

BlueVault
P A R T N E R S , L L C

BDC Industry Review

FOURTH QUARTER 2013

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May 5, 2014

We are happy to be releasing our quarterly Blue Vault Partners BDC Industry Review for the year ending 2013. As many of you know, we always aim to provide transparency and understanding to the industry, and we thank our subscribers for helping us accomplish that goal.

2013 proved to be a record-breaking year for nontraded BDCs, and 2014 looks to have a lot of excitement as well. Our estimate of just under \$5 billion in capital raise for the year was spot-on as the industry raised \$4.9 billion of new capital in 2013. A recent positive development in the industry is the first nontraded BDC to go full-cycle in a New York Stock Exchange listing. Franklin Square Investment Corp. listed on April 16, 2014 near its NAV, proving that the product and investment model works.

Nontraded BDCs have added billions of dollars to our economy by allowing the heart of American business, middle market companies, to access capital to grow and to add jobs. In addition to the investment returns that investors receive from BDCs, it is important to note that they are also directly contributing to the U.S. Economy.

As always, we appreciate your support and welcome any comments, suggestions or questions on the report. We are always looking for new ways to enhance the reports and add value to our subscribers.

Our Best Regards,

Stacy Chitty
Managing Partner
Blue Vault Partners

Vee Kimbrell
Managing Partner
Blue Vault Partners

Jared Schneider
Managing Partner
Blue Springs Capital



Table of Contents:

Metric Definitions & Explanations	1
The History of Business Development Companies (BDCs)	4
Nontraded BDC Industry Highlights & Capital Market Overview	5
BDC Industry Summary & Comparison Tables	
BDC Overall Industry Summary	6
BDC Fund Offerings Summary	7
BDC Fee Comparison	8
BDC Performance Summary	9
Effective Nontraded BDCs with Reported Operating Results	
Business Development Corporation of America	10
CION Investment Corporation	11
Corporate Capital Trust, Inc.	12
FS Energy & Power Fund	13
HMS Income Fund Inc.	14
Sierra Income Corporation	15
Effective Nontraded BDCs with Limited Operating Results (Under \$50mm in Assets)	
VII Peaks Co-Optivist Income BDC II, Inc.	16
FS Investment Corp III	16
Triton Pacific Investment Corporation, Inc.	16
Closed Nontraded BDCs with Reported Operating Results	
FS Investment Corporation	17
FS Investment Corporation II.	18
Additional BDC Notes	19



Metric Definitions & Explanations

A Portfolio Details Includes a summary of the portfolio holdings for the current period as reported on the BDC's balance sheet. Items categorized as investments include debt investments, preferred equity, common equity and other short-term investments. Cash and Cash Equivalents include cash on the balance sheet and other cash-like liquid assets.

This section also includes a current overview of the BDC's investment strategy as it relates to the types of investments it makes, the industries the fund is focused on and the size of companies the fund plans to invest in. Specifics found in this section include number of portfolio companies and the investment management advisor. Also included is whether the company employs a Total Return Swap (TRS) and the value of the assets in the TRS.

Total Return Swaps (TRS) – An investment vehicle designed to give the fund additional interest payments and capital gains without having to purchase the assets and hold on the balance sheet. Cash collateral and payments to the institution holding the investments are typically required. The fund essentially “borrows” the TRS portfolio without the full risk of purchasing the investments outright.

Net Taxable Income – The tax-basis of earnings, which includes net investment income, realized capital gains, unrealized gains on TRS Assets and foreign exchange and other derivatives. Taxable income is what is reported on an investor's 1099 to reconcile distributions into taxable income, capital gains and return of capital.

