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

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**Form N-2**  
**REGISTRATION STATEMENT**  
*UNDER*  
**THE SECURITIES ACT OF 1933**  
(Check appropriate box or boxes)

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- REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933  
 Pre-Effective Amendment No.  
 Post-Effective Amendment No. 1
- 

**FS INVESTMENT CORPORATION**  
(Exact name of registrant as specified in charter)

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**Cira Centre**  
2929 Arch Street, Suite 675  
Philadelphia, PA 19104-2867  
(215) 495-1150  
(Address and telephone number, including area code, of principal executive offices)

**Michael C. Forman**  
FS Investment Corporation  
Cira Centre  
2929 Arch Street, Suite 675  
Philadelphia, PA 19104-2867  
(Name and address of agent for service)

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**COPIES TO:**

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**Approximate date of proposed public offering:** As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, as amended, other than securities offered in connection with a distribution reinvestment plan, check the following box.

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## EXPLANATORY NOTE AND INCORPORATION BY REFERENCE

This Post-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-149374) is being filed pursuant to Rule 462(d) under the Securities Act of 1933, as amended (the "Securities Act"), solely for the purpose of adding additional exhibits to such Registration Statement. Accordingly, this Post-Effective Amendment No. 1 consists only of a facing page, this explanatory note, and Part C of the Registration Statement on Form N-2. This Post-Effective Amendment No. 1 does not change the final prospectus filed pursuant to Rule 497 under the Securities Act on September 23, 2008. As permitted by Rule 462(d), this Post-Effective Amendment No. 1 shall become effective upon filing with the SEC.

**PART C**  
**Other Information**

**Item 25. Financial Statements and Exhibits**

(1) *Financial Statements*

The following financial statements of FS Investment Corporation. (the “Registrant” or the “Company”) are included in Part A of this Registration Statement:

	<u>PAGE</u>
<a href="#">Balance Sheet as of June 30, 2008 (Unaudited)</a>	F-3
<a href="#">Notes to Financial Statement</a>	F-4
<a href="#">Independent Auditor’s Report</a>	F-6
<a href="#">Balance Sheet as of February 6, 2008</a>	F-7
<a href="#">Notes to Financial Statement</a>	F-8

(2) *Exhibits*

- (a) Articles of Incorporation of the Registrant\*\*\*
- (a)(2) Articles of Amendment and Restatement of the Registrant\*\*
- (b) Bylaws of the Registrant\*\*\*\*
- (b)(1) Amended and Restated Bylaws\*\*
- (d) Form of Subscription Agreement (included in the Prospectus as Appendix A and incorporated herein by reference)\*\*
- (e) Distribution Reinvestment Plan\*\*\*\*
- (e)(1) Amended and Restated Distribution Reinvestment Plan\*\*
- (g) Investment Advisory and Administrative Services Agreement by and between Registrant and FB Income Advisor, LLC\*\*\*
- (g)(1) First Amendment to the Investment Advisory and Administrative Services Agreement\*\*
- (g)(2) Form of Investment Sub-Advisory Agreement by and between FB Income Advisor, LLC and GSO Debt Funds Management, LLC\*\*\*\*
- (h)(1) Form of Dealer Manager Agreement\*\*
- (h)(2) Form of Selected Dealer Agreement (Included as Appendix A to the Form of Dealer Manager Agreement)\*\*
- (j) Form of Custodian Agreement by and between Registrant and PFPC Trust Company\*\*\*\*
- (j)(1) Custodian Agreement by and between Registrant and PFPC Trust Company\*
- (k) Form of Escrow Agreement by and between Registrant and UMB Bank, N.A.\*\*
- (l) Opinion of Miles & Stockbridge P.C.\*\*
- (n)(1) Consent of Miles & Stockbridge P.C. (incorporated by reference to exhibit l hereto)\*\*
- (n)(2) Consent of McGladrey & Pullen, LLP\*\*
- (r) Code of Ethics\*\*\*\*

\* Filed herewith.

\*\* Filed as part of Amendment No. 3 to the registration statement filed on September 16, 2008.

\*\*\* Filed as part of initial registration statement on February 25, 2008.

\*\*\*\* Filed as part of Amendment No. 2 to the registration statement filed on June 19, 2008.

**Item 26. Marketing Arrangements**

The information contained under the heading “Plan of Distribution” in this Registration Statement is incorporated herein by reference.

**Item 27. Other Expenses of Issuance and Distribution**

SEC registration fee	\$ 58,950
FINRA filing fee	\$ 75,500
Blue Sky expenses	\$ 200,000
Advertising and sales literature	\$ 1,900,000
Accounting fees and expenses	\$ 2,000,000
Legal fees and expenses	\$ 3,500,000
Printing and engraving	\$ 4,000,000
Seminars	\$ 5,250,000
Miscellaneous fees and expenses	\$ 5,515,550
Total	\$ 22,500,000

The amounts set forth above, except for the SEC and FINRA fees, are in each case estimated and assume that we sell all of the shares being registered by this registration statement. All of the expenses set forth above shall be borne by the Registrant.

**Item 28. Persons Controlled by or Under Common Control**

Immediately prior to this offering, Michael C. Forman owns 75% of the outstanding common stock of the Registrant and David J. Adelman owns 25% of the outstanding common stock of the Registrant. Following the completion of this offering, Mr. Forman's and Mr. Adelman's share ownership is each expected to represent less than 1% of the Registrant's outstanding common stock.

See "Management" and "Certain Relationships and Related Party Transactions" in the prospectus contained herein.

**Item 29. Number of Holders of Securities**

The following table sets forth the number of record holders of the Registrant's capital stock at September 15, 2008.

<u>Title of Class</u>	<u>Number of Record Holders</u>
Common stock, \$0.001 par value	2

**Item 30. Indemnification**

***Limitation on Liability***

Our charter limits the personal liability of our directors and officers to the corporation or its stockholders for monetary damages. Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from:

- (a) actual receipt of an improper benefit or profit in money, property or services; or
- (b) active and deliberate dishonesty established by a final judgment and which is material to the cause of action.

Our charter contains a provision which limits directors' and officers' liability, although not to the maximum extent permitted by Maryland law, and subject to the requirements of the 1940 Act. In addition, we intend to obtain director's and officer's liability insurance.

***Indemnification***

Under the Maryland General Corporation Law, a Maryland corporation may indemnify its directors, officers and certain other parties against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service to the corporation or at its request, unless it is established that the act or omission of the indemnified party was material to the matter giving rise to the proceeding and (i) the act or omission was committed in bad faith or was the result of active and deliberate dishonesty, or (ii) in the case of any criminal proceeding, the indemnified party had reasonable cause to believe that the act or omission was unlawful. Maryland law does not permit indemnification in respect of any proceeding in which the party seeking indemnification shall have been adjudged to be liable to the corporation. Further, a party may not be indemnified for a proceeding brought by that party against the corporation, except (i) for a proceeding brought to enforce indemnification or (ii) if the charter or bylaws, a resolution of the board of directors or an agreement approved by the board of directors to which the corporation is a party expressly provides otherwise.

