
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 17, 2014

FS Investment Corporation
(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

814-00757
(Commission
File Number)

26-1630040
(I.R.S. Employer
Identification No.)

Cira Centre
2929 Arch Street, Suite 675
Philadelphia, Pennsylvania
(Address of principal executive offices)

19104
(Zip Code)

Registrant's telephone number, including area code: (215) 495-1150

None
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

A copy of a presentation that is intended to be used by representatives of FS Investment Corporation (the “Company”) in meetings with research analysts and other parties is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

A copy of a presentation that is intended to be used by representatives of the Company with current investors is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

On February 19, 2014 the Company issued a press release, a copy of which is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

The information in this Item 7.01, including Exhibits 99.1 (other than slide 4 thereto, which is hereby “filed”), Exhibit 99.2 (other than slide 13 thereto, which is hereby “filed”) and Exhibit 99.3 and the information set forth therein, is deemed to have been furnished to, and shall not be deemed to be “filed” with, the Securities and Exchange Commission (the “SEC”).

Item 8.01. Other Events.

Listing on NYSE

The board of directors (the “Board”) of the Company has determined that it is in the best interests of the Company and its stockholders to pursue a listing of its shares of common stock on a national securities exchange. The Company has been cleared to file an application, and has applied, to list its shares of common stock on the New York Stock Exchange LLC (“NYSE”) under the symbol “FSIC”. Subject to NYSE approval, the Company currently anticipates that its shares of common stock will commence trading on the NYSE (the “Listing”) in April 2014, subject to market conditions and other factors. However, there can be no assurance that the Company will be able to complete the Listing within this time frame or at all.

Distribution Reinvestment Plan

Pursuant to the Company’s current distribution reinvestment plan (the “Current DRP”), stockholders may elect to have the full amount of ordinary cash distributions reinvested in additional shares of the Company’s common stock. In contemplation of the Listing, the Board has approved the termination of the Current DRP, subject to the Listing. Pursuant to the Current DRP, the Company will provide written notice to participants in the plan in advance of the effective termination of the plan. Subject to applicable legal restrictions and the discretion of the Board, the Company expects to adopt a new distribution reinvestment plan following and in connection with the Listing. If and when the Current DRP is terminated and pending the adoption by the Company of any new distribution reinvestment plan, stockholders who had elected to participate in the Current DRP will receive cash rather than shares of the Company’s common stock in respect of any cash distribution declared by the Company.

Termination of Share Repurchase Program

The purpose of the Company’s share repurchase program is to provide limited liquidity to the Company’s stockholders until the listing of the Company’s shares on a national securities

exchange or other liquidity event. In anticipation of the Listing, the Board has determined to terminate the share repurchase program effective as of March 21, 2014 and not to conduct a quarterly tender offer pursuant to the share repurchase program during the first quarter of 2014.

Tender Offer

The Company anticipates that it will conduct a tender offer (the "Tender Offer") to purchase up to \$250 million in shares of its common stock in connection with the Listing, pursuant to which the Company's stockholders will be permitted to tender their shares of common stock to the Company for cash, subject to the terms and conditions of the Tender Offer. The Company expects that the Tender Offer will commence at the time of the Listing and will remain open for a period of at least 20 business days following the date of the Listing. The terms of the Tender Offer, including the size thereof, will be determined by the Board prior to commencement of the Tender Offer.

This Current Report on Form 8-K is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities of the Company. The Tender Offer will be made only pursuant to an offer to purchase, letter of transmittal and related materials (the "Tender Materials") that the Company intends to distribute to its stockholders and file with the SEC. The full details of the Tender Offer, including complete instructions on how to tender shares of common stock, will be included in the Tender Materials, which the Company will distribute to stockholders and file with the SEC upon the commencement of the Tender Offer. Stockholders are urged to carefully read the Tender Materials when they become available because they will contain important information, including the terms and conditions of the Tender Offer. Stockholders may obtain free copies of the Tender Materials that the Company files with the SEC at the SEC's website at: www.sec.gov or by calling the information agent who will be identified in the Tender Materials. In addition, stockholders may obtain free copies of the Company's filings with the SEC from the Company's website at: www.fsinvestmentcorp.com or by contacting the Company at Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104 or by phone (877) 628-8575.

Special Distributions

As of September 30, 2013, the Company had approximately \$124.2 million of undistributed net investment income and realized capital gains on a tax basis. As previously disclosed, the Company currently expects to distribute a portion of its excess income to stockholders in the form of special cash distributions, either in a lump sum or in a series of distributions following the Listing and the completion of the Tender Offer. The payment of any special cash distribution is subject to applicable legal restrictions and the sole discretion of the Board, and therefore, there can be no assurance as to the amount or timing of any such future distribution.

Appointment of Managing Director

On February 17, 2014, the Board appointed Sean Coleman as a managing director of the Company. Mr. Coleman was also appointed to the investment committee of FB Income Advisor, LLC, the Company's investment adviser ("FB Advisor"). Set forth below is biographical information pertaining to Mr. Coleman.

Sean Coleman serves as a managing director of investment management of Franklin Square Holdings and its affiliated investment advisers, FB Advisor, FS Investment Advisor, LLC, FSIC II Advisor, LLC, FS Global Advisor, LLC and FSIC III Advisor, LLC. Mr. Coleman also serves on the investment committee of FB Advisor. Before joining Franklin Square Holdings and its affiliated investment advisers in October 2013, Mr. Coleman worked at Golub Capital, where he served in various capacities, including as Managing Director in the direct lending group and as Chief Financial Officer and Treasurer of its BDC. Before he joined Golub Capital in September 2005, Mr. Coleman worked in merchant and investment banking, including at Goldman, Sachs & Co. and Wasserstein Perella & Co. Mr. Coleman earned a B.A. in History from Princeton University and an M.B.A. with Distinction from Harvard Business School, where he received the Loeb Award for academic excellence in finance.

Potential Purchase of Shares by Franklin Square Holdings, L.P. and Management

The Company's sponsor, Franklin Square Holdings, L.P. ("Franklin Square Holdings") has informed the Company that it is considering purchasing, following the Listing and completion of the Tender Offer, up to \$100 million in shares of the Company's common stock in open-market transactions (which may include 10b5-1 plans), subject to restrictions under applicable law. In addition, the Company has also been informed by certain members of the Company's management and members of management of Franklin Square Holdings that they are considering purchasing, following the Listing and completion of the Tender Offer, up to \$25 million in shares of the Company's common stock in open-market transactions (which may include 10b5-1 plans), subject to restrictions under applicable law. There can be no assurance that Franklin Square Holdings or any members of the Company's or Franklin Square Holdings' management will purchase any shares. Franklin Square Holdings and members of the Company's and Franklin Square Holdings' management do not intend to participate in the Tender Offer.

Forward-Looking Statements

This Current Report on Form 8-K may contain certain forward-looking statements, including statements with regard to future events or the future performance or operation of the Company. 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 our operations or the economy generally due to terrorism or natural disasters, future changes in laws or regulations and conditions in our operating area, the ability of the Company to complete the listing of its shares of common stock on the NYSE, the ability to complete the Tender Offer, the price at which shares of common stock may trade on the NYSE, which may be higher or lower than the purchase price in the Tender Offer. Some of these factors are enumerated in the filings the Company makes with the SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
99.1*	Presentation dated February 19, 2014.
99.2*	Presentation dated February 19, 2014.
99.3*	Press Release dated February 19, 2014.

* The exhibits included as Exhibit 99.1 (other than slide 4 thereto, which is hereby "filed"), Exhibit 99.2 (other than slide 13 thereto, which is hereby "filed") and Exhibit 99.3 and the information set forth therein is deemed to have been furnished to, and shall not be deemed to be "filed" with, the Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FS Investment Corporation

Date: February 19, 2014

By: /s/ Michael C. Forman
Michael C. Forman
Chief Executive Officer

EXHIBIT INDEX

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**FS INVESTMENT
CORPORATION**
A Business Development Company

AN INTRODUCTION TO FSIC

FS Investment Corporation

FEBRUARY 19, 2014

PRESENTED BY:



FRANKLIN SQUARE
CAPITAL PARTNERS



Franklin Square Capital Partners is not affiliated with Franklin Resources/Franklin Templeton Investments or the Franklin Funds.



Important Considerations

An investment in the common stock of FS Investment Corporation (FSIC, we or us) involves a high degree of risk and may be considered speculative. The following are some of the risks an investment in our common stock involves; however, you should carefully consider all of the information found in the section of our Forms 10-Q and 10-K filings entitled "Risk Factors" and in our other public filings before deciding to invest in shares of our common stock.

- An investment strategy focused primarily on privately held companies presents certain challenges, including the lack of available information about these companies.
- Investing in middle-market companies involves a number of significant risks, any one of which could have a material adverse effect on our operating results.
- A lack of liquidity in certain of our investments may adversely affect our business.
- We are subject to financial market risks, including changes in interest rates, which may have a substantial negative impact on our investments.
- We have borrowed funds to make investments, which increases the volatility of our investments and may increase the risks of investing in our securities.
- We have limited operating history and are subject to the business risks and uncertainties associated with any new business.
- Our distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to us for investment.

This presentation is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities of FSIC. The tender offer will be made only pursuant to an offer to purchase, letter of transmittal and related materials (the Tender Materials) that FSIC intends to distribute to its stockholders and file with the Securities and Exchange Commission (SEC). The full details of the tender offer, including complete instructions on how to tender shares of common stock, will be included in the Tender Materials, which FSIC will distribute to stockholders and file with the SEC upon the commencement of the tender offer. Stockholders are urged to carefully read the Tender Materials when they become available because they will contain important information, including the terms and conditions of the tender offer. Stockholders may obtain free copies of the Tender Materials that FSIC files with the SEC at the SEC's website at: www.sec.gov or by calling the information agent who will be identified in the Tender Materials. In addition, stockholders may obtain free copies of FSIC's filings with the SEC from FSIC's website at: www.fsinvestmentcorp.com or by contacting FSIC at Circa Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104 or by phone at (877) 628-8575.



Forward-Looking Statements

Some of the statements in this presentation constitute forward-looking statements because they relate to future events or the future performance or financial condition of FSIC. The forward-looking statements contained in this presentation may include statements as to: our future operating results; our business prospects and the prospects of our portfolio companies; the impact of the investments that we expect to make; the ability of our portfolio companies to achieve their objectives; our current and expected financings and investments; the adequacy of our cash resources, financing sources and working capital; the timing and amount of cash flows, distributions and dividends, if any, from our portfolio companies; our contractual arrangements and relationships with third parties; actual and potential conflicts of interest with FB Income Advisor, LLC (FB Advisor), FS Investment Advisor, LLC, FS Energy and Power Fund, FSIC II Advisor, LLC, FS Investment Corporation II, GSO / Blackstone Debt Funds Management LLC or any of their respective affiliates; the dependence of our future success on the general economy and its effect on the industries in which we may invest; our use of financial leverage; the ability of FB Advisor to locate suitable investments for us and to monitor and administer our investments; the ability of FB Advisor or its affiliates to attract and retain highly talented professionals; our ability to maintain our qualification as a regulated investment company (RIC) and as a business development company (BDC); the impact on our business of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations issued thereunder; the effect of changes to tax legislation and our tax position; the tax status of the enterprises in which we invest; our ability to complete the listing of our shares of common stock on the New York Stock Exchange LLC (NYSE); our ability to complete the related tender offer; and the price at which shares of our common stock may trade on the NYSE, which may be higher or lower than the purchase price in the tender offer.

In addition, words such as "anticipate," "believe," "expect" and "intend" indicate a forward-looking statement, although not all forward-looking statements include these words. The forward-looking statements contained in this presentation involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason. Factors that could cause actual results to differ materially include: changes in the economy; risks associated with possible disruption in our operations or the economy generally due to terrorism or natural disasters; and future changes in laws or regulations and conditions in our operating areas.