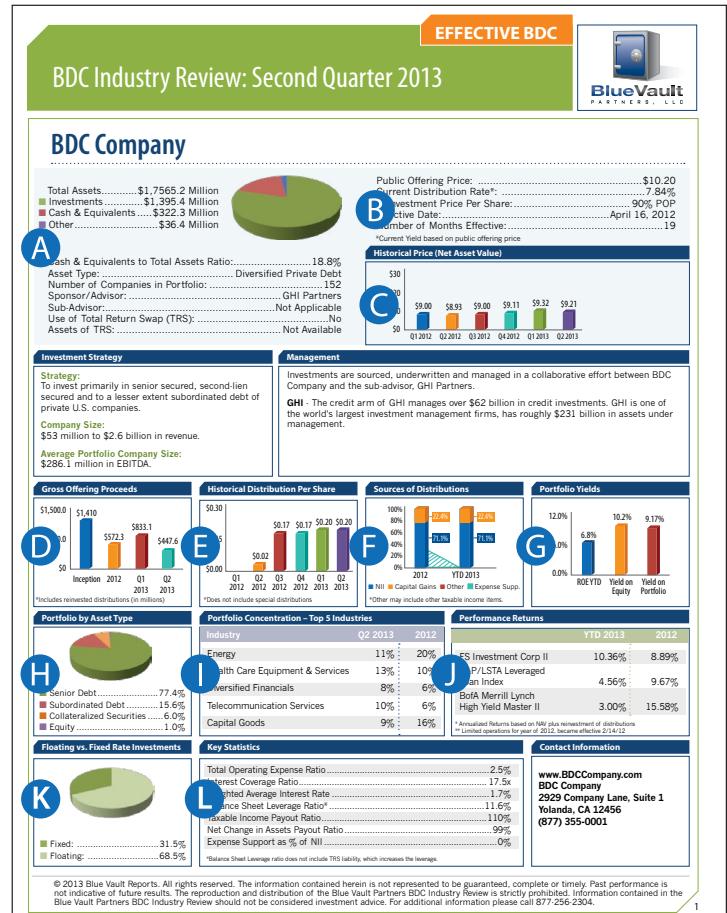
The initial offering date is defined as the date the BDC was considered “effective” by the SEC and began raising money in its public offering. The number of months indicates how long the BDC has been raising capital and the anticipated offering close date is the date the BDC anticipates closing the BDC to new investments. The current price per share and reinvestment price per share are based on either the most recent offering price or the most recent price published.

B Public Offering Price (POP)
The price at which shares are offered to the public. The offering price changes whenever a material change in the Net Asset Value (NAV) occurs.

C Net Asset Value (NAV) Per Share
The sum of the fair value of the total assets minus the total liabilities divided by the total number of shares outstanding. This number is reported publicly at least every quarter.

D Gross Offering Proceeds
Defined as the sales of nontraded BDC shares plus shares purchased through dividend reinvestment.

E Current Distribution & Historical Distribution
The annualized distribution rate for the current quarter. Historical distribution shows the per share distribution amount in dollars.



F Sources of Distributions
Note – comparisons may differ due to the fact that some funds use GAAP numbers and some use tax numbers for showing sources of distributions. In funds showing taxable income sources of distributions, unpaid & not yet earned incentive fees may show as “Other” for sources of distributions.

Net Investment Income (NII) – Income earned from investments during the quarter or year less investment and operating expenses. Expense support or the reimbursement of expense support may be subtracted from or added, respectively, to operating expenses. This portion of income is the most sustainable portion and should represent where the majority of distributions are coming from.

Net Realized Gains (Capital Gains) – Gains or losses from investments that were sold in the quarter or year. Although it is an important component of income to the fund, realized gains can be unpredictable and will not be consistent from quarter to quarter.

Expense Support – Expenses paid for by the advisor, sponsor or affiliated holding company during the quarter or year. Typically expense support is given at the beginning of the fund's lifecycle and tapers off as the fund begins to make



Metric Definitions & Explanations

investments and generate income and capital gains. These expenses are typically reimbursed to the sponsor or advisor over time. This number may also include fee waivers by the fund.

G Portfolio Yields

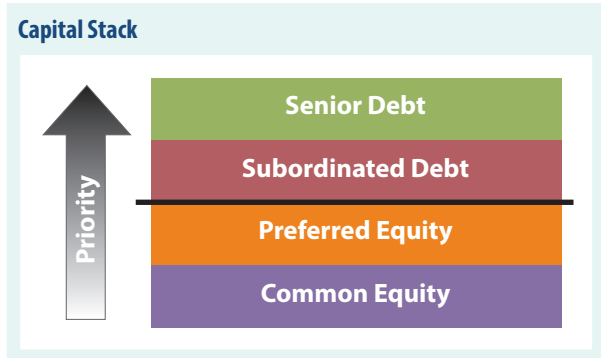
Return on Equity (ROE) – Calculated as the annualized Net Change in Assets from Operations (GAAP earnings measure), a line item that includes net investment income, realized and unrealized gains/losses, divided by the average total equity year-to-date.