Pursuant to our charter and bylaws, we are obligated to indemnify any present or former director or officer, and certain other individuals, from and against any claim or liability to which that person may become subject or which, that person may incur by reason of his or her status as a present or former director or officer or other role on our behalf, only if all of the following conditions are met:

- (a) we have determined, in good faith, that the course of conduct which caused the loss or liability was in the Company's best interest;
- (b) the indemnitee was acting on behalf of or performing services for the Company;
- (c) the indemnitee's liability or loss was not the result of the indemnitee's negligence or misconduct, in the case of directors and officers who are affiliates of FB Advisor, and gross negligence or willful misconduct for independent directors of the Company; and
- (d) such indemnification or agreement to hold harmless is recoverable only out of the Company's net assets and not from that of a shareholder.

Furthermore, under our charter and bylaws, any director, officer, or any other individual, shall not be indemnified for any losses, liabilities or expenses arising from or out of an alleged violation of federal or state securities laws unless one or more of the following conditions are met:

- (a) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee;
- (b) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee; or
- (c) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made, and the court of law considering the request for indemnification has been advised of the position of the Securities and Exchange Commission and the published position of any state securities regulatory authority in which securities of the Company were offered or sold as to indemnification for violations of securities laws.

Under our charter and bylaws, the Company may not incur the cost of that portion of liability insurance which insures the indemnitee for any liability as to which the indemnitee is prohibited from being indemnified under our charter and bylaws.

Under our charter and bylaws, the advancement of Company funds to an indemnitee or its affiliates for legal expenses and other costs incurred as a result of any legal action for which the indemnification is being sought is permissible only if all the following conditions are satisfied:

- (a) the legal action relates to acts or omissions with respect to the performance of duties or services on behalf of the Company;
- (b) the legal action is initiated by a third party who is not a shareholder, or the legal action is initiated by a shareholder and a court of competent jurisdiction specifically approves of such advancement; and
- (c) the indemnitee or its affiliates undertake to repay the advanced funds to the Company, together with the applicable legal rate of interest thereon, in cases in which such indemnitee is found not to be entitled to indemnification.

Indemnification may reduce the legal remedies available to us and our stockholders against the indemnified individuals. The aforementioned charter and bylaw provisions do not reduce the exposure of directors and officers to liability under federal or state securities laws, nor do they limit a stockholder's ability to obtain injunctive relief or other equitable remedies for a violation of a director's or an officer's duties to us or our stockholders, although the equitable remedies may not be an effective remedy in some circumstances.

**Item 31. Business and Other Connections of Investment Advisers**

A description of any other business, profession, vocation, or employment of a substantial nature in which FB Advisor, and each director or executive officer of FB Advisor, is or has been during the past two fiscal years, engaged in for his or her own account or in the capacity of director, officer, employee, partner or trustee, is set forth in Part A of this Registration Statement in the sections entitled "Management—Board of Directors," and "Executive Officers" and "Investment Advisory and Administrative Services Agreement." Additional information regarding FB Advisor and its officers and directors is set forth in its Form ADV, as filed with the Securities and Exchange Commission (SEC File No. 801-69111), and is incorporated herein by reference.

A description of any other business, profession, vocation, or employment of a substantial nature in which GDFM, and each director or executive officer of GDFM, is or has been during the past two fiscal years, engaged in for his or her own account or in the capacity of director, officer, employee, partner or trustee, is set forth in Part A of this Registration Statement in the sections entitled "Management—Board of Directors," and "Executive Officers" and "Investment Advisory and Administrative Services Agreement." Additional information regarding GDFM and its officers and directors is set forth in its Form ADV, as filed with the Securities and Exchange Commission (SEC File No. 801-68243), and is incorporated herein by reference.

**Item 32. Location of Accounts and Records**

All accounts, books and other documents required to be maintained by Section 31(a) of the Investment Company Act of 1940, and the rules thereunder are maintained at the offices of:

- (1) the Registrant, FS Investment Corporation, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, Pennsylvania 19104-2867;
- (2) the Transfer Agent, DST Systems, Inc., 1055 Broadway, Ninth Floor, Kansas City, Missouri 64105-1594;
- (3) the Custodian, PFPC Trust Company, 8800 Tinicum Boulevard, Philadelphia, Pennsylvania 19153;
- (4) the investment adviser, FB Income Advisor, LLC, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, Pennsylvania 19104-2867; and
- (5) the administrator, FB Income Advisor, LLC, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, Pennsylvania 19104-2867.

**Item 33. Management Services**

Not Applicable.

**Item 34. Undertakings**

We hereby undertake:

- (1) to suspend the offering of shares until the prospectus is amended if (i) subsequent to the effective date of this registration statement, our net asset value declines more than ten percent from our net asset value as of the effective date of this registration statement, or (ii) our net asset value increases to an amount greater than our net proceeds as stated in the prospectus;
- (2) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement
  - (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
  - (ii) to reflect in the prospectus any facts or events after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

- (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (3) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of those securities at that time shall be deemed to be the initial *bona fide* offering thereof;
- (4) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering; and
- (5) that, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, if the Registrant is subject to Rule 430C [17 CFR 230.430C]; Each prospectus filed pursuant to Rule 497(b), (c), (d) or (e) under the Securities Act of 1933 [17 CFR 230.497(b), (c), (d) or (e)] as part of a registration statement relating to an offering, other than prospectuses filed in reliance on Rule 430A under the Securities Act of 1933 [17 CFR 230.430A], shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. *Provided, however,* that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use; and
- (6) that for the purpose of determining liability of the Registrant under the Securities Act of 1933 to any purchaser in the initial distribution of securities, the undersigned Registrant undertakes that in an offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to the purchaser.
  - (i) any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 497 under the Securities Act of 1933 [17 CFR 230.497];
  - (ii) the portion of any advertisement pursuant to Rule 482 under the Securities Act of 1933 [17 CFR 230.482] relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and
  - (iii) any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.





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**Exhibit Index**

(j)(1) Custodian Agreement by and between Registrant and PFPC Trust Company

C-7

**CUSTODIAN SERVICES AGREEMENT**

THIS AGREEMENT is made as of September 9, 2008 by and between PFPC TRUST COMPANY, a limited purpose trust company incorporated under the laws of Delaware ("PFPC Trust") and FS INVESTMENT CORPORATION, a Maryland corporation (the "Fund"). Capitalized terms not otherwise defined shall have the meanings set forth in Appendix A.

**BACKGROUND**

A. The Fund is registered as a closed-end management investment company that intends to elect to be treated as a business development company under the Investment Company Act of 1940, as amended (the "1940 Act").