We have based the forward-looking statements included in this presentation on information available to us on the date of this presentation. Except as required by the federal securities laws, we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make directly to stockholders or through reports that we have filed and may file in the future with the Securities and Exchange Commission (SEC), including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. 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.



FSIC Listing Details

COMPANY NAME	FS Investment Corporation
TICKER / EXCHANGE	FSIC / NYSE
ANTICIPATED TIMING ¹	April 2014
USE OF PROCEEDS	No new proceeds are being raised
LAST REPORTED NET ASSET VALUE PER SHARE (NAV) ²	\$10.10
SHARES OUTSTANDING	257,190,300 – all shares will be listed
CURRENT MONTHLY DISTRIBUTION AMOUNT ³	\$0.072 per share declared in February 2014; 8.55% annualized distribution yield based on last reported NAV
ADVISER / SUB-ADVISER	Adviser: FB Income Advisor, an affiliate of Franklin Square Capital Partners (Franklin Square) ⁴ Sub-adviser: GSO / Blackstone Debt Funds Management (GSO / Blackstone), a subsidiary of GSO Capital Partners, the credit platform of The Blackstone Group
POST-LISTING TENDER ⁵	Up to \$250 million tender at expected listing
FEE STRUCTURE ON LISTING	2% management fee on assets 20% incentive fee on capital gains, net of all unrealized and realized losses 20% incentive fee on income, subject to an 8% hurdle and a 3-year high water mark
POTENTIAL POST-TENDER SHARE PURCHASES ⁶	Up to \$125 million being considered: – \$100 million from Franklin Square Holdings – \$25 million from FSIC and Franklin Square Holdings management

¹ There can be no assurance FSIC will list in this timeframe or at all.

² All numbers throughout this presentation are as of September 30, 2013, unless otherwise noted. GSO / Blackstone figures are as of December 31, 2013.

³ Distributions are not guaranteed and are subject to the discretion of the board of directors of FSIC.

⁴ Franklin Square Holdings, L.P. does business as Franklin Square Capital Partners.

⁵ Terms of the FSIC tender offer, including size thereof, are subject to the discretion of FSIC's board of directors.

⁶ Franklin Square Holdings and FSIC and Franklin Square Holdings management do not intend to participate in the tender offer. There can be no assurance that Franklin Square or any member of FSIC or Franklin Square Holdings management will purchase any shares. Any such purchases may be conducted in open market transactions (which may include 10b5-1 plans), subject to restrictions under applicable law.



FS Investment Corporation: A Proven BDC

PROVEN MANAGEMENT

- Franklin Square: Leading BDC manager with over \$9.1 billion in AUM¹
- GSO: Leading alternative credit manager with \$65 billion in AUM
- Strong Partnership: Over five years of successful collaboration

PROVEN STRATEGY

- Global sourcing and execution capabilities across GSO / Blackstone's entire platform
- Focus on direct lending
- Invest opportunistically in situations with potential for capital appreciation

PROVEN PORTFOLIO

- Fully invested, floating-rate focused, senior debt portfolio
- Mature leverage profile with low-cost funding
- Strong credit history

PROVEN PERFORMANCE

- Average annual GAAP return of 16.3% since inception²
- 8.55% annualized distribution yield based on the last reported NAV³
- Six distribution increases since inception, with two occurring in 2013

¹ Assets under management include FSIC, FS Investment Corporation II and FS Energy & Power Fund.

² Average annual GAAP returns since inception through the quarter ended September 30, 2013. These returns are calculated in accordance with GAAP and equal the NAV per share as of the end of the applicable period, plus cash distributions declared during the relevant period, divided by the NAV per share as of the beginning of the applicable period. These returns represent the return on the fund's investment portfolio rather than an actual return to stockholders. Past performance is not indicative of future results.

³ Distributions are not guaranteed and are subject to the discretion of FSIC's board of directors.



Proven Management

PROVEN MANAGEMENT

- Franklin Square: Leading BDC manager with over \$9.1 billion in AUM
- GSO: Leading alternative credit manager with \$65 billion in AUM
- Strong Partnership: Over five years of successful collaboration

PROVEN STRATEGY

PROVEN PORTFOLIO

PROVEN PERFORMANCE



Platform Provides a Competitive Advantage



• **LARGEST MANAGER OF BDCs**

• **60 BDC PROFESSIONALS**

• **SCALE** allows for one-stop financing solutions and low cost structure

• **259 PORTFOLIO COMPANIES** across entire BDC platform



• **LEADING MANAGER OF ALTERNATIVE CREDIT** focused on non-investment grade corporate debt

• **GLOBAL PRESENCE** with over 250 employees

• **INVESTMENTS IN MORE THAN 1,100** corporate credits

• **\$17.9 BILLION** in directly originated transactions



• **LEADING MANAGER OF ALTERNATIVE INVESTMENTS**

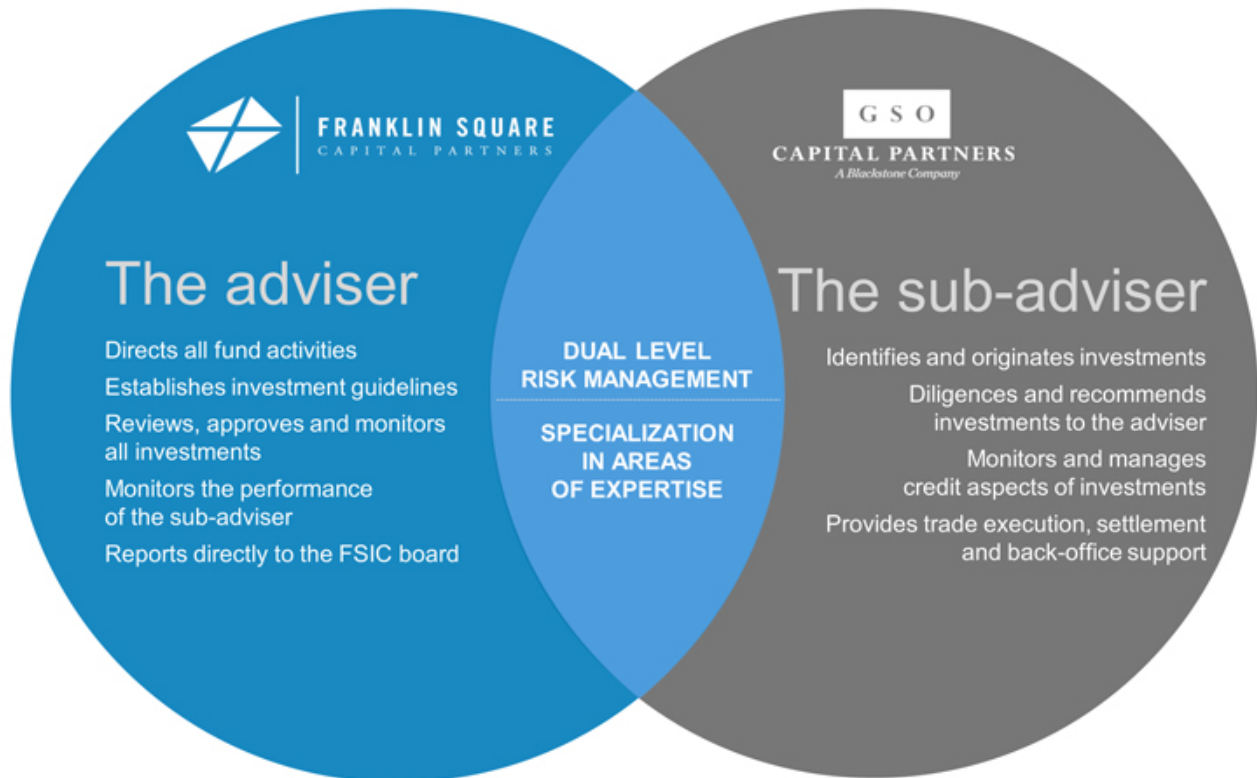
• **LEADING FRANCHISES** in credit, private equity, real estate, hedge fund solutions and financial advisory

• **BRAND AND SCALE** provides exceptional access

• **BLACKSTONE'S GROUP PURCHASING ORGANIZATION** available to FSIC portfolio companies



Franklin Square and GSO: Five Years of Successful Collaboration





Adviser/Sub-Adviser Structure Creates Accountability

FRANKLIN SQUARE'S ROLE AS ADVISER:

- Responsible for making all investment decisions based on recommendations from the sub-adviser
- Directly accountable to the board of directors
- Provides oversight and direction to the sub-adviser
 - Pipeline Reports
 - Watch Lists
 - Portfolio concentrations and diversification
 - Management reporting
 - Portfolio compliance testing (BDC and RIC)
- Oversees and manages all aspects and activities of FSIC
 - SEC reporting
 - Valuation and NAV calculation
 - Budgeting and cash management
 - Compliance
 - Transfer agent
 - Financial reporting and controls

SYSTEM OF CHECKS AND BALANCES FOR OPTIMAL EXECUTION OF INVESTMENT STRATEGY AND GOVERNANCE

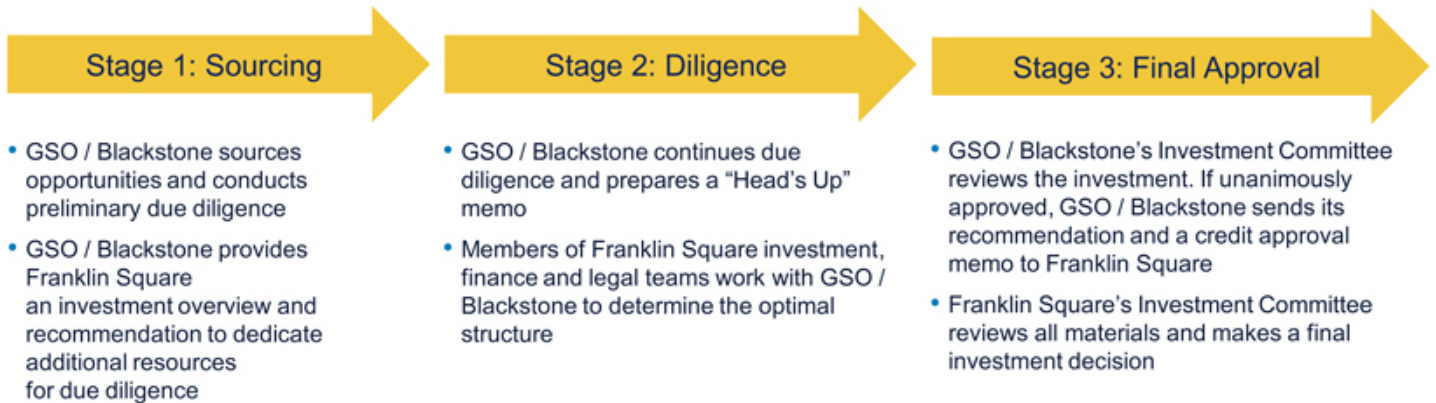




Adviser/Sub-Adviser Structure Creates Dual Levels of Risk Management

INVESTMENT APPROVAL PROCESS

- Franklin Square and GSO / Blackstone separately review and approve investments at each stage of the underwriting process
- Typically, an investment is rejected in Stage 1 or Stage 2 as most issues are generally surfaced early in the process
- The process for broadly syndicated investments is usually abbreviated, depending on the situation and risk profile





Franklin Square: An Overview



FRANKLIN SQUARE
CAPITAL PARTNERS

Over \$9 billion

IN ASSETS UNDER MANAGEMENT

Largest BDC manager

IN THE WORLD¹

Over 170 employees

60 BDC PROFESSIONALS

Over 125,000

INVESTORS

MANAGER OF THREE OF THE LARGEST BDCs¹

- Leading manager of business development companies
- Commitment to transparency and best practices
- Investor-friendly incentive fee structure for FSIC
- Meaningful and ongoing sponsor commitment to all managed funds

¹ Based on total balance sheet assets. Total balance sheet assets include the assets of FSIC, FS Investment Corporation II and FS Energy & Power Fund.