Yield on Equity – Calculated as the annualized total investment income for the quarter divided by average equity for the period.

Yield on Portfolio – Calculated as the annualized total investment income for the quarter divided by the average total dollar amount of investments for the period.

H Portfolio by Asset Type

The percentage of investments that appear as senior debt, subordinated debt, preferred stock or common stock as it relates to total investment assets. The priority of repayment refers to the priority each investor receives in repayment in the event of bankruptcy. This is sometimes referred to as the capital stack.



I Portfolio Concentration - Top 5 Industries

The top five industries that the fund holds in its portfolio (through companies in those respective industries) and the represented percentage of portfolio for the most recent quarter and previous year. This metric gives an understanding of whether the fund is overly concentrated in one or more industries.

J Performance Returns

Annualized Return – Calculated as the total return for the period converted into an annual rate. An example is a quarterly total return of 3% times 4 quarters equals 12% annualized rate. The annualized rate is subject to change based on future periods.

EFFECTIVE BDC

BDC Industry Review: Second Quarter 2013

BlueVault PARTNERS, LLC

BDC Company

<p>A Total Assets: \$1,756.2 Million</p> <p>Investments: \$1,395.4 Million</p> <p>Cash & Equivalents: \$322.3 Million</p> <p>Other: \$36.4 Million</p>	<p>Public Offering Price: \$10.20</p> <p>Current Distribution Rate*: 7.84%</p> <p>Investment Price Per Share: 90% POP</p> <p>Effective Date: April 16, 2012</p> <p>Number of Months Effective: 19</p>
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B Cash & Equivalents to Total Assets Ratio: 18.8%

C Asset Type: Diversified Private Debt

Number of Companies in Portfolio: 152

Sponsor/Advisor: GHI Partners

Sub-Advisor: Not Applicable

Use of Total Return Swap (TRS): No

Assets of TRS: Not Available

D Investment Strategy

Strategy: To invest primarily in senior secured, second-lien secured and to a lesser extent subordinated debt of private U.S. companies.

Company Size: \$53 million to \$2.6 billion in revenue.

Average Portfolio Company Size: \$286.1 million in EBITDA.

E Management

Investments are sourced, underwritten and managed in a collaborative effort between BDC Company and the sub-advisor, GHI Partners.

GHI - The credit arm of GHI manages over \$62 billion in credit investments. GHI is one of the world's largest investment management firms, has roughly \$231 billion in assets under management.

F Historical Price (Net Asset Value)

Quarter	Price
Q1 2012	\$9.00
Q2 2012	\$8.93
Q3 2012	\$9.00
Q4 2012	\$9.11
Q1 2013	\$9.32
Q2 2013	\$9.31

G Sources of Distributions

Source	YTD 2012	YTD 2013
Capital Gains	11.1%	12.4%
Other	0.0%	0.0%
Expense Sudo	0.0%	0.0%
Other	0.0%	0.0%

H Portfolio by Asset Type

Asset Type	Percentage
Senior Debt	77.4%
Subordinated Debt	15.6%
Collateralized Securities	6.0%
Equity	1.0%

I Portfolio Concentration - Top 5 Industries

Industry	Q2 2013	2012
Energy	11%	20%
Health Care Equipment & Services	13%	10%
Diversified Financials	9%	6%
Telecommunication Services	10%	6%
Capital Goods	9%	16%

J Performance Returns

Index	YTD 2013	2012
S&P Investment Corp II	10.36%	8.89%
S&P/LSTA Leveraged Loan Index	4.56%	9.67%
BoFA Merrill Lynch High Yield Master II	3.00%	15.58%

K Floating vs. Fixed Rate Investments

Investment Type	Percentage
Fixed	31.5%
Floating	68.5%

L Key Statistics

Total Operating Expense Ratio	2.5%
Debt Coverage Ratio	17.5x
Weighted Average Interest Rate	1.7%
Balance Sheet Leverage Ratio*	11.6%
Available Income Payout Ratio	110%
Net Change in Assets Payout Ratio	95%
Expense Support as % of Nil	0%

Contact Information

www.BDCCompany.com
 BDC Company
 2929 Company Lane, Suite 1
 Yolanda, CA 12456
 (877) 355-0001

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S&P/LSTA US Leveraged Loan Index – Capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. The index seeks to mirror the market-weighted performance of the largest institutional leveraged loans. This index can be used to compare floating rate debt performance.

