive return on investment.
5	Underperforming investment with expected loss of interest and some principal.



Reconciliation of Non-GAAP Financial Measures¹

	Three Months Ended				
	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
GAAP net investment income per share	\$ 0.21	\$ 0.23	\$ 0.26	\$ 0.39	\$ 0.21
Plus capital gains incentive fees per share	—	(0.01)	(0.06)	(0.03)	0.02
Plus excise taxes per share	—	0.02	—	—	—
Adjusted net investment income per share²	\$ 0.21	\$ 0.24	\$ 0.21	\$ 0.35	\$ 0.23

Endnotes

- 1) The per share data was derived by using the weighted average shares of our common stock outstanding during the applicable period. Per share numbers may not sum due to rounding.
- 2) Adjusted net investment income is a non-GAAP financial measure. We present adjusted net investment income for all periods as GAAP net investment income excluding (i) the accrual for the capital gains incentive fee for realized and unrealized gains; (ii) excise taxes; and (iii) certain non-recurring operating expenses that are one-time in nature and are not representative of ongoing operating expenses incurred during FSIC's normal course of business (referred to herein as one-time expenses). We use this non-GAAP financial measure internally in analyzing financial results and believe that the use of this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing results and trends and in comparing our financial results with other business development companies. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Reconciliations of GAAP net investment income to adjusted net investment income can be found on page 15 of this presentation.
- 3) The per share data for distributions reflects the actual amount of distributions declared per share of our common stock during the applicable period.
- 4) We record interest income on an accrual basis. Generally, investments are placed on non-accrual when the collection of future interest and principal payments is uncertain.
- 5) We have identified and intend to focus on the following investment categories, which we believe will allow us to generate an attractive total return with an acceptable level of risk.

Direct Originations: We intend to leverage our relationship with GSO / Blackstone Debt Funds Management LLC and its global sourcing and origination platform to directly source investment opportunities. Such investments are originated or structured for us or made by us and are not generally available to the broader market. These investments may include both debt and equity components, although we do not generally make equity investments independent of having an existing credit relationship. We believe directly originated investments may offer higher returns and more favorable protections than broadly syndicated transactions.

Opportunistic: We intend to seek to capitalize on market price inefficiencies by investing in loans, bonds and other securities where the market price of such investment reflects a lower value than deemed warranted by our fundamental analysis. We believe that market price inefficiencies may occur due to, among other things, general dislocations in the markets, a misunderstanding by the market of a particular company or an industry being out of favor with the broader investment community. We seek to allocate capital to these securities that have been misunderstood or mispriced by the market and where we believe there is an opportunity to earn an attractive return on our investment. Such opportunities may include event driven investments, anchor orders and collateralized securities.

Broadly Syndicated/Other: Although our primary focus is to invest in directly originated transactions and opportunistic investments, in certain circumstances we will also invest in the broadly syndicated loan and high yield markets. Broadly syndicated loans and bonds are generally more liquid than our directly originated investments and provide a complement to our less liquid strategies. In addition, and because we typically receive more attractive financing terms on these positions than we do on our less liquid assets, we are able to leverage the broadly syndicated portion of our portfolio in such a way that maximizes the levered return potential of our portfolio.

For additional details on these investment categories, see FSIC's quarterly report on Form 10-Q for the quarter ended March 31, 2016, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview".

Endnotes (Cont'd)

- 6) Gross portfolio yield represents the expected annualized yield to be generated on FSIC's investment portfolio based on the composition of the portfolio as of the applicable date. FSIC's estimated gross portfolio yield may be higher than an investor's yield on an investment in shares of FSIC's common stock because it does not reflect sales commissions or charges that may be incurred in connection with the purchase or sale of such shares, or operating expenses that may be incurred by FSIC. FSIC's estimated gross portfolio yield does not represent an actual investment return to stockholders, is subject to change and, in the future, may be greater or less than the rates set forth herein.
- 7) FSIC paid no capital gains incentive fees during the three months ended March 31, 2016.
- 8) The debt/equity ratio is the ratio of total debt outstanding to stockholders' equity as of the applicable date.
- 9) The timing and amount of any future distributions on FSIC's shares of common stock are subject to applicable legal restrictions and the sole discretion of FSIC's board of directors.
- 10) In addition to various risk management and monitoring tools, FB Advisor uses an investment rating system to characterize and monitor the expected level of returns on each investment in FSIC's portfolio. For additional details, see FSIC's quarterly report on Form 10-Q for the quarter ended March 31, 2016, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Portfolio Asset Quality."

Corporate Information

Board of Directors

Michael C. Forman

Chairman of the Board
Chief Executive Officer

David J. Adelman

Vice Chairman
President and Chief Executive Officer of Campus Apartments, Inc.

Michael J. Hagan

Lead Independent Director
Co-founder and Managing Director of Hawk Capital Partners

Gregory P. Chandler

Chief Financial Officer of Emtec, Inc.

Barry H. Frank

Partner with law firm of Archer & Greiner, P.C.

Thomas J. Gravina

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Jeffrey K. Harrow

Chairman of Sparks Marketing Group, Inc.

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President of Sovereign Developers, LP

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President and Chief Executive Officer of The Philadelphia Foundation

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Managing Director of SEI Investments (Europe) Limited

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