GSO Capital Partners: An Overview

G S O

CAPITAL PARTNERS
A Blackstone Company

Credit platform of The Blackstone Group

ONE OF THE LARGEST ALTERNATIVE ASSET MANAGERS IN THE WORLD

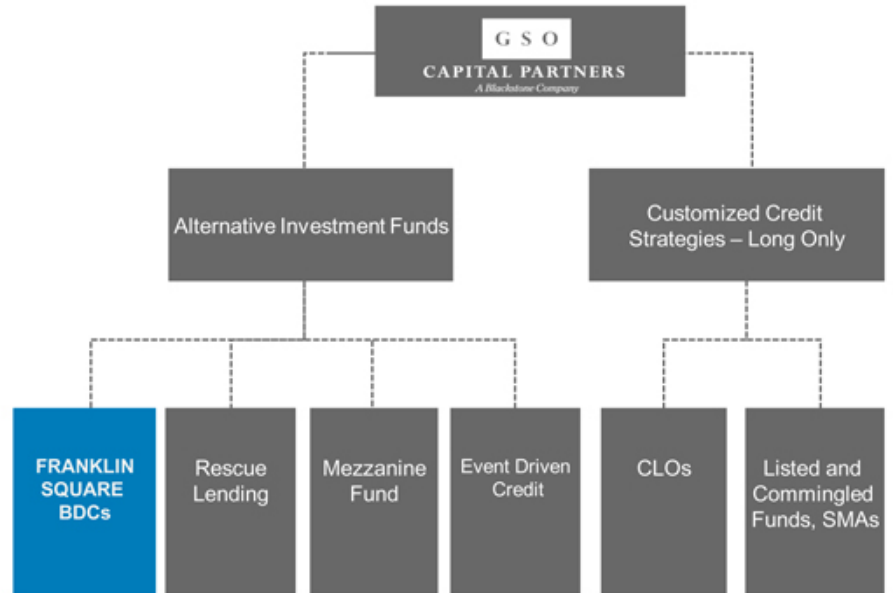
Over 250 employees
LOCATED IN NEW YORK, HOUSTON, LONDON AND DUBLIN

Over 100 investment professionals

60+ FOCUSED ON ORIGINATIONS
25+ DEDICATED FULL TIME TO BDCs
(LARGEST FUND TEAM AT GSO / BLACKSTONE)

Over 1,100 investments
IN CORPORATE CREDITS

\$65 BILLION IN ASSETS, MANAGED PRIMARILY ON BEHALF OF INSTITUTIONAL INVESTORS, WITH A FOCUS ON BELOW INVESTMENT GRADE CREDIT





Proven Strategy

PROVEN
MANAGEMENT

PROVEN
STRATEGY

- Global sourcing and execution capabilities across GSO / Blackstone's entire platform
- Focus on direct lending
- Invest opportunistically in situations with potential for capital appreciation

PROVEN
PORTFOLIO

PROVEN
PERFORMANCE



GSO and Blackstone Resources Available to Help Maximize Returns for FSIC Investors



¹ Average annual GAAP return since FSIC's inception through the quarter ended September 30, 2013. These returns are calculated in accordance with GAAP and equal the NAV per share as of the end of the applicable period, plus cash distributions declared during the relevant period, divided by the NAV per share as of the beginning of the applicable period. These returns represent the return on the fund's investment portfolio rather than an actual return to stockholders. Past performance is not indicative of future results.



FSIC Investment Portfolio by Strategy

77% CORE INVESTMENT STRATEGIES

DIRECTLY ORIGINATED

- Average originated loan commitment¹: \$56 million
 - Average EBITDA of portfolio companies²: \$38 million
 - Average net leverage through tranche²: 3.9x
 - Annualized yield³: 10.7%
- Examples:
 - Safariland
 - American Energy
 - CoSentry
 - Klune

ANCHOR / OPPORTUNISTIC / EVENT DRIVEN

- Anchor orders typically provide enhanced economics or other benefits not available to the broader market
 - Opportunistic/event driven investments provide potential for capital appreciation
 - Annualized yield³:
 - Anchor: 10.4%
 - Opportunistic: 11.3%
 - Event: 16.9%
- Examples:
 - Eastman Kodak
 - Sorenson Communications
 - ERC Ireland
 - Audio Visual Services

COLLATERALIZED SECURITIES

- Annualized yield³: 14.8%

\$2.7 BILLION OF CAPITAL DEPLOYED ACROSS 44 PORTFOLIO COMPANIES⁴

23% BROADLY SYNDICATED

- Source of liquidity to be used to fund future core investments
 - Potential source for direct origination deal flow
 - Annualized yield³: 9.1%
- Examples:
 - Stadium Management Corp.
 - Smile Brands
 - Totes Isotoner

¹ Average new originated commitment amount for the quarter ended September 30, 2013.

² Average annual EBITDA and average net leverage through tranche of all directly originated portfolio companies as of September 30, 2013.

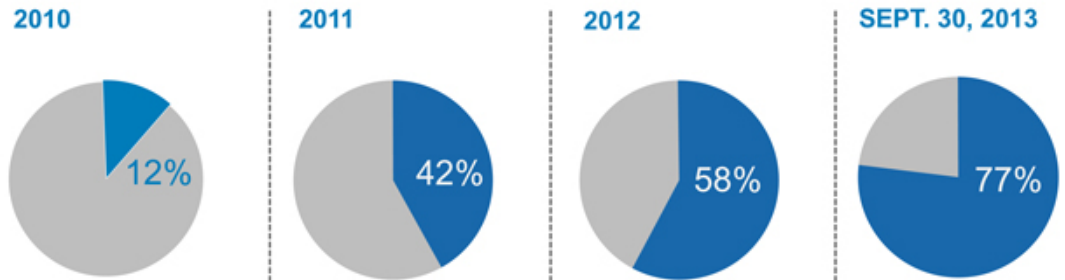
³ Gross portfolio yield prior to leverage (based on amortized cost) – excluding non-income producing assets.

⁴ Capital deployed in directly originated portfolio companies from inception to September 30, 2013.



Portfolio Transition Has Delivered Higher Investment Yields and Higher Distributions to Investors

CORE INVESTMENT STRATEGIES AS % OF PORTFOLIO¹



	2010	2011	2012	SEPT. 30, 2013
FSIC unlevered portfolio yield ²	8.5%	10.4%	10.4%	10.4%
Credit Suisse Leveraged Loan Index Yield, 3-year life	6.6%	7.3%	5.9%	5.5%
FSIC Spread Over Syndicated Index²	190 bps	310 bps	450 bps	490 bps
Monthly Distribution Amount per share ³	\$0.064312	\$0.067188	\$0.0675	\$0.072
Annualized Increase in Distributions⁴		+4.47%	+0.46%	+6.67%
% Senior Secured of Total Portfolio ⁵	89.4%	83.2%	80.7%	82.0%

¹ Core investment strategies include investments classified as Originated/Direct Lending, Anchor Order, Event Driven, Opportunistic and Collateralized Securities as of December 31, 2010, 2011, 2012 and September 30, 2013, respectively.

² Yield spread is the difference between FSIC's gross annualized portfolio yield prior to leverage as disclosed in the company's quarterly SEC filings and the Credit Suisse Leveraged Loan Index yield to a 3-year life. FSIC yield spread based on fair value as of December 31, 2010, 2011, 2012 and September 30, 2013, respectively. The data regarding the Credit Suisse Leveraged Loan Index is for illustrative purposes only and is not indicative of any investment. An investment cannot be made directly in an index.

³ FSIC increased its monthly distribution effective November 30, 2013 from \$0.06975 per share to \$0.072 per share.

⁴ Percentage increase in per share regular cash distributions during respective calendar year.

⁵ Based on fair value as of the relevant period end.



GSO / Blackstone Has Long-Standing Relationships with Private Equity Sponsors and Corporate Clients

GSO / BLACKSTONE'S SELECT NETWORK OF CLIENTS PROVIDES SIGNIFICANT SOURCING OPPORTUNITIES

- AEA Investors
- Access Capital Advisors
- AIG Highstar
- Altamont
- Amaya Gaming Group
- American Capital
- Apex
- Ares
- Areva
- Audax Group
- Avista
- Axa Private Equity
- Bain Capital
- Beecken Petty O'Keefe
- Behrman Capital
- Blackstone
- Bruckman, Rosser, Sherrill
- Carlyle
- CD&R
- Cerberus
- Charlesbank Capital Partners
- Chesapeake
- CHS Capital
- CIVC and Management
- Clarion
- Clayton Dubilier & Rice
- Clearlake Capital
- Crestview Partners
- CVC Capital Partners
- Cypress Group
- Diamond Castle
- DLJ Merchant Banking
- Dunes Point
- EIG
- First Atlantic
- Genstar
- Golden Gate Capital
- Goldman Sachs
- Goldner Hawn Johnson Morrison
- Gordon Brothers
- Gores Capital
- Graham Partners
- Harvest Partners
- Hellman & Friedman
- Insight Equity
- Investcorp
- Jeff Gural
- JLL Partners
- Jupiter Partners
- Kanders
- Kohlberg Kravis Roberts
- Leonard Green & Partners
- Lincolnshire
- Lion Capital
- LS Power
- Mid Europa Partners
- Monitor Clipper Partners
- Morgan Stanley
- NANA Regional Corp.
- Natural Gas Partners
- Nautic Partners
- NBC
- Nova Capital Management
- Oak Hill
- Odyssey Investment Partners
- Parthenon Capital
- Permira
- Plain Exploration
- Platinum Equity
- Quicksilver Resources
- Ripplewood
- Riverstone
- Rockland Capital
- Sequel Holdings
- Siris Capital
- Snow, Phipps Group
- Sony / ATV
- Southfield Capital
- SPC Partners
- Starwood Capital
- Stephens Capital Partners
- Summit Partners
- TA Associates
- Tailwind Capital
- Tenaska Power Fund
- Thomas Lee
- TPG
- Triangle Management
- Vance Street
- Vector
- Vestar Capital
- Victor Homes
- Warburg Pincus
- Wellspring