Bank of America Merrill Lynch High Yield Master II – A commonly used benchmark index for high yield corporate bonds. It is administered by Merrill Lynch. The Master II is a measure of the broad high yield market, unlike the Merrill Lynch BB/B Index, which excludes lower-rated securities. This index can be used to compare fixed rate/high yield debt performance.

K Floating Rate vs. Fixed Rate Investments

Calculated as the total dollar amount of floating rate debt investments divided by the total dollar amount of debt investments. The same calculation is done for fixed rate debt investments. Generally for debt investors, fixed rate debt is preferred during times of falling interest rates and floating rate debt is preferred during times of rising interest rates. This section does not cover equity and other securities.

Metric Definitions & Explanations

Floating Rate Debt – Debt that has a variable rate that changes based on changes in key interest rate indicators such as LIBOR, Fed Funds rate, Prime rate, Treasury yields, etc. The debt will many times be quoted as the indicator plus a spread amount. An example would be LIBOR + 250, which means the current LIBOR rate plus 2.50% is the current interest rate. Additionally, many floating rate loans have a floor at which the minimum interest rate can be.

Fixed Rate Debt – Debt that has a fixed interest rate for a set period of time.

Key Statistics

Fund Operating Expense Ratio – Calculated as the operating expenses (not including interest expenses) for the fund year-to-date divided by average net assets year-to-date starting with the beginning balance of the year. This ratio measures operational efficiency and impact of management fees and administrative expenses on the fund.

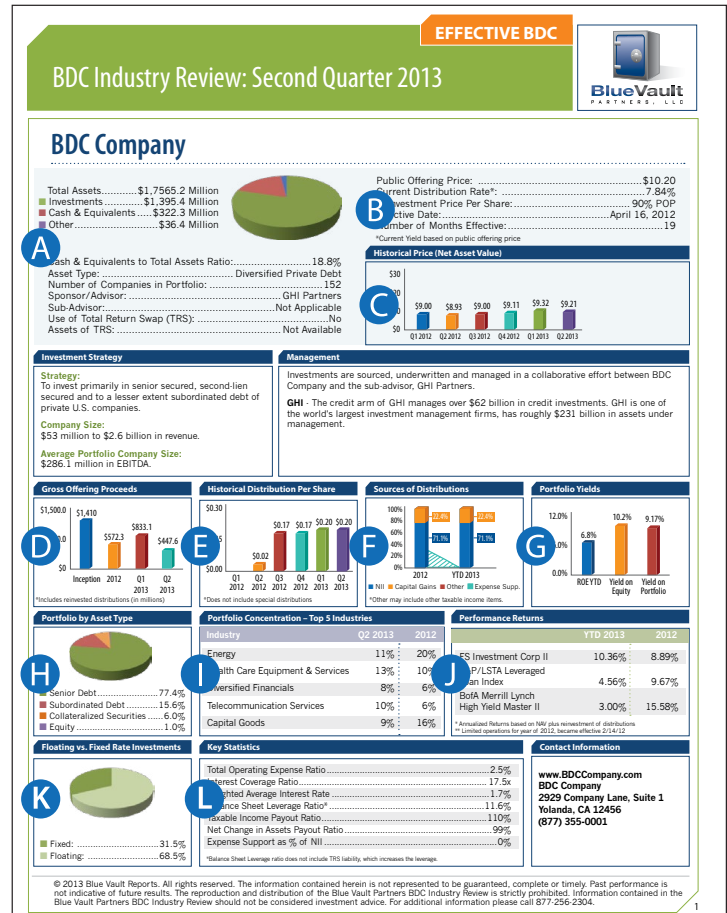
Interest Coverage Ratio – Calculated as the sum of NII plus realized capital gains plus interest expense divided by total interest expense. This measures the ability of the company to pay ongoing interest expenses from operations.

Weighted Average Interest Rate – Calculated as the annualized current period interest expense divided by average borrowings for the period. This measure does not precisely evaluate the go-forward interest rate the fund pays, as new borrowings may not be reflected in interest payments for a given period. It does provide an estimate to determine the spread between interest payments and yield on borrowed assets.