B. The Fund wishes to retain PFPC Trust to provide custodian services, and PFPC Trust wishes to furnish custodian services, either directly or through an affiliate or affiliates, as more fully described herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

**1. Appointment.** The Fund hereby appoints PFPC Trust to provide custodian services to the Fund as set forth herein, and PFPC Trust accepts such appointment and agrees to furnish such services. PFPC Trust shall be under no duty to take any action hereunder on behalf of the Fund except as specifically set forth herein or as may be specifically agreed to by PFPC Trust and the Fund in a written amendment hereto. PFPC Trust shall not bear or otherwise be responsible for, any fees, costs or expenses charged by any third party service providers engaged by the Fund or by any other third party service provider.

**2. Instructions.**

(a) Unless otherwise provided in this Agreement, PFPC Trust shall act only upon Oral Instructions or Written Instructions.

(b) PFPC Trust shall be entitled to rely upon any Oral Instruction or Written Instruction it receives pursuant to this Agreement. PFPC Trust may assume that any Oral Instructions or Written Instructions received hereunder are not in any way inconsistent with the provisions of organizational documents of the Fund or of any vote, resolution or proceeding of the Fund's Board of Directors or of the Fund's shareholders, unless and until PFPC Trust receives Written Instructions to the contrary.

(c) The Fund agrees to forward to PFPC Trust Written Instructions confirming Oral Instructions so that PFPC Trust receives the Written Instructions by the close of business on the

same day that such Oral Instructions are received. The fact that such confirming Written Instructions are not received by PFPC Trust or differ from the Oral Instructions shall in no way invalidate the transactions or enforceability of the transactions authorized by the Oral Instructions or PFPC Trust's ability to rely upon such Oral Instructions.

**3. Records; Visits.** The books and records pertaining to the Fund which are in the possession or under the control of PFPC Trust shall be the property of the Fund and shall be maintained for the periods required by the applicable provision of Rule 31a-2 under the 1940 Act (provided that PFPC Trust shall not be required to maintain such books and records after termination of this Agreement). The Fund and Authorized Persons shall have access to such books and records at all times during PFPC Trust's normal business hours. Upon the reasonable request of the Fund, copies of any such books and records shall be provided by PFPC Trust to the Fund or to an authorized representative of the Fund, at the Fund's expense.

**4. Confidentiality.** Each party shall keep confidential any information it receives in connection with this Agreement relating to the other party's business ("Confidential Information"). Confidential Information shall include (a) any data or information that is competitively sensitive material, and not generally known to the public, including, but not limited to, information about product plans, marketing strategies, finances, operations, customer relationships, customer profiles, customer lists, sales estimates, business plans, and internal performance results relating to the past, present or future business activities of the Fund or PFPC Trust or their respective subsidiaries, (b) any scientific or technical information, design, process, procedure, formula, or improvement that is commercially valuable and secret in the sense that its confidentiality affords the Fund or PFPC Trust a competitive advantage over its competitors; (c) all confidential or proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, databases, inventions, know-how, and trade secrets, whether or not patentable or copyrightable; and (d) anything designated as confidential. Notwithstanding the foregoing, information shall not be Confidential Information and shall not be subject to such confidentiality obligations if: (a) it is already known to the receiving party at the time it is obtained; (b) it is or becomes publicly known or available through no wrongful act of the receiving party; (c) it is rightfully received from a third party who, to the best of the receiving party's knowledge, is not under a duty of confidentiality; (d) it is released by the protected party to a third party without restriction; (e) it is requested or required to be disclosed by the receiving party pursuant to a court order, subpoena, governmental or regulatory agency request or law; (f) release of such information by PFPC Trust is necessary or desirable in connection with the provision of services under this Agreement; (g) it is Fund information provided by PFPC Trust in connection with an independent third party compliance or other review; (h) it is relevant to the defense of any claim or cause of action asserted against the receiving party; or (i) it has been or is independently developed or obtained by the receiving party. The provisions of this Section 5 shall survive termination of this Agreement for a period of three (3) years after such termination.

**5. Cooperation with Accountants.** PFPC Trust shall cooperate with the Fund's independent public accountants and shall take all reasonable action to make any requested information available to such accountants as reasonably requested by the Fund.

**6. PFPC System.** PFPC Trust shall retain title to and ownership of any and all data bases, computer programs, screen formats, report formats, interactive design techniques, derivative works, inventions, discoveries, patentable or copyrightable matters, concepts, expertise, patents, copyrights, trade secrets, and other related legal rights utilized by PFPC Trust in connection with the services provided by PFPC Trust to the Fund.

**7. Disaster Recovery.** PFPC Trust shall enter into and shall maintain in effect with appropriate parties one or more agreements making reasonable provisions for emergency use of electronic data processing equipment to the extent appropriate equipment is available. In the event of equipment failures, PFPC Trust shall, at no additional expense to the Fund, take reasonable steps to minimize service interruptions. PFPC Trust shall have no liability with respect to the loss of data or service interruptions caused by equipment failure provided such loss or interruption is not caused by PFPC Trust's own intentional misconduct, bad faith, gross negligence or reckless disregard of its duties or obligations under this Agreement.

**8. Compensation.**

(a) As compensation for custody services rendered by PFPC Trust pursuant to this Agreement, the Fund will pay to PFPC Trust a fee or fees as may be agreed to in writing from time to time by the Fund and PFPC Trust. The Fund acknowledges that PFPC Trust may receive float benefits in connection with maintaining certain accounts required to provide services under this Agreement.

(b) The undersigned hereby represents and warrants to PFPC Trust that (i) the terms of this Agreement, (ii) the fees and expenses associated with this Agreement, and (iii) any benefits accruing to PFPC Trust or to the adviser or sponsor to the Fund in connection with this Agreement, including but not limited to any fee waivers, conversion cost reimbursements, up front payments, signing payments or periodic payments made or to be made by PFPC Trust to such adviser or sponsor or any affiliate of the Fund relating to this Agreement have been fully disclosed to the Board of Directors of the Fund and that, if required by applicable law, such Board of Directors has approved or will approve the terms of this Agreement, any such fees and expenses, and any such benefits.

(c) Notwithstanding the limitation of liability provisions of this Agreement or the termination of this Agreement, the Fund shall remain responsible for paying PFPC Trust the fees and other amounts set forth in this Agreement and in the applicable fee letter.

(d) PFPC Trust shall have a first priority contractual possessory security interest in and shall have a right of setoff against the Property and the loan documentation as security for the payment of its compensation relating to this Agreement, unless prohibited by the 1940 Act or the rules thereunder.

**9. Standard of Care/Limitations of Liability.**

(a) Subject to the terms of this Section 9, PFPC Trust shall be liable to the Fund (or any person or entity claiming through the Fund) for damages only to the extent caused by PFPC Trust's own willful misconduct, bad faith, gross negligence, fraud or reckless disregard of its duties under this Agreement ("Standard of Care").