Proven Portfolio

PROVEN
MANAGEMENT

PROVEN
STRATEGY

PROVEN
PORTFOLIO

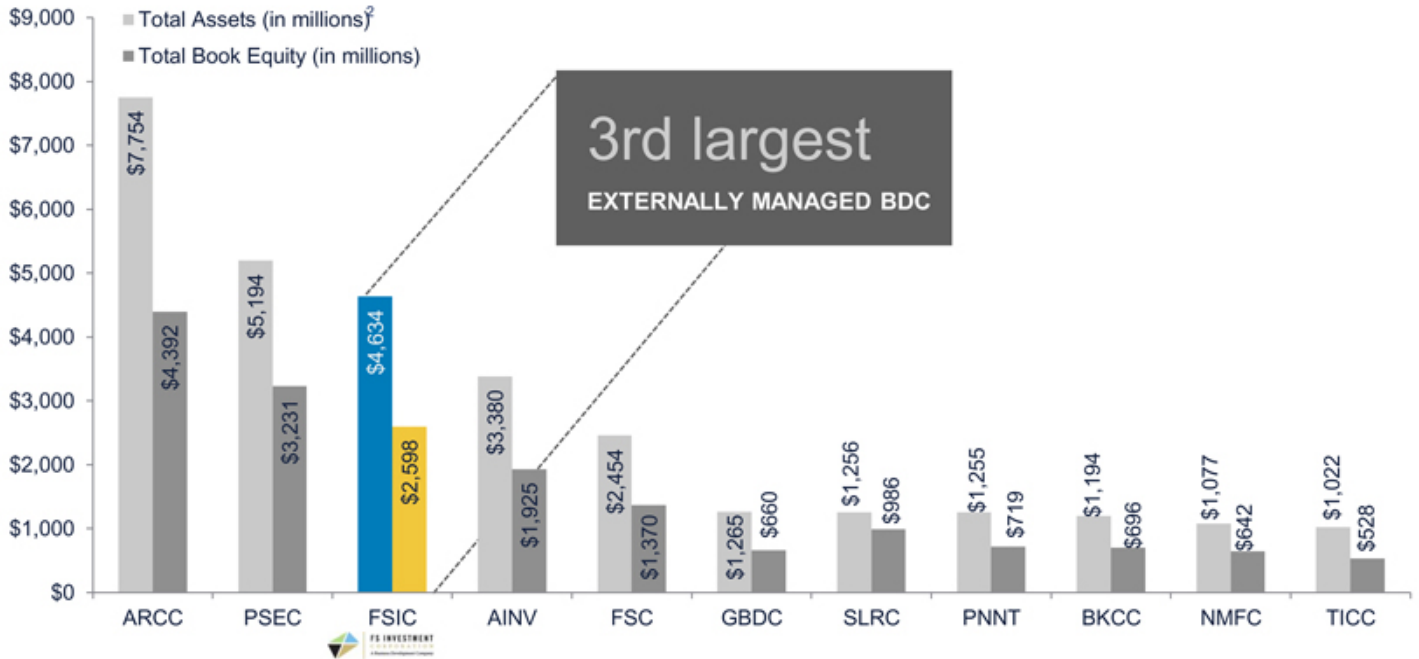
- Fully invested, floating-rate focused, senior debt portfolio
- Mature leverage profile with low-cost funding
- Strong credit history

PROVEN
PERFORMANCE



FSIC's Size Makes It an Immediately Relevant BDC

TOTAL ASSETS AND BOOK EQUITY OF SELECT BDCs¹



¹ Total assets and book equity of the ten largest externally managed BDCs by total assets. ARCC: Ares Capital Corporation; PSEC: Prospect Capital Corporation; FSIC: FS Investment Corporation; AINV: Apollo Investment Corporation; FSC: Fifth Street Finance Corp.; GBDC: Golub Capital BDC, Inc.; SLRC: Solar Capital Ltd.; PNNT: PennantPark Investment Corporation; BKCC: BlackRock Kelso Corp.; NMFC: New Mountain Finance Corporation; TICC: TICC Capital Corp.

² Total assets and book equity shown in millions as of the quarter ended September 30, 2013 for ARCC, FSIC, SLRC, BKCC, NMFC and TICC. Total assets and book equity shown in millions as of the quarter ended December 31, 2013 for PSEC, AINV, FSC, GBDC and PNNT.



Floating-Rate, Senior Debt Focused Portfolio

FULLY-RAMPED PORTFOLIO

182
POSITIONS

82%
OF INVESTMENTS IN
SECURED DEBT¹

70%
OF INVESTMENTS PAY
FLOATING INTEREST RATES

DIVERSIFIED ACROSS 21 INDUSTRIES

TOP 5 INDUSTRIES, BASED ON FAIR VALUE

Capital Goods	20%
Energy	12%
Software & Services	9%
Commercial & Professional Services	8%
Consumer Durables & Apparel	8%

INVESTMENT PORTFOLIO

ASSET CLASS	9/30/2013	12/31/2012
Senior Secured Loans — First Lien	51%	50%
Senior Secured Loans — Second Lien	22%	19%
Senior Secured Bonds	9%	12%
Subordinated Debt	11%	13%
Collateralized Securities	3%	3%
Equity/Other	4%	3%

HISTORY OF DOWNSIDE PROTECTION

0%
OF INVESTMENTS ON
NON-ACCRUAL

\$178 million
OF CUMULATIVE GAINS IN EXCESS
OF CUMULATIVE LOSSES²

92%
OF INVESTMENTS PERFORMING
BETTER OR ACCORDING TO PLAN³

¹ Secured debt consists of senior secured loans – first lien, senior secured loans – second lien, senior secured bonds. Based on fair value.

² Cumulative realized and unrealized gains less cumulative realized and unrealized losses, excluding gains and losses associated with a total return swap and foreign exchange transactions, since inception through September 30, 2013.

³ Based on FB Income Advisor's investment rating system. As of September 30, 2013, 7% of investments at fair value were exceeding expectations, 85% of investments were performing according to plan, 7% of investments required closer monitoring, 1% of investments were underperforming with some loss of interest or dividend possible and 0% of investments were underperforming with expected loss of interest and some principal. For more information on FB Income Advisor's investment rating system, please refer to FSIC's SEC filings.



Low Cost of Leverage Allows for Focus on Senior Debt

FACILITIES AS OF SEPTEMBER 30, 2013	TYPE OF FACILITY	RATE	FACILITY AMOUNT	MATURITY DATE
(in thousands)				
Citibank Credit Facility	Revolving	L + 1.75%	\$550,000	August 29, 2015
Deutsche Bank Credit Facility ¹	Revolving	L + 1.50%	\$125,000	December 20, 2014
J.P. Morgan Facility	Repurchase	3.25%	\$950,000	April 15, 2017
Wells Fargo Credit Facility	Revolving	L + 1.50% to 2.75%	\$250,000	May 17, 2017
Total debt outstanding under debt facilities				\$1,892,504
Debt/equity ratio				72.9%
% of debt outstanding at fixed interest rates				47.9%
% of debt outstanding at variable interest rates				52.1%
Gross annualized portfolio yield prior to leverage				10.4%
Weighted average cost of debt				2.7%
Net interest margin				770 bps

¹ On December 20, 2013, the maturity of the Deutsche Bank Credit Facility was extended to December 20, 2014 and the maximum commitment amount was reduced from \$240 million to \$125 million.



FS Investment Corporation: A Proven BDC

PROVEN
MANAGEMENT

PROVEN
STRATEGY

PROVEN
PORTFOLIO

PROVEN
PERFORMANCE

- Average annual GAAP return of 16.3% since inception¹
- 8.55% annualized distribution yield based on the last reported NAV²
- Six distribution increases since inception, with two occurring in 2013

¹ Average annual GAAP returns since inception through the quarter ended September 30, 2013. These returns are calculated in accordance with GAAP and equal the NAV per share as of the end of the applicable period, plus cash distributions declared during the relevant period, divided by the NAV per share as of the beginning of the applicable period. These returns represent the return on the fund's investment portfolio rather than an actual return to stockholders.

² Distributions are not guaranteed and are subject to the discretion of FSIC's board of directors.



FSIC'S Performance Compares Favorably to Its Peers

TOTAL RETURN COMPARISON OF FSIC TO PUBLIC BDC PEERS

- FSIC has generated a 16.3% average annual GAAP return since inception¹
- FSIC has been able to achieve market leading returns while maintaining a focus on senior debt (82% of investments) by consistently generating realized gains in the portfolio (cumulative gains exceed cumulative losses since inception by \$178 million)

	TOTAL RETURN SINCE 2009	% OF SECURED DEBT ²
ARES CAPITAL CORPORATION	19.9%	86% ³
FS INVESTMENT CORPORATION	16.3%	82%
BLACKROCK KELSO CAPITAL CORPORATION	11.8%	67%
PENNANTPARK INVESTMENT CORPORATION ⁴	11.0%	60%
APOLLO INVESTMENT CORPORATION ⁴	7.4%	51%
FIFTH STREET FINANCE CORP. ⁴	7.3%	81%
PROSPECT CAPITAL CORPORATION ⁴	6.7%	75%
AVERAGE OF COMPETITORS (EXCLUDES FSIC)	10.7%	70%

¹ Returns shown are GAAP returns, which are calculated by adding NAV per share as of the applicable period end plus cash distributions declared during such period and dividing the total by NAV per share as of the beginning of the applicable period. The total return represents the total return on an investment portfolio during the applicable period and does not represent an actual return to stockholders. GAAP returns shown are from FSIC inception on January 2, 2009 through September 30, 2013. Based on public filings. Past performance is not indicative of future results.

² Secured debt based on fair value as of September 30, 2013, and consists of first lien senior secured loans, second lien senior secured loans and senior secured bonds. Secured debt for PennantPark Investment Corporation, Apollo Investment Corporation, Fifth Street Finance Corp. and Prospect Capital Corporation are based on fair value as of December 31, 2013. Based on public filings.

³ Ares Capital Corporation secured debt percentage includes subordinated certificates of the Senior Secured Loan Fund LLC ("SSLF"). Excluding SSLF subordinated certificates, Ares's secured debt percentage based on fair value is 64%.

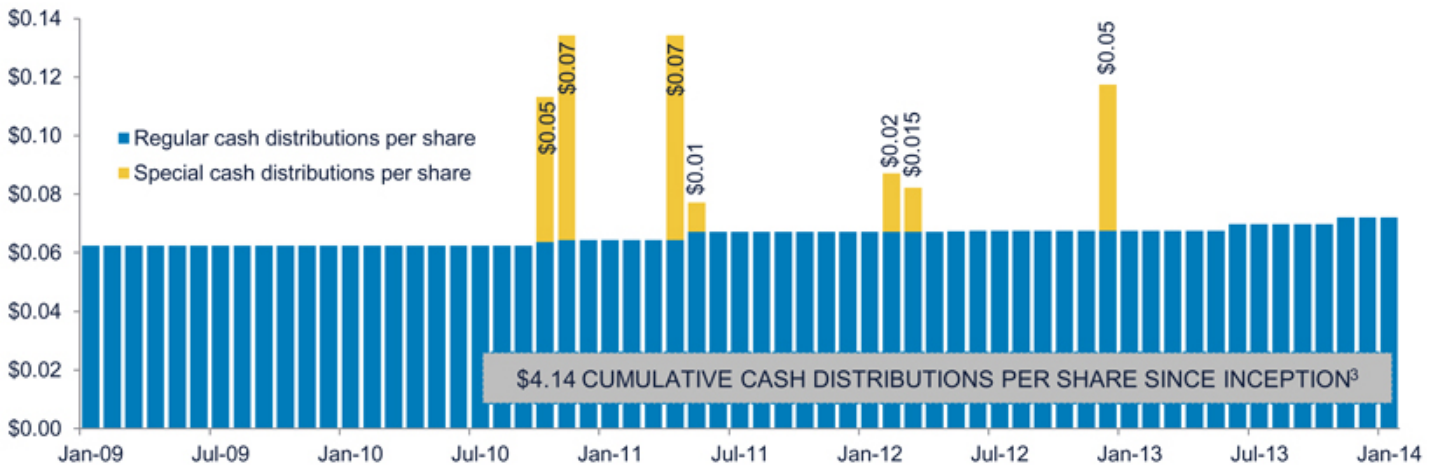
⁴ As of February 2, 2014, PennantPark Investment Corporation, Apollo Investment Corporation, Fifth Street Finance Corp. and Prospect Capital Corporation had filed 10-Q reports with the SEC for the quarter ended December 31, 2013. The GAAP return for the December 31, 2013 quarter for these BDCs is not reflected in the table above.



Consistent Distributions with a History of Distribution Growth

FSIC DISTRIBUTION HISTORY¹

- Since inception, FSIC investors have received:
 - 9 special cash distributions²
 - 8 special stock distributions
 - 6 regular cash distribution increases
- All distributions have been paid from net investment income and/or capital gains
- FSIC last declared a monthly distribution of \$0.072 per share in January 2014; 8.55% annualized distribution yield based on last reported NAV
- FSIC has approximately \$0.48 per share of undistributed net investment income and realized capital gains on a tax basis



¹ Distributions are not guaranteed and are subject to the discretion of FSIC's board of directors.