Leverage Ratio – Calculated as the total borrowings divided by total assets. This number also includes off-balance sheet net TRS borrowings (TRS Notional Value minus Cash Collateral divided by TRS Notional Value).

Taxable Income Payout Ratio – Calculated as the year-to-date total distributions divided by the estimated year-to-date net taxable income. The metric is designed to determine how much of the distribution is derived from taxable income. Beyond the beginning stages of the fund, the ratio should be below or close to 100%.

Net Change in Net Assets (Net Change in Assets) – The GAAP measure for earnings, which includes net investment income, realized and unrealized capital gains, as well as certain accruals such as unearned performance incentive fees.



Net Change in Assets Payout Ratio – Calculated as the year-to-date total distributions divided by the year-to-date net change in net assets. The metric is designed to determine how much of the distribution is derived from the net change in assets, or GAAP-related earnings. Beyond the beginning stages of the fund, the ratio should be below or close to 100%.

Expense Support Percentage of Distribution – Calculated as the year-to-date total expense support divided by the year-to-date distribution. This measures the amount of distributions that are provided through the sponsor/advisor's expense support agreement.



The History of Business Development Companies (BDCs)

A Business Development Company (BDC) is a SEC-registered investment company that invests primarily in private US-based businesses. This form of company was created by Congress in 1980 as amendments to the Investment Company Act of 1940. BDCs are typically taxed as regulated investment companies (RICs). Similar to REITs, BDCs are required to distribute at least 90% of taxable income as dividends to investors, and the company itself has to pay little or no corporate income tax.

Although the regulation for BDCs was passed in 1980, the creation of these companies did not come until the late 1990s and early 2000s. Furthermore, they did not begin to gain popularity until Apollo Investment Corporation raised \$930 million in a period of three months. This ignited a stream of BDC IPOs over the years following. Still the BDC industry remains relatively small when compared to mutual funds, REITs and other investments. Total BDC assets in both the traded and nontraded investment markets are estimated to be close to \$40 billion.

Investments of BDCs

BDCs invest primarily in private companies. They are required to invest 70% or more of their assets in US-based private companies. This is an investment type that was previously limited to institutional and wealthy individuals through private equity and private debt funds. Now through these SEC reporting funds, retail investors have access to private equity and debt investments.

Many times, BDCs will invest in smaller or medium-sized businesses. BDCs may be diversified in the industries they invest in or have a specific industry specialization (i.e. energy, technology, healthcare). Additionally they may focus on equity investments in companies, debt investments in companies or a hybrid of the two. BDCs utilize management teams and advisors to underwrite investments and make loans or equity investments into companies. So far, nontraded BDCs have primarily been focused on investing in the debt side of businesses.

Traded and Nontraded BDCs

Historically BDCs have been traded on public exchanges. Mirroring what happened in the REIT industry, nontraded BDCs have only become available to retail investors in the past few years. The first nontraded BDC, FS Investment Corporation, became effective in January 2009. Another nontraded BDC did not become effective until 2011.

There are a few reasons that the nontraded BDC structure has come about. One such reason is that it allows the BDC to raise capital continuously. There are two parts to this. It allows the BDC to have capital across economic cycles rather than when the capital markets are up. Also, the continuous capital raise allows time for underwriting and investing in assets. Another reason is that the liquidity restrictions allow the BDC to be long-term focused. Additionally, the value of the investor's investment is based on Net Asset Value (NAV) of the assets and is not subject to the same volatility and pricing as the stock market. However, these investments are not for all investors. They cannot be bought and sold on the public markets and have limited liquidity provisions. Typically the investor will have to wait five to ten years until a "liquidity event," sale of the portfolio or listing on an exchange, takes place.

External and Internal Management

Similar to REITs, BDCs can be externally or internally managed. External management is a structure whereby an advisor makes investments and manages the portfolio on behalf of the BDC. The BDC itself has no employees, but pays a management fee to the advisor. Internal management means that the BDC has employees and overhead that are a normal operating expense to the BDC. However most BDCs traded and nontraded are externally managed. The reason for this is that many BDCs are advised by experienced private equity or investment management companies. This allows those investment companies to use resources from across their organization to underwrite, manage and handle the administration of the BDC.



Nontraded BDC Industry Highlights & Capital Market Overview

BDC Industry Facts

Nontraded BDCs provide access to investments in private companies, something that historically only large, institutional investors have had access to.