(b) Notwithstanding anything contained in this Agreement to the contrary (other than as specifically provided in Section 11(h)(2)(B)(iii) and Section 11(h)(3)(A) of this Agreement), the Fund shall be responsible for all filings, tax returns and reports on any transactions undertaken in connection with this Agreement, or in respect of the Property or any collections undertaken in connection with this Agreement, which may be requested by any relevant authority. In addition, the Fund shall be responsible for the payment of all taxes and similar items (including without limitation penalties and interest related thereto).

(c) PFPC Trust's liability to the Fund and any person or entity claiming through the Fund for any loss, claim, suit, controversy, breach or damage of any nature whatsoever (including but not limited to those arising out of or related to this Agreement) and regardless of the form of action or legal theory ("Loss") shall not exceed the greater of fees received by PFPC Trust for services provided hereunder during the twenty-four (24) months immediately prior to the date of such Loss, or \$1 Million.

(d) PFPC Trust shall not be liable for damages (including without limitation damages caused by delays, failure, errors, interruption or loss of data) occurring directly or indirectly by reason of circumstances beyond its reasonable control, including without limitation acts of God; action or inaction of civil or military authority; national emergencies; public enemy; war; terrorism; riot; fire; flood; catastrophe; sabotage; epidemics; labor disputes; civil commotion; interruption, loss or malfunction of utilities, transportation, computer or communications capabilities; insurrection; elements of nature; non-performance by a third party; failure of the mails; or functions or malfunctions of the internet, firewalls, encryption systems or security devices caused by any of the above.

(e) PFPC Trust shall not be under any duty or obligation to inquire into and shall not be liable for the validity or invalidity, authority or lack thereof, or truthfulness or accuracy or lack thereof, of any instruction, direction, notice, instrument or other information which PFPC Trust reasonably believes to be genuine. PFPC Trust shall not be liable for any damages that are caused by actions or omissions taken by PFPC Trust in accordance with Oral Instructions or Written Instructions. PFPC Trust shall not be liable for any damages arising out of any action or omission to act by any prior service provider of the Fund or for any failure to discover any such error or omission.

(f) PFPC Trust shall have no responsibility or obligation under Section 11 of this Agreement with respect to any loan documentation or with respect to any loan made or purchased by the Fund unless specific language in Section 11 of this Agreement states with specificity that a particular provision of Section 11 of this Agreement relates to loan documentation or to loans made or purchased by the Fund. In no event will PFPC Trust have any duty to review or examine any loan documentation received by it hereunder, nor in any event will PFPC Trust have any responsibility for the content of sufficiency of any such loan documentation.

(g) Neither PFPC Trust nor its affiliates shall be liable for any consequential, incidental, exemplary, punitive, special or indirect damages, whether or not the likelihood of such damages was known by PFPC Trust or its affiliates.

(h) No party may assert a cause of action against PFPC Trust or any of its affiliates after the earlier of (i) the applicable statute of limitations or (ii) twenty-four (24) months after the occurrence of the initial event giving rise to the alleged cause of action.

(i) Each party shall have a duty to mitigate damages for which the other party may become responsible.

(j) This Section 9 shall survive termination of this Agreement.

**10. Indemnification.** Absent PFPC Trust's failure to meet its Standard of Care (defined in Section 10 above), the Fund agrees to indemnify, defend and hold harmless PFPC Trust and its affiliates and their respective directors, trustees, officers, agents and employees from all claims, suits, actions, damages, losses, liabilities, obligations, costs and reasonable expenses (including attorneys' fees and court costs, travel costs and other reasonable out-of-pocket costs related to dispute resolution) arising directly or indirectly from any of the following: (a) any action or omission to act by any prior service provider of the Fund; and (b) any action taken or omitted to be taken by PFPC Trust in connection with the provision of services to the Fund. This Section 11 shall survive termination of this Agreement.

**11. Description of Services.**

(a) Delivery of the Property. The Fund will deliver or arrange for the delivery to PFPC Trust of all the Property owned by the Fund, including cash received as a result of the issuance of Shares, during the term of this Agreement. In addition, the Fund will deliver or arrange for delivery to PFPC Trust loan documentation relating to loans made or purchased by the Fund. PFPC Trust will safekeep loan documentation received by it hereunder and PFPC Trust will, in accordance with Oral Instructions or Written Instructions, transfer, release or dispose of loan documentation received by it hereunder, but notwithstanding anything contained in this Agreement to the contrary PFPC Trust will not otherwise have any responsibility with respect to any loan documentation received by it hereunder. PFPC Trust will not be responsible for any assets or loan documentation until actual receipt.

(b) Receipt and Disbursement of Money. PFPC Trust, acting upon Written Instructions, shall open and maintain a separate account for the Fund (the "Account"). PFPC Trust shall maintain in the Account all cash and other assets received from or for the Fund specifically designated to the Account. PFPC Trust will also in accordance with Oral Instructions or Written Instructions reflect on its books and records the loans made or purchased by the Fund (provided PFPC Trust has been informed of such loans pursuant to Oral Instructions or Written Instructions). PFPC Trust shall make cash payments from or for the Account only for:

- (i) purchases of securities in the name of the Fund, PFPC Trust, PFPC Trust's

nominee or a sub-custodian or nominee thereof as provided in sub-section (j) and for which PFPC Trust has received a copy of the broker's or dealer's confirmation or payee's invoice, as appropriate;

- (ii) loans made or purchased by the Fund, upon receipt of Written Instructions;
- (iii) redemption of Shares of the Fund upon receipt of Written Instructions;
- (iv) payment of, subject to Written Instructions, interest, taxes (provided that tax which PFPC Trust considers is required to be deducted or withheld "at source" will be governed by Section 11(h)(3)(B) of this Agreement), administration, accounting, distribution, advisory or management fees and similar expenses which are to be borne by the Fund;
- (v) payment to, subject to receipt of Written Instructions, the Fund's transfer agent, as agent for the shareholders, of an amount equal to the amount of dividends and distributions stated in the Written Instructions to be distributed in cash by the transfer agent to shareholders, or, in lieu of paying the Fund's transfer agent, PFPC Trust may arrange for the direct payment of cash dividends and distributions to shareholders in accordance with procedures mutually agreed upon from time to time by and among the Fund, PFPC Trust and the Fund's transfer agent;
- (vi) payments, upon receipt of Written Instructions, in connection with the conversion, exchange or surrender of securities owned or subscribed to by the Fund and held pursuant to this Agreement or delivered to PFPC Trust;
- (vii) payments of the amounts of dividends received with respect to securities sold short;
- (vii) payments to PFPC Trust in connection with this Agreement;
- (ix) payments to a sub-custodian; and
- (x) other payments, upon Written Instructions.