² The months of April 2010 and October 2011 each included two declared special cash distributions.

³ Cumulative distributions per share since FSIC inception through January 2, 2014. Assumes an investor participated in the distribution reinvestment plan and includes all regular cash distributions, special cash distributions and is adjusted for special stock distributions.



Opportunities for Future Growth

STRONG DISTRIBUTION COVERAGE

- Currently distribute \$0.216 per share per quarter versus Q3 2013 adjusted NII¹ per share of \$0.26
- If FSIC distributed 100% of adjusted NII, the annualized yield as of September 30, 2013, would increase from 8.55% to 10.30% based on last reported NAV
- FSIC has accumulated \$0.48 per share of undistributed NII and realized capital gains on a tax basis

CONTINUED MIGRATION INTO CORE STRATEGIES

- Future core investments are expected to be funded from the monetization of syndicated investments (23% at fair value)
- Transition to core strategies expected to allow portfolio yield to grow without need for additional debt or new equity

ACCESS TO GSO'S GLOBAL PLATFORM

- GSO / Blackstone's investment expertise, people and platform bring unique investment opportunities to FSIC
- Access to Blackstone's Group Purchasing Organization program is a competitive advantage in winning new business
- Opportunistic / Event Driven investments (\$314 million at fair value) have potential for meaningful capital appreciation (average amortized cost at 88.3% of par as of September 30, 2013)
- Equity co-investment opportunities (\$155 million at fair value) can lead to further NAV appreciation

OPTIMIZE USE OF NON-QUALIFIED ASSETS

- 19% of FSIC's investments are classified as non-qualified assets, well below the regulatory limit (30%)
- Excess capacity gives flexibility to pursue quality growth investment opportunities across the entire investment universe, not simply those that are qualified BDC assets

¹ Adjusted net investment income is the net per share increase (decrease) in net investment income excluding the capital gains incentive fee attributable to unrealized gains.



FS INVESTMENT
CORPORATION
A Business Development Company

Appendix

MANAGEMENT TEAM BIOGRAPHIES



Franklin Square Capital Partners Executives

MICHAEL C. FORMAN

CHAIRMAN & CEO

Michael Forman is the Chairman, CEO and co-founding partner of Franklin Square Capital Partners and FS Investment Corporation and Chairs the Investment Committee of the Adviser for FS Investment Corporation.

Prior to founding Franklin Square, Mr. Forman built a number of other successful businesses in the private equity and debt, financial services and investment management industries. He was previously a senior partner in the Corporate and Securities Department at the Philadelphia-based law firm of Klehr, Harrison, Harvey, Branzburg & Ellers LLP, where he practiced for over 15 years.

Mr. Forman is also a member of a number of civic and charitable boards in the Philadelphia community.

Mr. Forman received a B.A. from the University of Rhode Island, where he graduated summa cum laude and was elected Phi Beta Kappa, and received a J.D. from Rutgers University.

GERALD F. STAHLECKER

PRESIDENT, FS INVESTMENT CORPORATION

Gerald F. Stahlecker is the President and serves on the Investment Committee of the Adviser for FS Investment Corporation.

Prior to joining Franklin Square, Mr. Stahlecker was a founding partner, Managing Director, Chief Operating Officer and Co-Chair of the Investment Committee of Radcliffe Capital Management, an investment advisory firm that manages hedge funds and separately managed accounts for institutional investors. Prior to Radcliffe, Mr. Stahlecker practiced corporate and securities law as an attorney at Klehr, Harrison, Harvey, Branzburg & Ellers LLP representing institutional investors pursuing structured equity and debt investments in public and private companies.

Mr. Stahlecker received a B.S. from the Tepper School of Business at Carnegie Mellon University and a J.D. from Villanova University Law School.

ZACHARY KLEHR

EXECUTIVE VICE PRESIDENT

Zachary Klehr is an Executive Vice President and serves on the Investment Committee of the Adviser for FS Investment Corporation.

Prior to joining Franklin Square, Mr. Klehr was a Vice President at Versa Capital Management, a private equity firm with approximately \$1 billion in assets under management. At Versa, he sourced, underwrote, negotiated, structured and managed investments in middle-market distressed companies, special situations and distressed debt. Prior to Versa, Mr. Klehr spent five years at Goldman, Sachs & Co. where he worked on leveraged buyouts, acquisitions and equity and debt financings for Goldman Sachs' private equity clients.

Mr. Klehr received an M.B.A. with honors from the Wharton School of the University of Pennsylvania and a B.A. (cum laude), also from the University of Pennsylvania.

SEAN COLEMAN

MANAGING DIRECTOR, FS INVESTMENT CORPORATION

Sean Coleman is a Managing Director and serves on the Investment Committee of the Adviser for FS Investment Corporation.

Before joining Franklin Square, Mr. Coleman worked at Golub Capital for eight years, where he served in various capacities, including as a managing director in the direct lending group and as chief financial officer and treasurer of Golub Capital BDC. Before he joined Golub Capital in 2005, Mr. Coleman worked in merchant banking and investment banking, including at Goldman, Sachs & Co. and Wasserstein Perella & Co.

Mr. Coleman earned a B.A. in History from Princeton University and an M.B.A. with Distinction from Harvard Business School.

WILLIAM GOEBEL

CHIEF FINANCIAL OFFICER, FS INVESTMENT CORPORATION

William Goebel joined Franklin Square in February 2011 where he serves as Chief Financial Officer of FS Investment Corporation. Mr. Goebel brings over 13 years of accounting and auditing experience with areas of focus in fair valuation, SEC reporting and new fund offerings.

Prior to joining the company, Mr. Goebel held a senior manager audit position with Ernst & Young LLP in the firm's asset management practice and was responsible for the audits of RICs, private investment partnerships, investment advisers and broker dealers. Mr. Goebel began his career as an auditor at Tait, Weller and Baker.

Mr. Goebel received a B.S. in Economics from the Wharton School of the University of Pennsylvania. He is a CFA Charterholder and a certified public accountant.



GSO Capital Partners Executives Focused on FSIC

BENNETT J. GOODMAN

SENIOR MANAGING DIRECTOR
AND CO-FOUNDER, GSO /
BLACKSTONE

Bennett Goodman is a Senior Managing Director of The Blackstone Group, and current member of the Blackstone Management Committee.

Before co-founding GSO Capital Partners in 2005, Mr. Goodman was a Founder and Managing Partner of the Alternative Capital Division of Credit Suisse (CSFB) where he was responsible for overseeing \$33 billion of assets under management in private equity and credit oriented strategies. He joined CSFB in November 2000 when CSFB acquired DLJ, where he joined in 1988 as the founder of the High Yield Capital Markets Group and Served as Global Head of Leveraged Finance.

Mr. Goodman graduated from Lafayette College and the Harvard Business School.

DOUGLAS I. OSTROVER

SENIOR MANAGING DIRECTOR
AND CO-FOUNDER, GSO /
BLACKSTONE

Before co-founding GSO Capital Partners in 2005, Mr. Ostrover was a Managing Director and Chairman of the Leveraged Finance Group of CSFB where he was responsible for all of CSFB's origination, distribution and trading activities relating to high yield securities, leveraged loans, high yield credit derivatives and distressed securities. Mr. Ostrover joined CSFB in November 2000 when CSFB acquired DLJ, where he was a Managing Director in charge of High Yield and Distressed Sales, Trading and Research.

Mr. Ostrover received a B.A. in Economics from the University of Pennsylvania and an M.B.A. from the Stern School of Business of New York University.

TRIPP SMITH

SENIOR MANAGING DIRECTOR
AND CO-FOUNDER, GSO /
BLACKSTONE

Before co-founding GSO Capital Partners in 2005, Mr. Smith was Global Head of the Capital Markets Group within the Alternative Capital Division of CSFB. Mr. Smith joined CSFB in November 2000 when it acquired DLJ, where he was Global Head of High Yield Capital Markets. Mr. Smith had been a member of DLJ's high yield team since he joined the firm in 1993. Prior to that, Mr. Smith worked for Smith Barney and Drexel Burnham Lambert.

Mr. Smith received a B.B.A. in Accounting from the University of Notre Dame.

DANIEL H. SMITH

SENIOR MANAGING DIRECTOR,
GSO / BLACKSTONE

Mr. Smith is the Group Head of GSO / Blackstone Debt Funds Management and is a member of its Investment Committee.

Before joining GSO Capital in 2005, Mr. Smith was Managing Partner and Co-head of RBC Capital Market's Alternative Investments Unit at Royal Bank of Canada in New York. Mr. Smith joined RBC in 2001 from Indosuez Capital, a division of Crédit Agricole Indosuez, where he was a Co-Head and Managing Director overseeing the firm's debt investments business and merchant banking activities. He began his career in investment management in 1987 at Van Kampen American Capital where he focused on below investment grade corporate debt.

Mr. Smith received a B.S. in Petroleum Engineering from the University of Southern California and a Masters in Management from the J.L. Kellogg Graduate School of Management at Northwestern University.

BRAD MARSHALL

MANAGING DIRECTOR AND
PORTFOLIO MANAGER FOR FS
INVESTMENT CORPORATION

Mr. Marshall serves as a Senior Portfolio Manager for FS Investment Corporation and is a member of GSO / Blackstone Debt Funds Management's Investment Committee.

Before joining GSO Capital Partners in 2005, Mr. Marshall worked in various roles at RBC Capital Market's Alternative Investments Unit at Royal Bank of Canada, including fixed income high yield research and business development within RBC's private equity funds effort. Prior to RBC, Mr. Marshall helped develop a private equity funds business for TAL Global, a Canadian asset management division of CIBC, and prior to that, he co-founded a microchip verification software company where he served as chief financial officer.

Mr. Marshall received an M.B.A. from McGill University in Montreal and a B.A. with honors in Economics from Queen's University in Kingston, Canada.



FS INVESTMENT
CORPORATION
A Business Development Company

INVESTOR PRESENTATION

FS Investment Corporation

LISTING UPDATE

Franklin Square Capital Partners is not affiliated with Franklin Resources/Franklin Templeton Investments or the Franklin Funds.

February 19, 2014



Important considerations

An investment in the common stock of FS Investment Corporation (FSIC, we or us) involves a high degree of risk and may be considered speculative. The following are some of the risks an investment in our common stock involves; however, you should carefully consider all of the information found in the section of our Forms 10-Q and 10-K filings entitled "Risk Factors" and in our other public filings before deciding to invest in shares of our common stock.

- An investment strategy focused primarily on privately held companies presents certain challenges, including the lack of available information about these companies.
- Investing in middle-market companies involves a number of significant risks, any one of which could have a material adverse effect on our operating results.
- A lack of liquidity in certain of our investments may adversely affect our business.
- We are subject to financial market risks, including changes in interest rates, which may have a substantial negative impact on our investments.
- We have borrowed funds to make investments, which increases the volatility of our investments and may increase the risks of investing in our securities.
- We have limited operating history and are subject to the business risks and uncertainties associated with any new business.
- Our distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to us for investment.

This presentation is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities of FSIC. The tender offer will be made only pursuant to an offer to purchase, letter of transmittal and related materials (the Tender Materials) that FSIC intends to distribute to its stockholders and file with the Securities and Exchange Commission (SEC). The full details of the tender offer, including complete instructions on how to tender shares of common stock, will be included in the Tender Materials, which FSIC will distribute to stockholders and file with the SEC upon the commencement of the tender offer. Stockholders are urged to carefully read the Tender Materials when they become available because they will contain important information, including the terms and conditions of the tender offer. Stockholders may obtain free copies of the Tender Materials that FSIC files with the SEC at the SEC's website at: www.sec.gov or by calling the information agent who will be identified in the Tender Materials. In addition, stockholders may obtain free copies of FSIC's filings with the SEC from FSIC's website at: www.fsinvestmentcorp.com or by contacting FSIC at Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104 or by phone at (877) 628-8575.