- Approximately \$13.8 billion in total nontraded BDC assets
- Gross Equity of \$4.9 billion raised
- Top-3 funds raised 83% of industry equity, top 4 raised 93%
- 9 funds currently raising capital
- 1 closed fund (FS Investment Corporation)*
- 1 new fund entered the market
- First nontraded BDC became effective January 2, 2009 (FS Investment Corporation)

Fund Name	Total Assets as of 4Q 2013 (in \$ Millions)	Gross Equity Raised 2013 (in \$ Millions)
FS Investment Corporation (closed)	\$ 4,444.6	N/A
FS Investment Corporation II (closed)*	\$ 3,322.0	\$ 1,991.1
FS Investment Corporation III	\$ 0.2	\$ 0.2
FS Energy and Power Fund	\$ 2,428.7	\$ 1,150.0
Corporate Capital Trust	\$ 2,281.2	\$ 886.0
Business Development Corporation of America	\$ 841.6	\$ 529.0
CION Investment Corporation	\$ 150.6	\$ 150.9
Sierra Income Corporation	\$ 186.2	\$ 137.3
HMS Income Fund, Inc.	\$ 77.6	\$ 40.7
VII Peaks Co-Optivist Income BDC II, Inc.	\$ 25.5	\$ 19.0
Triton Pacific Investment Corporation, Inc.	\$ 0.8	\$ 0.0

Capital Market Update

Industry capital raise increased by 64% year-over-year from 2012 to 2013 to a total of \$4.9 billion in new capital raised. Although newer firms have started to gain momentum in the capital raise picture, Franklin Square still holds the majority of capital raise with 66% market share or \$3.1 billion of the \$4.9 billion in 2013. Most other firms, however saw market share gains from 2012 to 2013.

Only one new fund entered the market in 2013 as Franklin Square's FS Investment Corp III became effective in late December 2013. It is yet to be seen if new firms will enter this industry in 2014 or if the incumbents will hold the market. Franklin Square's FS Investment Corp III has recently become effective in the spring of 2014. Also in registration is a follow-up to FS Energy and Power Fund, FS Energy and Power Fund II. Unless a new company enters the market, those may be the only new funds in the market in 2014.

Across the board, BDCs have shifted their portfolios in 2013 to reflect heavier weightings of variable or floating rate investments. This shift is likely in anticipation of a potential rise in interest rates in the near future. As the Federal Reserve sees improvements in the economy, it will likely raise target interest rates. By having a higher percentage of the portfolio in variable rate investments, the investments will be able to keep pace with rising interest rates.

Nontraded BDCs are still largely income investments as most invest in loans that pay regular interest payments. Distribution rates have remained consistent, and depending on the fund range from 6.1% to 7.8%, which is attractive in an environment where 10-year Treasuries are only paying 2.8% and corporate bonds paying only slightly more.

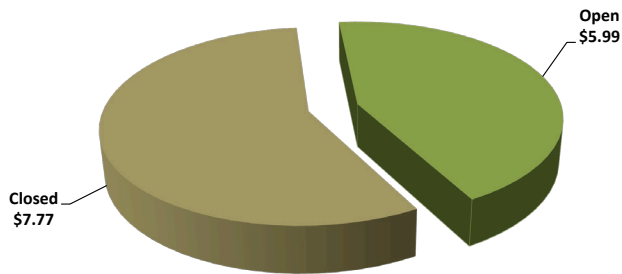
* As of the date of this report, FS Investment Corporation II was also closed and no longer accepting new investments as of March 5, 2014