PFPC Trust is hereby authorized to endorse and collect all checks, drafts or other orders for the payment of money received as custodian for the Fund.

(c) Receipt of Securities; Sub-custodians.

PFPC Trust shall hold all securities received by it for the Account in a separate account that physically segregates such securities from those of any other persons, firms or corporations, except for securities held in a Book-Entry System or through a sub-custodian or depository. All such

securities shall be held or disposed of only upon Written Instructions or otherwise pursuant to the terms of this Agreement. In addition, PFPC Trust will hold all loan documentation received by it for the Fund in a separate account that physically segregates such loan documentation from that relating to any other persons, firms or corporations. PFPC Trust shall have no power or authority to assign, hypothecate, pledge or otherwise dispose of any securities or other investments, except upon the express terms of this Agreement or upon Written Instructions authorizing the transaction. In no case may any member of the Fund's Board of Directors or any officer, employee or agent of the Fund withdraw any securities upon their mere receipt.

At PFPC Trust's own expense and for its own convenience, PFPC Trust may enter into sub-custodian agreements with other banks or trust companies to perform duties described in this Agreement with respect to domestic assets and with respect to loan documentation maintained within the U.S. Such bank or trust company shall have aggregate capital, surplus and undivided profits, according to its last published report, of at least one million dollars (\$1,000,000), if it is a subsidiary or affiliate of PFPC Trust, or at least twenty million dollars (\$20,000,000) if such bank or trust company is not a subsidiary or affiliate of PFPC Trust. Any such arrangement will not be entered into without prior written notice to the Fund (or as otherwise provided in the 1940 Act).

In addition, PFPC Trust may enter into arrangements with sub-custodians with respect to services regarding foreign assets and with respect to services regarding loan documentation maintained outside the U.S. Any such arrangement will not be entered into without prior written notice to the Fund (or as otherwise provided in the 1940 Act).

Sub-custodians utilized by PFPC Trust may be subsidiaries or affiliates of PFPC Trust, and such entities will be compensated for their services at such rates as are agreed between the entity and PFPC Trust. PFPC Trust shall remain responsible for the acts and omissions of any sub-custodian chosen by PFPC Trust under the terms of this sub-section (c) to the same extent that PFPC Trust is responsible for its own acts and omissions under this Agreement.

(d) Transactions Requiring Instructions. Upon receipt of Oral Instructions or Written Instructions and not otherwise, PFPC Trust shall:

- (i) deliver any securities held for the Fund against the receipt of payment for the sale of such securities or otherwise in accordance with standard market practice;



- (ii) execute and deliver to such persons as may be designated in such Oral Instructions or Written Instructions, proxies, consents, authorizations, and any other instruments received by PFPC Trust as custodian whereby the authority of the Fund as owner of any securities may be exercised;
- (iii) deliver any securities to the issuer thereof, or its agent, when such securities are called, redeemed, retired or otherwise become payable at the option of the holder; provided that, in any such case, the cash or other consideration is to be delivered to PFPC Trust;
- (iv) deliver any securities held for the Fund against receipt of other securities or cash issued or paid in connection with the liquidation, reorganization, refinancing, tender offer, merger, consolidation or recapitalization of any corporation or other entity, or the exercise of any conversion privilege;
- (v) deliver any securities held for the Fund to any protective committee, reorganization committee or other person in connection with the reorganization, refinancing, merger, consolidation, recapitalization or sale of assets of any corporation or other entity, and receive and hold under the terms of this Agreement such certificates of deposit, interim receipts or other instruments or documents as may be issued to it to evidence such delivery;
- (vi) make such transfer or exchanges of the assets of the Fund and take such other steps as shall be stated in said Oral Instructions or Written Instructions to be for the purpose of effectuating a duly authorized plan of liquidation, reorganization, merger, consolidation or recapitalization of the Fund;
- (vii) release securities belonging to the Fund to any bank or trust company for the purpose of a pledge or hypothecation to secure any loan incurred by the Fund; provided, however, that securities shall be released only upon payment to PFPC Trust of the monies borrowed, except that in cases where additional collateral is required to secure a borrowing already made subject to proper prior authorization, further securities may be released for that purpose; and repay such loan upon redelivery to it of the securities pledged or hypothecated therefor and upon surrender of the note or notes evidencing the loan;
- (viii) release and deliver securities owned by the Fund in connection with any repurchase agreement entered into by the Fund, but only on receipt of payment therefor; and pay out monies of the Fund in connection with such repurchase agreements, but only upon the delivery of the securities;

- (ix) release and deliver or exchange securities owned by the Fund in connection with any conversion of such securities, pursuant to their terms, into other securities;
- (x) release and deliver securities to a broker in connection with the broker's custody of margin collateral relating to futures and options transactions;
- (xi) release and deliver securities owned by the Fund for the purpose of redeeming in kind Shares of the Fund upon delivery thereof to PFPC Trust; and
- (xii) release and deliver or exchange securities or other assets (not including cash) owned by the Fund for other purposes.

(e) Use of Book-Entry System or Other Depository. PFPC Trust will deposit in Book-Entry Systems and other depositories all securities belonging to the Fund eligible for deposit therein and will utilize Book-Entry Systems and other depositories to the extent possible in connection with settlements of purchases and sales of securities by the Fund, and deliveries and returns of securities loaned, subject to repurchase agreements or used as collateral in connection with borrowings. PFPC Trust shall continue to perform such duties until it receives Written Instructions or Oral Instructions authorizing contrary actions. Notwithstanding anything in this Agreement to the contrary, PFPC Trust's use of a Book-Entry System shall comply with the requirements of Rule 17f-4 under the 1940 Act.

PFPC Trust shall administer a Book-Entry System or other depository as follows:

- (i) With respect to securities of the Fund which are maintained in a Book-Entry System or another depository, the records of PFPC Trust shall identify by book-entry or otherwise those securities as belonging to the Fund.
- (ii) Assets of the Fund deposited in a Book-Entry System or another depository will (to the extent consistent with applicable law and standard practice) at all times be segregated from any assets and cash controlled by PFPC Trust in other than a fiduciary or custodian capacity but may be commingled with other assets held in such capacities.

PFPC Trust will provide the Fund with such reports on its own system of internal control as the Fund may reasonably request from time to time.