Forward-Looking Statements

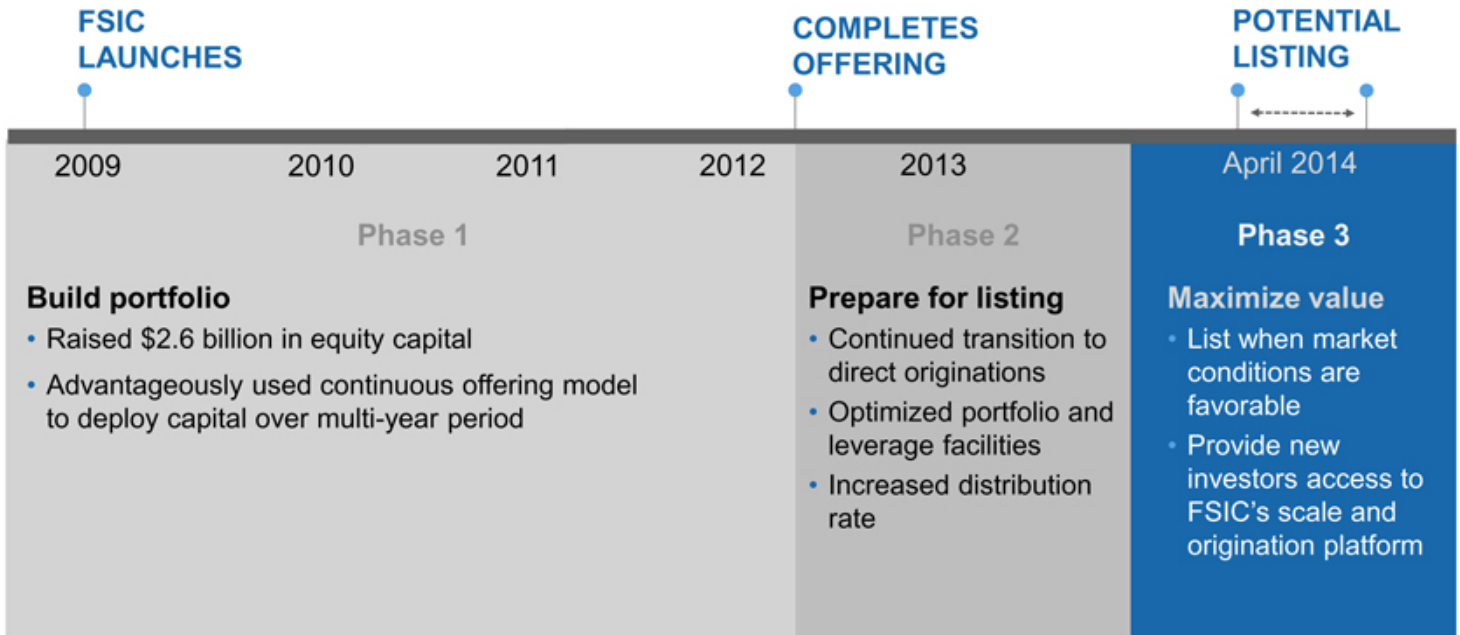
Some of the statements in this presentation constitute forward-looking statements because they relate to future events or the future performance or financial condition of FSIC. The forward-looking statements contained in this presentation may include statements as to: our future operating results; our business prospects and the prospects of our portfolio companies; the impact of the investments that we expect to make; the ability of our portfolio companies to achieve their objectives; our current and expected financings and investments; the adequacy of our cash resources, financing sources and working capital; the timing and amount of cash flows, distributions and dividends, if any, from our portfolio companies; our contractual arrangements and relationships with third parties; actual and potential conflicts of interest with FB Income Advisor, LLC (FB Advisor), FS Investment Advisor, LLC, FS Energy and Power Fund, FSIC II Advisor, LLC, FS Investment Corporation II, GSO / Blackstone Debt Funds Management LLC or any of their respective affiliates; the dependence of our future success on the general economy and its effect on the industries in which we may invest; our use of financial leverage; the ability of FB Advisor to locate suitable investments for us and to monitor and administer our investments; the ability of FB Advisor or its affiliates to attract and retain highly talented professionals; our ability to maintain our qualification as a regulated investment company (RIC) and as a business development company (BDC); the impact on our business of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations issued thereunder; the effect of changes to tax legislation and our tax position; the tax status of the enterprises in which we invest; our ability to complete the listing of our shares of common stock on the New York Stock Exchange LLC (NYSE); our ability to complete the related tender offer; and the price at which shares of our common stock may trade on the NYSE, which may be higher or lower than the purchase price in the tender offer.

In addition, words such as "anticipate," "believe," "expect" and "intend" indicate a forward-looking statement, although not all forward-looking statements include these words. The forward-looking statements contained in this presentation involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason. Factors that could cause actual results to differ materially include: changes in the economy; risks associated with possible disruption in our operations or the economy generally due to terrorism or natural disasters; and future changes in laws or regulations and conditions in our operating areas.

We have based the forward-looking statements included in this presentation on information available to us on the date of this presentation. Except as required by the federal securities laws, we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make directly to stockholders or through reports that we have filed and may file in the future with the Securities and Exchange Commission (SEC), including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. 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.



The Franklin Square BDC model

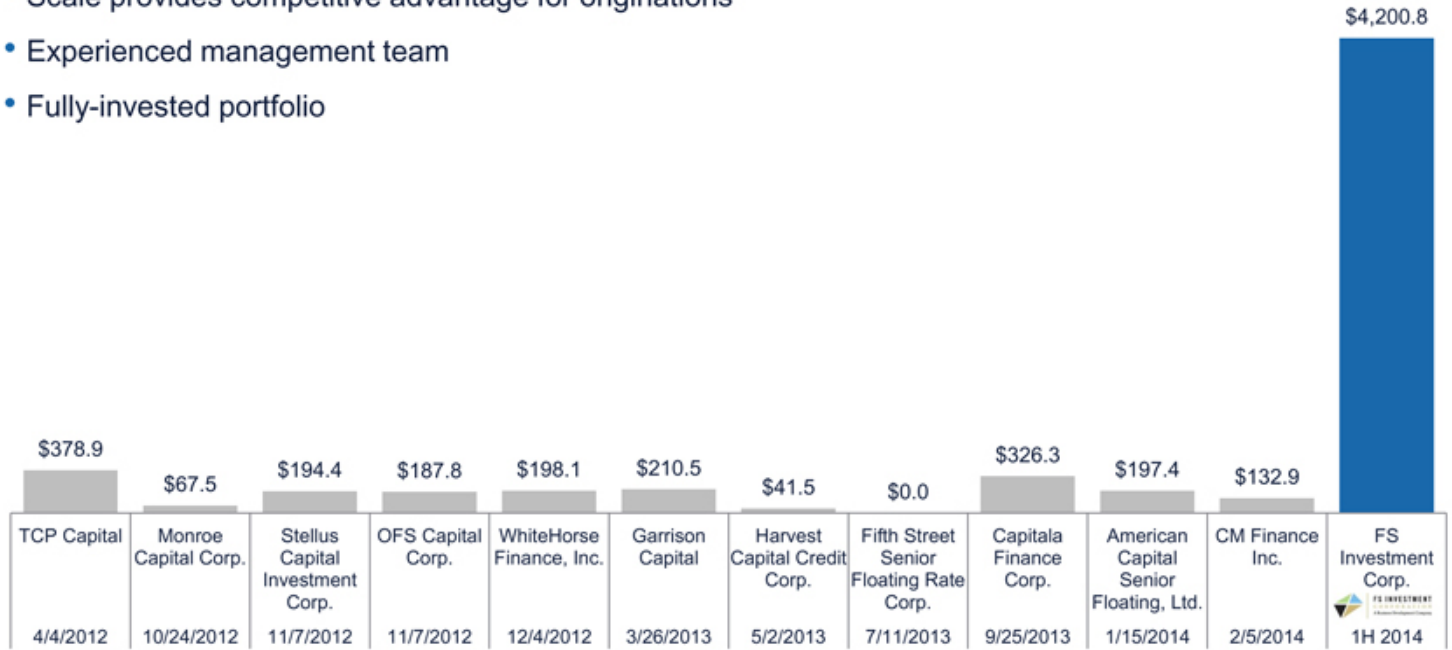




Why Franklin Square's model is unique

INITIAL PORTFOLIO SIZES OF RECENT BDC IPOs AND THE PROPOSED FSIC LISTING¹

- Scale provides competitive advantage for originations
- Experienced management team
- Fully-invested portfolio



¹ Source: Public filings. Dollar amounts shown are in millions. The initial portfolio for FSIC is based on the fair value of investments as of the quarter ended September 30, 2013. The initial portfolio for the other BDCs shown based on the respective fair values of investments pro forma for the respective BDC's initial public offering.



Platform provides a competitive advantage



- **LARGEST MANAGER OF BDCs¹**
- **60 BDC PROFESSIONALS²**
- **SCALE** allows for one-stop financing solutions and low cost structure
- **259 PORTFOLIO COMPANIES** across entire BDC platform²



- **LEADING MANAGER OF ALTERNATIVE CREDIT** focused on non-investment grade corporate debt
- **GLOBAL PRESENCE** with over 250 employees³
- **INVESTMENTS IN MORE THAN 1,100** corporate credits³
- **\$17.9 BILLION** in directly originated transactions³



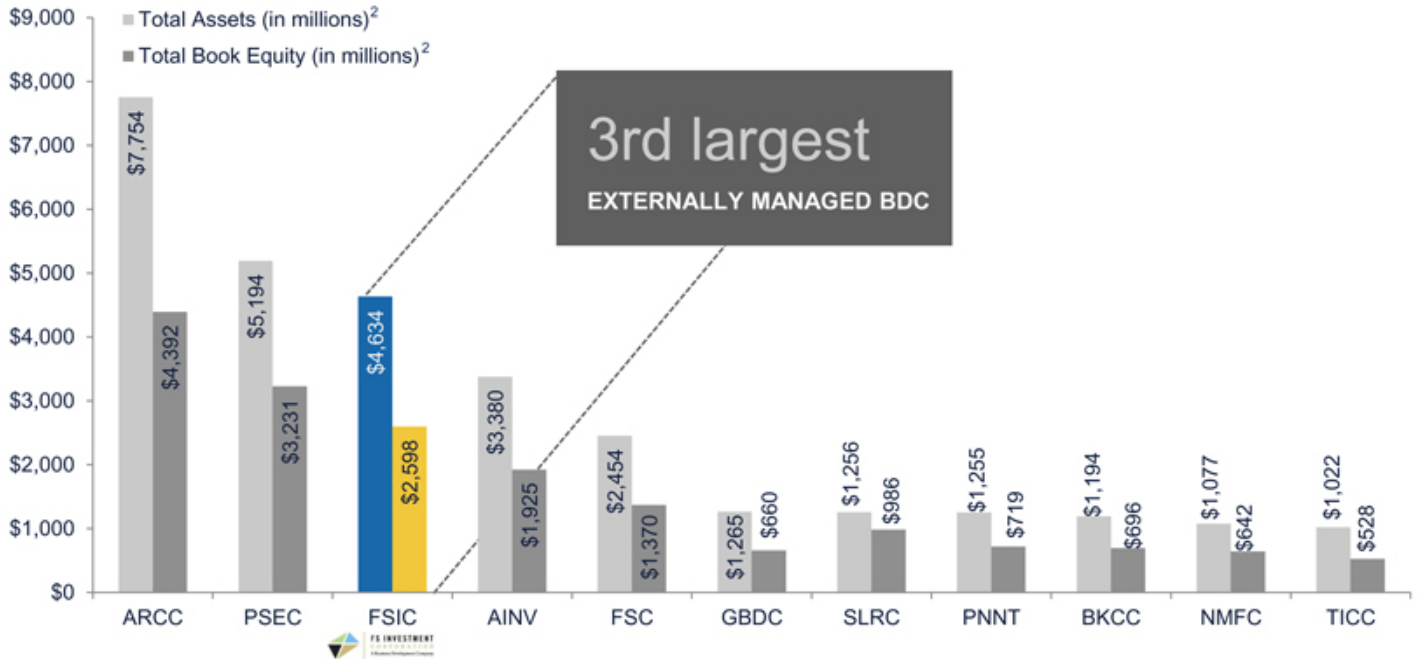
- **LEADING MANAGER OF ALTERNATIVE INVESTMENTS**
- **LEADING FRANCHISES** in credit, private equity, real estate, hedge fund solutions and financial advisory
- **BRAND AND SCALE** provides exceptional access
- **BLACKSTONE'S GROUP PURCHASING ORGANIZATION** available to FSIC portfolio companies

¹ Based on total balance sheet assets as of September 30, 2013. Includes the assets of FSIC, FS Investment Corporation II and FS Energy & Power Fund.
² As of September 30, 2013.
³ As of December 31, 2013.