BDC Industry Review: Fourth Quarter 2013

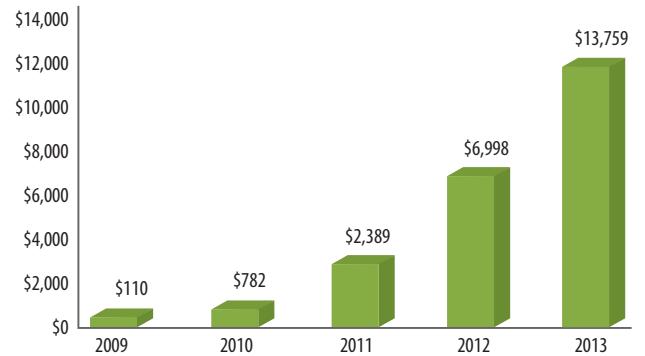


BDC Overall Industry Summary

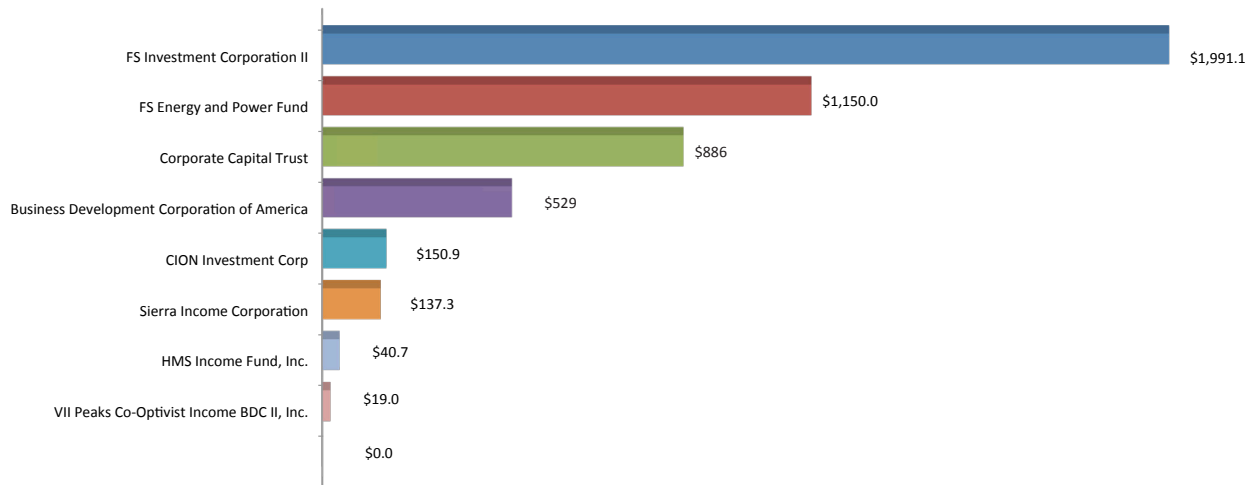
Total Nontraded BDC Industry Assets \$13.8 Billion



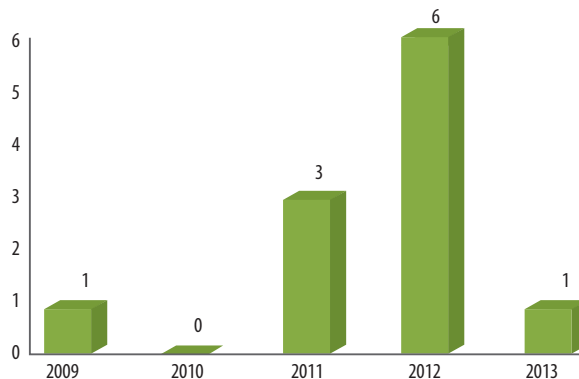
Total Industry Assets (in \$ Millions) as of December 31, 2013



Gross Equity Raise YTD 2013 (in \$ Millions) as of December 31, 2013



New Product Introductions Since 2009



BDC Industry Review: Fourth Quarter 2013



BDC Fund Offerings Summary

Fund Name	Open/Closed	Effective Date	Sponsor/Advisor	Sub-Advisor	Total Assets Q4 2013	Gross Proceeds YTD 2013	Current Distribution Rate
FS Investment Corporation	Closed	January 5, 2009	Franklin Square Capital Partners	GSO - Blackstone	\$4,444.6	N/A	8.25%
FS Investment Corporation II	Closed	February 14, 2012	Franklin Square	GSO - Blackstone	\$3,322.0	\$1,991.1	7.11%
FS Investment Corporation III	Open	December 31, 2013	Franklin Square Capital Partners	GSO - Blackstone	\$0.2	\$0.2	N/A
FS Energy and Power Fund	Open	May 12, 2011	Franklin Square Capital Partners	GSO - Blackstone	\$2,428.7	\$1,150.0	6.10%
Corporate Capital Trust	Open	April 4, 2011	CNL Financial Group	KKR	\$2,281.2	\$886.0	7.12%
Business Development Corporation of America	Open	January 25, 2011	AR Capital	N/A	\$841.6	\$529.0	7.75%
CION Investment Corporation	Open	July 2, 2012	Icon Investments	Apollo Global Management	\$150.6	\$150.9	7.00%
Sierra Income Corporation	Open	April 16, 2012	Sierra - Medley Capital	N/A	\$186.2	\$137.3	7.84%
HMS Income Fund, Inc.	Open	June 4, 2012	Hines	Main Street Capital	\$77.6	\$40.7	7.00%
VII Peaks Co-Optivist Income BDC II, Inc.	Open	March 1, 2012	VII-Peaks	N/A	\$25.5	\$19.0	7.20%
Triton Pacific Investment Corporation, Inc.					\$0.8	N/A	N/A
TOTAL					\$13,759	\$4,904.2	