(f) Registration of Securities. All securities held for the Fund which are issued or issuable only in bearer form, except such securities maintained in the Book-Entry System or in another depository, shall be held by PFPC Trust in bearer form; all other securities maintained for the Fund may be registered in the name of the Fund, PFPC Trust, a Book-Entry System, another depository, a sub-custodian, or any duly appointed nominee of the Fund, PFPC Trust, a

Book-Entry System, a depository or a sub-custodian. The Fund agrees to furnish to PFPC Trust appropriate instruments to enable PFPC Trust to maintain or deliver in proper form for transfer, or to register in the name of its nominee or in the name of a Book-Entry System or in the name of another appropriate entity, any securities which it may maintain pursuant to this Agreement. With respect to uncertificated securities which are registered in the name of the Fund or a nominee thereof (for clarify, such reference is not intended to include loans made or purchased by the Fund), PFPC Trust will reflect such securities on its records based upon the holdings information provided to it by the issuer of such securities, but notwithstanding anything contained in this Agreement to the contrary PFPC Trust shall not be obligated to safekeep such securities or to perform other duties with respect to such securities other than to make payment for the purchase of such securities upon receipt of Oral or Written Instructions, accept in sale proceeds received by PFPC Trust upon the sale of such securities of which PFPC Trust is informed pursuant to Oral or Written Instructions, and accept in other distributions received by PFPC Trust with respect to such securities or reflect on its records any reinvested distributions with respect to such securities of which it is informed by the issuer of the securities.

(g) Voting. Neither PFPC Trust nor its nominee shall vote any of the securities held pursuant to this Agreement, except in accordance with Written Instructions. PFPC Trust, directly or through the use of another entity, shall execute in blank and promptly deliver all notices, proxies and proxy soliciting materials received by PFPC Trust as custodian of the Property to the registered holder of such securities. If the registered holder is not the Fund, then Written Instructions or Oral Instructions must designate the person who owns such securities.

(h) Transactions Not Requiring Instructions. Notwithstanding anything in this Agreement requiring instructions in order to take a particular action, in the absence of a contrary Written Instruction PFPC Trust is authorized to take the following actions without the need for instructions:

(1) Collection of Income and Other Payments.

- (A) collect and receive for the account of the Fund, all income, dividends, distributions, coupons, option premiums, other payments and similar items, included or to be included in the Property, and, in addition, promptly advise the Fund of such receipt and credit such income to the Account;
- (B) endorse and deposit for collection, in the name of the Fund, checks, drafts, or other orders for the payment of money;
- (C) receive and hold for the account of the Fund or a Portfolio all securities received as a distribution on the securities held pursuant to this Agreement as a result of a stock dividend, share split-up or reorganization, recapitalization, readjustment or other rearrangement or distribution of rights or similar securities issued with respect to such securities;

- (D) present for payment and collect the amount payable upon all securities which may mature or be called, redeemed, retired or otherwise become payable (on a mandatory basis) on the date such securities become payable; and
  - (E) take any action which may be necessary and proper in connection with the collection and receipt of the aforementioned income and other payments and the endorsement for collection of checks, drafts, and other negotiable instruments.
- (2) Miscellaneous Transactions.
- (A) PFPC Trust is authorized to deliver or cause to be delivered Property against payment or other consideration or written receipt therefor in the following cases:
    - (i) for examination by a broker or dealer selling for the account of the Fund in accordance with street delivery custom;
    - (ii) for the exchange of interim receipts or temporary securities for definitive securities; and
    - (iii) for transfer of securities into the name of the Fund or PFPC Trust or a sub-custodian or a nominee of one of the foregoing, or for exchange of securities for a different number of bonds, certificates, or other evidence, representing the same aggregate face amount or number of units bearing the same interest rate, maturity date and call provisions, if any; provided that, in any such case, the new securities are to be delivered to PFPC Trust.
  - (B) PFPC Trust shall:
    - (i) pay all income items held by it which call for payment upon presentation and hold the cash received by it upon such payment for the Account;
    - (ii) hold for the Account all stock dividends, rights and similar securities issued with respect to any securities held by PFPC Trust hereunder; and
    - (iii) subject to receipt of such documentation and information as PFPC Trust may request, execute as agent on behalf of the

Fund all necessary ownership certificates required by a national governmental taxing authority or under the laws of any U.S. state now or hereafter in effect, inserting the Fund's name on such certificate as the owner of the securities covered thereby, to the extent it may lawfully do so.

(3) Other Matters.

- (A) Subject to receipt of such documentation and information as PFPC Trust may request, PFPC Trust will, in such jurisdictions as PFPC Trust may agree from time to time, seek to reclaim or obtain a reduction with respect to any withholdings or other taxes relating to assets maintained hereunder (provided that PFPC Trust will not be liable for failure to obtain any particular relief in a particular jurisdiction); and
- (B) PFPC Trust is authorized to deduct or withhold any sum in respect of tax which PFPC Trust considers is required to be deducted or withheld "at source" by any relevant law or practice.

(i) Segregated Accounts. PFPC Trust shall, upon receipt of Written Instructions or Oral Instructions, establish and maintain segregated accounts on its records for and on behalf of the Fund.

(j) Purchases of Securities. PFPC Trust shall settle purchased securities upon receipt of Oral Instructions or Written Instructions that specify (to the extent relevant):

- (1) the name of the issuer and the title of the securities, including CUSIP number if applicable;
- (2) the number of shares or the principal amount purchased and accrued interest, if any;
- (3) the date of purchase and settlement;
- (4) the purchase price per unit;
- (5) the total amount payable upon such purchase; and
- (6) the name of the person from whom or the broker through whom the purchase was made.

PFPC Trust shall upon receipt of securities purchased by or for the Fund (or

otherwise in accordance with standard market practice) pay out of the monies held for the account of the Fund the total amount payable to the person from whom or the broker through whom the purchase was made, provided that the same conforms to the total amount payable as set forth in such Oral Instructions or Written Instructions.

(k) Sales of Securities. PFPC Trust shall settle sold securities upon receipt of Oral Instructions or Written Instructions that specify (to the extent relevant):

- (1) the name of the issuer and the title of the security, including CUSIP number if applicable;
- (2) the number of shares or principal amount sold, and accrued interest, if any;
- (3) the date of trade and settlement;
- (4) the sale price per unit;
- (5) the total amount payable to the Fund upon such sale;
- (6) the name of the broker through whom or the person to whom the sale was made; and
- (7) the location to which the security must be delivered and delivery deadline, if any.

PFPC Trust shall deliver the securities upon receipt of the total amount payable to the Fund upon such sale, provided that the total amount payable is the same as was set forth in the Oral Instructions or Written Instructions. Notwithstanding anything to the contrary contained in this Agreement, PFPC Trust may accept payment in such form as is consistent with standard market practice and may deliver assets and arrange for payment in accordance with standard market practice.

(l) Reports; Proxy Materials.