Scale makes FSIC immediately relevant

TOTAL ASSETS AND BOOK EQUITY OF SELECT BDCs¹



¹ Total assets and book equity of the ten largest externally managed BDCs by total assets. ARCC: Ares Capital Corporation; PSEC: Prospect Capital Corporation; FSIC: FS Investment Corporation; AINV: Apollo Investment Corporation; FSC: Fifth Street Finance Corp.; GBDC: Golub Capital BDC, Inc.; SLRC: Solar Capital Ltd.; PNNT: PennantPark Investment Corporation; BKCC: BlackRock Kelso Corp.; NMFC: New Mountain Finance Corporation; TICC: TICC Capital Corp.

² Total assets and total book equity shown in millions as of the quarter ended September 30, 2013 for ARCC, FSIC, SLRC, BKCC, NMFC and TICC. Total assets and total book equity shown in millions as of the quarter ended December 31, 2013 for PSEC, AINV, FSC, GBDC and PNNT.



Senior debt = premium pricing

% SENIOR DEBT¹

GREATER THAN 80% SENIOR DEBT:

Average distribution rate²: **8.63%**

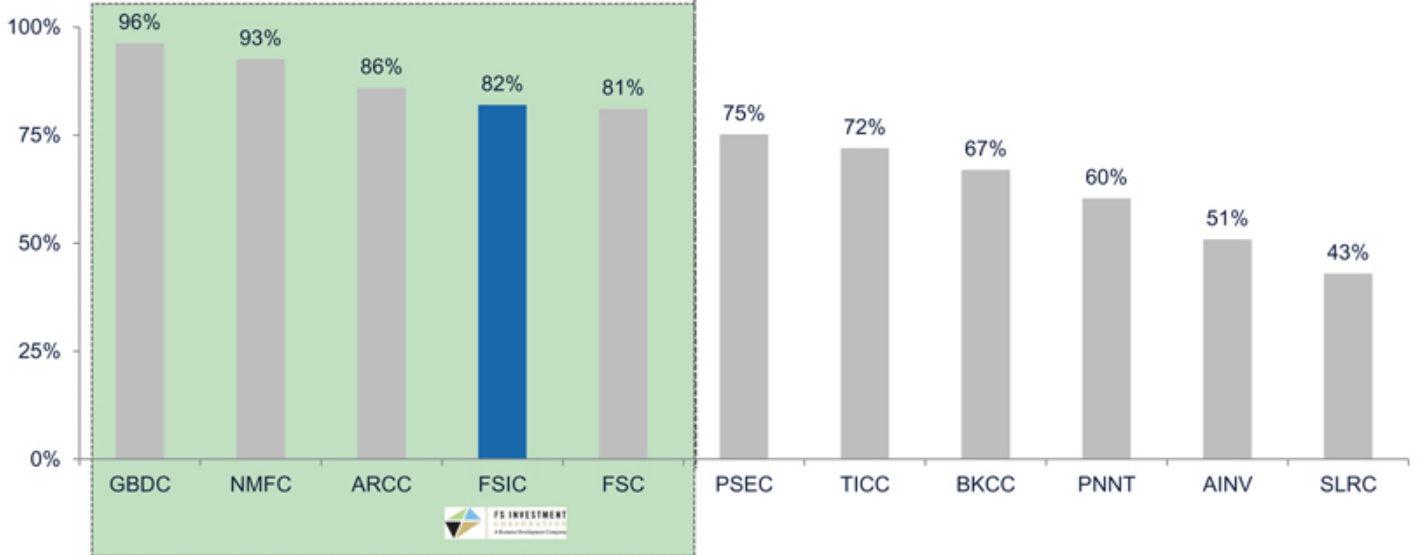
Average premium to NAV³: **10%**

80%

LESS THAN 80% SENIOR DEBT:

Average distribution rate²: **9.97%**

Average premium to NAV³: **4%**



¹ Senior debt includes first lien senior secured loans, second lien senior secured loans and senior secured bonds. ARCC senior debt includes Subordinated Certificates of the Senior Secured Loan Program. GBDC senior debt includes GBDC's Senior Loan Facility. Senior debt based on fair value as of September 30, 2013, for NMFC, ARCC, FSIC, TICC, BKCC and SLRC. Senior debt based on fair value as of December 31, 2013, for GBDC, FSC, PSEC, PNNT and AINV. Sourced from public filings of the ten largest externally managed BDCs by total assets.

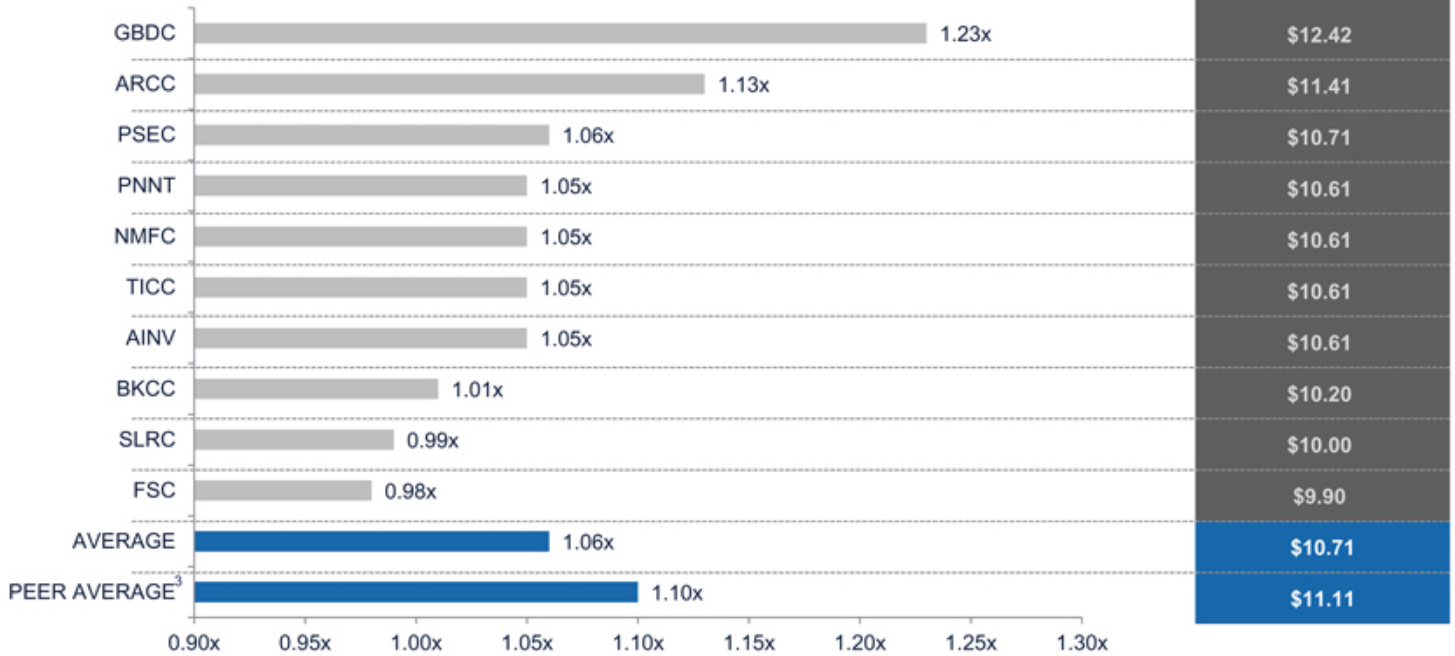
² Distributions rates based on each BDC's last declared regular cash distribution and share price data as of February 14, 2014.

³ Premiums based on each BDC's last declared NAV and share price data as of February 14, 2014. There can be no assurance that FSIC will trade at a premium to NAV if FSIC lists its shares. FSIC's actual share price upon any listing could be significantly higher or lower than values shown.



BDC valuations and implied FSIC share price

PREMIUM TO NAV (as of February 14, 2014)¹



¹ Premiums of the ten largest externally managed BDCs based on total assets. Share price data as of February 14, 2014 and each BDCs' last reported NAV as reported in public filings. There can be no assurance that FSIC will trade at a premium to NAV if FSIC lists its shares. FSIC's actual share price upon any listing could be significantly higher or lower than values shown.

² Based on FSIC's last reported NAV per share of \$10.10 as of September 30, 2013.

³ Peer group includes GBDC, ARCC, NMFC and FSC.



How FSIC continues to add value

At listing

8.00%

target annualized
distribution rate¹



After listing

\$0.48

undistributed net
investment income
and realized capital
gains²

Potential
per share
special cash
distributions³

¹ Target annualized distribution rate based on FSIC's monthly distribution per share of \$0.072 declared in February 2014 and an assumed FSIC listing price of \$10.80 per share. This assumed listing price of \$10.80 per share is hypothetical and is not intended to be indicative of the current or future value of the shares of FSIC's common stock at or following the time of listing. There can be no assurance a listing will occur. If a listing occurs, the actual listing share price may be significantly higher or lower. Distributions are not guaranteed and are subject to the discretion of the board of directors of FSIC.

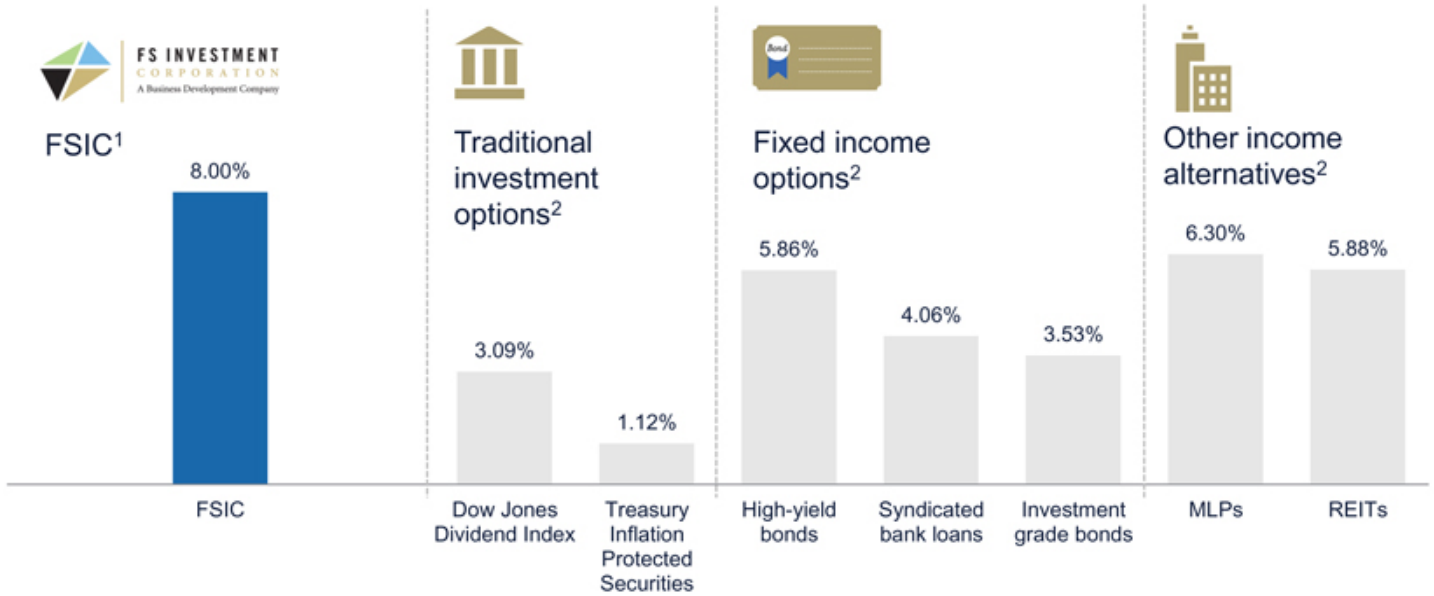
² FSIC's \$0.48 per share of undistributed net investment income and realized capital gains as of September 30, 2013. The \$0.48 of undistributed net investment income and realized capital gains is currently reflected in NAV. Any special cash distributions would serve to reduce NAV.