- (1) PFPC Trust shall furnish to the Fund the following reports:
  - (A) such periodic and special reports as the Fund may reasonably request;
  - (B) a monthly statement (1) summarizing the transactions and entries for the Fund during such month (including cash disbursements and including loans made or purchased by the Fund (provided PFPC Trust has been informed of such loan transaction information

pursuant to Oral Instructions or Written Instructions)) and (2) listing each portfolio security belonging to the Fund (with the corresponding security identification number) held at the end of such month, the loans reflected on PFPC Trust's books and records as both made or purchased by the Fund and held by the Fund at the end of such month, and the cash balance of the Fund held at the end of such month;

- (C) the reports required to be furnished to the Fund pursuant to Rule 17f-4 of the 1940 Act; and
  - (D) such other information as may be agreed upon from time to time between the Fund and PFPC Trust.
- (2) PFPC Trust shall transmit promptly to the Fund any proxy statement, proxy material, notice of a call or conversion or similar communication received by it as custodian of the Property. PFPC Trust shall be under no other obligation to inform the Fund as to such actions or events. For clarification, upon termination of this Agreement PFPC Trust shall have no responsibility to transmit such material or to inform the Fund or any other person of such actions or events.

(m) Crediting of Account. PFPC Trust may in its sole discretion credit the Account with respect to income, dividends, distributions, coupons, option premiums, other payments or similar items prior to PFPC Trust's actual receipt thereof, and in addition PFPC Trust may in its sole discretion credit or debit the assets in an Account on a contractual settlement date with respect to any sale, exchange, purchase or other transaction applicable to the Account; provided that nothing in this Agreement or otherwise shall require PFPC Trust to make any advances or to credit any amounts until PFPC Trust's actual receipt thereof. If PFPC Trust credits the Account with respect to (a) income, dividends, distributions, coupons, option premiums, other payments or similar items on a contractual payment date or otherwise in advance of PFPC Trust's actual receipt of the amount due, (b) the proceeds of any sale or other disposition of assets on the contractual settlement date or otherwise in advance of PFPC Trust's actual receipt of the amount due or (c) provisional crediting of any amounts due, and (i) PFPC Trust is subsequently unable to collect full and final payment for the amounts so credited within a reasonable time period using reasonable efforts or (ii) pursuant to standard industry practice, law or regulation PFPC Trust is required to repay to a third party such amounts so credited, or if any Property has been incorrectly credited, PFPC Trust shall have the absolute right in its sole discretion without demand to reverse any such credit or payment, to debit or deduct the amount of such credit or payment from the Account, and to otherwise pursue recovery of any such amounts so credited from the Fund. The Fund hereby grants to PFPC Trust and to each sub-custodian utilized by PFPC Trust in connection with providing services to the Fund a first priority contractual possessory security interest in and a right of setoff against the assets maintained in the Account in the amount necessary to secure the return and payment to PFPC Trust and to each such sub-custodian of any advance or credit made by PFPC Trust and/or by such sub-custodian (including charges related

thereto) to the Account. Notwithstanding anything contained in this Agreement to the contrary, PFPC Trust shall be entitled to assign any rights it has under this sub-section (m) to any sub-custodian utilized by PFPC Trust in connection with providing services to the Fund which sub-custodian makes any credits or advances with respect to the Fund.

(n) Collections. All collections of monies or other property in respect, or which are to become part, of the Property shall be at the sole risk of the Fund. If payment is not received by PFPC Trust within a reasonable time after proper demands have been made by the PFPC Trust, PFPC Trust shall notify the Fund in writing, including copies of all demand letters, any written responses and memoranda of all oral responses thereto and shall await instructions from the Fund. PFPC Trust shall not be obliged to take legal action for collection unless and until reasonably indemnified to its satisfaction. PFPC Trust shall also notify the Fund as soon as reasonably practicable whenever income due on securities is not collected in due course and shall provide the Fund with periodic status reports of such income collected after a reasonable time. Notwithstanding anything contained in this Agreement to the contrary, PFPC Trust shall have no duty to take any action (other than to transfer or release loan documentation in accordance with Oral or Written Instructions as set forth in Section 11(a) of this Agreement) to collect any principal, interest or other payments with respect to any loans made or purchased by the Fund; rather, upon receipt of such payments (and upon receipt of further documentation and clarification if required by PFPC Trust), PFPC Trust's only duty will be to post such payments to the Account and then to safekeep such amounts as provided herein.

(o) Excess Cash Sweep. PFPC Trust will sweep any net excess cash balances daily into an investment vehicle or other instrument designated in Written Instructions, so long as the investment vehicle or instrument is acceptable to PFPC Trust, subject to a fee, paid to PFPC Trust for such service, to be agreed between the parties. Such investment vehicle or instrument may be offered by an affiliate of PFPC Trust or by a PFPC Trust client and PFPC Trust may receive compensation therefrom.

(p) Foreign Exchange. PFPC Trust, its sub-custodians and the respective affiliates of such entities (together, "Affiliated Entities") jointly or separately may act as principal and/or agent for foreign exchange ("FX") transactions for the Fund, and any of the Affiliated Entities may arrange FX transactions for the Fund with third parties that act as principal or agent. Affiliated Entities and third parties may receive fees and other compensation in connection with FX transactions for the Fund, and PFPC Trust may receive from such entities a portion of their fees or other compensation. Unless PFPC Trust itself is the principal for a FX transaction, PFPC Trust will not be responsible and shall have no liability for the actions or omissions of any principal (including any other Affiliated Entity) to any FX transaction for the Fund nor any responsibility to monitor the commercial terms of any such FX transactions.

## **12. Duration and Termination.**

(a) This Agreement shall continue until terminated by the Fund or by PFPC Trust on sixty (60) days' prior written notice to the other party.



(b) In the event of an agreement to enter into a transaction that would result in a Change of Control of the Fund's adviser or sponsor, the Fund's ability to terminate this Agreement pursuant to this Section 13 will be suspended from the time of such agreement until ninety (90) days after the Change of Control.

(c) In the event this Agreement is terminated (pending appointment of a successor to PFPC Trust or vote of the shareholders of the Fund to dissolve or to function without a custodian of its cash, securities or other property), PFPC Trust shall not deliver cash, securities, other property or loan documentation of the Fund to the Fund. It may deliver them to a bank or trust company of PFPC Trust's choice, having aggregate capital, surplus and undivided profits, as shown by its last published report, of not less than twenty million dollars (\$20,000,000), as a custodian for the Fund to be held under terms substantially similar to those of this Agreement. PFPC Trust shall not be required to make any delivery or payment of assets or loan documentation upon termination until full payment shall have been made to PFPC Trust of all of its fees, compensation, costs, expenses and other amounts owing to it (including without limitation fees and expenses associated with conversion to another service provider and other trailing expenses incurred by PFPC Trust).

**13. Notices.** Notices shall be addressed (a) if to PFPC Trust at 8800 Tinicum Boulevard, Philadelphia, Pennsylvania 19153, Attention: Edward Smith (or such other address as PFPC Trust may inform the Fund in writing); (b) if to the Fund, at 2929 Arch Street, Philadelphia, Pennsylvania 19104, Attention: Ryan Conley (or such other address as the Fund may inform PFPC Trust in writing); or (c) if to neither of the foregoing, at such other address as shall have been given by like notice to the sender of any such notice or other communication by the receiving party. If notice is sent by confirming electronic delivery, hand or facsimile sending device, it shall be deemed to have been given immediately. If notice is sent by first-class mail, it shall be deemed to have been given five days after it has been mailed. If notice is sent by messenger, it shall be deemed to have been given on the day it is delivered.