³ The FSIC board of directors may choose to distribute all, none or a portion of FSIC's excess undistributed net investment income and realized capital gains.



FSIC is an income solution

DISTRIBUTION YIELDS ACROSS ASSET CLASSES



¹ Target annualized distribution rate based on FSIC's monthly distribution per share of \$0.072 declared in February 2014 and an assumed FSIC listing price of \$10.80 per share. This assumed listing price of \$10.80 per share is hypothetical and is not intended to be indicative of the current or future value of the shares of FSIC's common stock at or following the time of listing. There can be no assurance a listing will occur. If a listing occurs, the actual listing share price may be significantly higher or lower. Distributions are not guaranteed and are subject to the discretion of the board of directors of FSIC.

² Dow Jones Dividend Index represented by the iShares Dow Jones Select Dividend ETF (DVY), Treasury Inflation Protected Securities represented by the iShares Barclays TIPS Bond ETF (TIP), High Yield Bonds represented by the iShares iBoxx \$ High Yield Corporate Bond ETF (HYG), Syndicated Bank Loans represented by the PowerShares Senior Loan Portfolio ETF (BKLN), Investment Grade Bonds represented by the iShares iBoxx \$ Investment Grade Corporate Bond ETF (LQD), MLPs represented by the ALPS Alerian MLP ETF (AMPL) and REITs represented by the Vanguard REIT Index ETF (VNQ). Distribution yields as of February 7, 2014. This data is for illustrative purposes only.



FSIC's value proposition

8.00%

target annualized distribution rate¹

105%

cumulative total return²

16.3%

average annual return²

PROVEN PERFORMANCE

- Direct originations
- Distributions paid from net investment income and capital gains³
- Fully ramped portfolio³

PROVEN PORTFOLIO

- Invest primarily in senior secured, floating rate loans of U.S. private companies
- Generate income and capital appreciation

PROVEN STRATEGY



FRANKLIN SQUARE
CAPITAL PARTNERS



G S O
CAPITAL PARTNERS
A Blackstone Company

PROVEN MANAGEMENT

¹ Target annualized distribution rate based on FSIC's monthly distribution of \$0.072 per share declared in February 2014 and an assumed FSIC listing price of \$10.80 per share. This assumed listing price of \$10.80 per share is hypothetical and is not intended to be indicative of the current or future value of the shares of FSIC's common stock at or following the time of listing. There can be no assurance a listing will occur. If a listing occurs, the actual listing share price may be significantly higher or lower. Distributions are not guaranteed and are subject to the discretion of the board of directors of FSIC.

² Cumulative and average annual GAAP returns since inception through the quarter ended September 30, 2013. These returns are calculated in accordance with GAAP using NAV performance and cash distributions declared during the relevant period and represent the return on the fund's investment portfolio rather than an actual return to stockholders.

³ As of September 30, 2013.



FSIC listing details

TICKER	FSIC
EVENT	Listing shares on the NYSE
ANTICIPATED TIMING ¹	April 2014
STOCKHOLDER LOCK-UP	None; fully tradable at listing
MANAGEMENT LOCK-UP	Expected for 180 days post listing
POST-LISTING TENDER ²	Up to \$250 million tender at expected listing
POTENTIAL POST-TENDER SHARE PURCHASES ³	Up to \$125 million being considered: – \$100 million from Franklin Square Holdings – \$25 million from FSIC and Franklin Square Holdings management
CURRENT ANNUALIZED DISTRIBUTION ⁴	\$0.864 per share
SPECIAL CASH DISTRIBUTIONS ⁵	Expect to make one or more special cash distributions

LISTING CONSIDERATIONS

- An innovative offering model
- Publicly-traded BDC premiums suggest potential for share price appreciation
- Special distribution(s) post-listing expected
- No longer an illiquid alternative
- Compares well to other income-producing investments
- Sets precedent for the BDC industry
- Continued sponsor commitment

¹ There can be no assurance FSIC will list in this time frame or at all.

² Terms of the FSIC tender offer, including size thereof, are subject to the discretion of FSIC's board of directors.

³ Franklin Square Holdings and FSIC and Franklin Square Holdings management do not intend to participate in the tender offer. There can be no assurance that Franklin Square or any member of FSIC or Franklin Square Holdings management will purchase any shares. Any such purchases may be conducted in open market transactions (which may include 10b5-1 plans), subject to restrictions under applicable law.

⁴ Distributions are not guaranteed and are subject to the discretion of the board of directors of FSIC.

⁵ FSIC had \$0.48 per share of undistributed net investment income and realized capital gains as of September 30, 2013, a portion of which may be used for special cash distributions. Distributions are at the discretion of FSIC's board of directors. The FSIC board of directors may choose to distribute all, none or a portion of FSIC's excess undistributed net investment income and realized capital gains.



FSIC listing operational review

ACCOUNT FREEZE	Expected to begin approximately two weeks prior to listing.
DISTRIBUTION REINVESTMENT PLAN (DRP)	<p>Will be terminated shortly prior to listing subject to the occurrence of a listing. After listing, a new DRP may be put into place so stockholders can again reinvest monthly distributions in additional shares of FSIC.</p> <p>If the current DRP is terminated, pending the adoption of a new DRP, stockholders that had elected to participate in the current DRP will receive cash rather than shares in respect of any cash distribution declared by FSIC.</p>
FRACTIONAL SHARES	The mechanics required for transferring shares in order for FSIC to list will not accept fractional shares. If an investor owns any fractional shares in FSIC, FSIC expects to "round up" the number of fractional shares held by stockholders immediately prior to a listing to the nearest whole number of shares.



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FOR IMMEDIATE RELEASE

FS Investment Corporation Applies to List on NYSE

Franklin Square and GSO / Blackstone ready \$4.6 billion BDC for public trading

PHILADELPHIA, PA, February 19, 2014 – FS Investment Corporation (“FSIC”) has applied to list its common stock on the New York Stock Exchange (“NYSE”) under the symbol “FSIC.” Subject to NYSE approval, market conditions and other factors, FSIC currently expects trading to commence in April 2014.

FSIC is a business development company (“BDC”) that invests primarily in the floating rate, senior secured debt securities of private U.S. companies. The fund is managed by Franklin Square Capital Partners and sub-advised by an affiliate of GSO Capital Partners, the credit platform of Blackstone. Together, Franklin Square and GSO / Blackstone are the world’s largest manager of BDC assets, with over \$9 billion across their funds.

When FSIC lists, it will be the largest initial listing of a BDC and will be among the largest BDCs in the market, with over \$4.6 billion in assets under management and a portfolio consisting of over 180 companies as of September 30, 2013. “This listing will be an important event for FSIC shareholders and certainly represents a significant milestone for our industry,” said Michael C. Forman, Chairman and CEO of FSIC.

FSIC’s current annualized distribution rate is 8.55% based on its last publicly reported net asset value per share. In addition, the fund had generated approximately \$124.2 million of undistributed net investment income and realized capital gains as of September 30, 2013. FSIC expects to distribute a portion of this excess income to stockholders in the form of one or more special cash distributions following the listing. “We believe FSIC’s portfolio will continue to produce strong risk-adjusted returns and serve as a good investment for those seeking current income and capital preservation,” said Forman.

About FS Investment Corporation

FSIC, an investment fund sponsored by Franklin Square, is a publicly registered BDC. A BDC such as FSIC is a type of investment fund that enables investors to access investments in private U.S. companies. FSIC focuses primarily on investing in the floating rate debt securities of private companies throughout the United States, with the investment objectives of generating current income and, to a lesser extent, long-term capital appreciation for its investors. FSIC is managed by FB Income Advisor, LLC, an affiliate of Franklin Square, and is sub-advised by GSO / Blackstone Debt Funds Management LLC (“GDFM”), an affiliate of GSO Capital Partners LP (“GSO”). GSO, with approximately \$65 billion in assets under management as of December 31, 2013, is the credit platform of Blackstone. For more information, please visit www.fsinvestmentcorp.com.

About Franklin Square Capital Partners

Franklin Square is a leading manager of alternative investment funds designed to enhance investors’ portfolios by providing access to asset classes, strategies and asset managers that

typically have been available to only the largest institutional investors. The firm's funds offer "endowment-style" investment strategies that help construct diversified portfolios and manage risk. Franklin Square strives not only to maximize investment returns but also to set the industry standard for best practices by focusing on transparency, investor protection and education for investment professionals and their clients.

Founded in Philadelphia in 2007, Franklin Square quickly established itself as a leader in the world of alternative investments by introducing innovative credit-based income funds, including the industry's first non-traded BDC. The firm currently manages four funds with over \$9.2 billion in assets as of September 30, 2013.

For more information, please visit www.franklinsquare.com.

About Blackstone and GSO Capital Partners

Blackstone is one of the world's leading investment and advisory firms. Blackstone seeks to create positive economic impact and long-term value for its investors, the companies it invests in, the companies it advises and the broader global economy. The firm does this through the commitment of its extraordinary people and flexible capital. GSO Capital Partners LP is the global credit platform of Blackstone. GSO, together with its affiliates, has approximately \$65 billion of assets currently under management and is one of the largest credit-focused alternative managers in the world and a major participant in the leveraged finance marketplace. GSO seeks to generate superior risk-adjusted returns in its credit business by investing in a broad array of strategies including mezzanine, distressed investing leveraged loans and other special situation strategies. Blackstone's alternative asset management businesses include investment vehicles focused on private equity, hedge fund solutions, secondary funds, and multi asset class exposures falling outside of other funds' mandates. Blackstone also provides various financial advisory services, including mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement services. Further information is available at www.blackstone.com.

Forward-Looking Statements

This announcement may contain certain forward-looking statements, including statements with regard to future events or the future performance or operation of FSIC. 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 generally due to terrorism or natural disasters, future changes in laws or regulations and conditions in FSIC's operating area, the ability of FSIC to complete the listing of its shares of common stock on the NYSE, and the price at which shares of common stock may trade on the NYSE. Some of these factors are enumerated in the filings FSIC makes with the Securities and Exchange Commission. FSIC undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Other Information

This press release does not constitute an offer to buy any securities of FSIC and is not soliciting an offer to sell such securities in any state where such offer and sale is not permitted. The payment of any special cash distribution is subject to applicable legal restrictions and the sole discretion of FSIC's board of directors, and therefore, there can be no assurance as to the amount or timing of any such future distribution. The annualized distribution rate is based on the last reported net asset value per share as of September 30, 2013.

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