**14. Amendments.** This Agreement, or any term hereof, may be changed or waived only by a written amendment, signed by the party against whom enforcement of such change or waiver is sought.

**15. Assignment.** PFPC Trust may assign this Agreement to any affiliate of PFPC Trust or of The PNC Financial Services Group, Inc., provided that PFPC Trust gives the Fund sixty (60) days' prior written notice of such assignment. PFPC Trust shall provide the Fund such information regarding the assignee as the Fund may reasonably request.

**16. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**17. Miscellaneous.**

(a) **Entire Agreement.** This Agreement embodies the entire agreement and

understanding between the parties and supersedes all prior agreements and understandings relating to the subject matter hereof, provided that the parties may embody in one or more separate documents their agreement, if any, with respect to delegated duties.

(b) Non-Solicitation. During the term of this Agreement and for one year thereafter, the Fund shall not (with the exceptions noted in the immediately succeeding sentence) knowingly solicit or recruit for employment or hire any of PFPC Trust's employees, and the Fund shall cause the Fund's sponsor and the Fund's affiliates to not (with the exceptions noted in the immediately succeeding sentence) knowingly solicit or recruit for employment or hire any of PFPC Trust's employees. To "knowingly" solicit, recruit or hire within the meaning of this provision does not include, and therefore does not prohibit, solicitation, recruitment or hiring of a PFPC Trust employee by the Fund, the Fund's sponsor or an affiliate of the Fund if the PFPC Trust employee was identified by such entity solely as a result of the PFPC Trust employee's response to a general advertisement by such entity in a publication of trade or industry interest or other similar general solicitation by such entity.

(c) No Representations or Warranties. Except as expressly provided in this Agreement, PFPC Trust hereby disclaims all representations and warranties, express or implied, made to the Fund or any other person, including, without limitation, any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise (irrespective of any course of dealing, custom or usage of trade), of any services or any goods provided incidental to services provided under this Agreement. PFPC Trust disclaims any warranty of title or non-infringement except as otherwise set forth in this Agreement.

(d) No Changes that Materially Affect Obligations. Notwithstanding anything contained in this Agreement to the contrary, the Fund agrees not to make any modifications to its offering document or registration statement or adopt any policies which would affect materially the obligations or responsibilities of PFPC Trust hereunder without the prior written approval of PFPC Trust, which approval shall not be unreasonably withheld or delayed. The scope of services to be provided by PFPC Trust under this Agreement shall not be increased as a result of new or revised regulatory or other requirements that may become applicable with respect to the Fund, unless the parties hereto expressly agree in writing to any such increase.

(e) Captions. The captions in this Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect.

(f) Information. The Fund will provide such information and documentation as PFPC Trust may reasonably request in connection with services provided by PFPC Trust to the Fund.

(g) Governing Law. This Agreement shall be deemed to be a contract made in Delaware and governed by Delaware law, without regard to principles of conflicts of law, except that, to the extent that a conflict exists between the 1940 Act and Delaware law, the 1940 Act shall govern.

(h) Partial Invalidity. If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.

(i) Parties in Interest. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except as may be explicitly stated in this Agreement, (i) this Agreement is not for the benefit of any other person or entity and (ii) there shall be no third party beneficiaries hereof.

(j) Facsimile Signatures. The facsimile signature of any party to this Agreement shall constitute the valid and binding execution hereof by such party.

(k) Customer Identification Program Notice. To help the U.S. government fight the funding of terrorism and money laundering activities, U.S. Federal law requires each financial institution to obtain, verify, and record certain information that identifies each person who initially opens an account with that financial institution on or after October 1, 2003. Consistent with this requirement, PFPC Trust may request (or may have already requested) the Fund's name, address and taxpayer identification number or other government-issued identification number, and, if such party is a natural person, that party's date of birth. PFPC Trust may also ask (and may have already asked) for additional identifying information, and PFPC Trust may take steps (and may have already taken steps) to verify the authenticity and accuracy of these data elements.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

**PFPC TRUST COMPANY**

**By:** \_\_\_\_\_ /s/ EDWARD A. SMITH III  
**Title:** **Vice President & Senior Director**

**FS INVESTMENT CORPORATION**

**By:** \_\_\_\_\_ /s/ RYAN D. CONLEY  
**Title:** **Vice President**

## APPENDIX A

**Definitions**

As used in this Agreement:

- (a) **"1933 Act"** means the Securities Act of 1933, as amended.
- (b) **"1934 Act"** means the Securities Exchange Act of 1934, as amended.
- (c) **"Authorized Person"** means any officer of the Fund and any other person authorized by the Fund to give Oral or Written Instructions on behalf of the Fund. An Authorized Person's scope of authority may be limited by setting forth such limitation in a written document signed by both parties hereto.
- (d) **"Book-Entry System"** means the Federal Reserve Treasury book-entry system for United States and federal agency securities, its successor or successors, and its nominee or nominees and any book-entry system registered with the SEC under the 1934 Act.
- (e) **"Change of Control"** means a change in ownership or control (not including transactions between wholly-owned direct or indirect subsidiaries of a common parent) of 25% or more of the beneficial ownership of the shares of common stock or shares of beneficial interest of an entity or its parent(s).
- (f) **"Oral Instructions"** mean oral instructions received by PFPC Trust from an Authorized Person or from a person reasonably believed by PFPC Trust to be an Authorized Person. PFPC Trust may, in its sole discretion in each separate instance, consider and rely upon instructions it receives from an Authorized Person via electronic mail as Oral Instructions.
- (g) **"Property"** means:
  - (i) any and all securities and other investment items which the Fund may from time to time deposit, or cause to be deposited, with PFPC Trust or which PFPC Trust may from time to time hold for the Fund;
  - (ii) all income in respect of any of such securities or other investment items;
  - (iii) all proceeds of the sale of any of such securities or investment items; and
  - (iv) all proceeds of the sale of securities issued by the Fund, which are received by PFPC Trust from time to time, from or on behalf of the Fund.

- (h) "SEC" means the Securities and Exchange Commission.
- (i) "Securities Laws" mean the 1933 Act, the 1934 Act and the 1940 Act.
- (j) "Shares" mean the shares of beneficial interest of any series or class of the Fund.
- (k) "Written Instructions" mean (i) written instructions signed by two Authorized Persons (or persons reasonably believed by PFPC Trust to be Authorized Persons) and received by PFPC Trust or (ii) trade instructions transmitted by means of an electronic transaction reporting system which requires the use of a password or other authorized identifier in order to gain access. The instructions may be delivered electronically (with respect to sub-item (ii) above) or by hand, mail or facsimile sending device.