* As of the date of this report, FS Investment Corporation II was also closed and no longer accepting new investments as of March 5, 2014

BDC Industry Review: Fourth Quarter 2013



BDC Fee Comparison

Effective Nontraded BDCs		Maximum Front-End Fees				Management Fees				Actual Operating Expenses
Fund Name	Sponsor/Advisor	Max. Sales Commission	Dealer-Manager Fee	Offering Expenses	Max Total Load	AUM Fee	Incentive Fee Income/ Capital Gains	Preferred Return	Catch-Up Percent	Annualized Operating Expense Ratio (2013)*
Business Development Corporation of America	AR Capital	7.00%	3.00%	1.50%	11.50%	1.50%	20.00%	7.00%	8.75%	5.66%
CION Investment Corp	Icon Investments	7.00%	3.00%	1.50%	11.50%	2.00%	20.00%	7.50%	9.38%	8.70%
Corporate Capital Trust	CNL Financial Group	7.00%	3.00%	1.10%	11.10%	2.00%	20.00%	7.00%	8.75%	5.78%
FS Energy and Power Fund	Franklin Square Capital Partners	7.00%	3.00%	1.50%	11.50%	2.00%	20.00%	6.50%	8.13%	4.97%
FS Investment Corporation II	Franklin Square Capital Partners	7.00%	3.00%	1.50%	11.50%	2.00%	20.00%	7.50%	9.38%	4.50%
HMS Income Fund, Inc.	Hines	7.00%	3.00%	1.50%	11.50%	2.00%	20.00%	7.50%	9.38%	12.49%
Sierra Income Corporation	Sierra - Medley Capital	7.00%	2.75%	1.25%	11.00%	1.75%	20.00%	7.00%	8.75%	9.03%
Triton Pacific Investment Corporation, Inc.	Triton Pacific Capital	7.00%	3.00%	2.00%	12.00%	2.00%	20.00%	8.00%	10.00%	—
VII Peaks-KBR Co-Optivist Income BDC II, Inc.	VII-Peaks KBR	7.00%	3.00%	1.50%	11.50%	1.5%-2.0%	20.00%	8.00%	N/A	—

* Annualized Operating Expense Ratio uses expenses stated on the income statement and does not take into account expense support or fee waivers. Total Operating Expense Ratio will likely be overstated during the fundraising stage of each fund. The average net assets used in the calculation is likely to be less than current net assets, causing the ratio to be higher than if the fund was stabilized.

** Fee waivers are not reflected in the expense ratios, and may cause expenses to be lower than stated in the table above.

BDC Industry Review: Fourth Quarter 2013



BDC Performance Summary

Effective Nontraded BDCs (Greater than \$50 million in AUM)		Total Returns		
Fund Name	Sponsor/Advisor	2013	2012	2011*
Business Development Corporation of America	AR Capital	14.12%	15.19%	8.36%
Corporate Capital Trust	CNL Financial Group	11.40%	14.30%	12.23%
FS Energy and Power Fund	Franklin Square Capital Partners	10.49%	14.07%	1.23%
FS Investment Corporation (Closed)	Franklin Square Capital Partners	10.43%	15.83%	8.93%
FS Investment Corporation II (Closed)	Franklin Square Capital Partners	10.81%	6.11%	—
Sierra Income Corporation	Sierra - Medley Capital	11.75%	—	—
CION Investment Corporation	ICON Investments	11.96%		
HMS Income Fund	Hines	8.47%		

Benchmark Comparison

S&P/LSTA Leveraged Loan Index	5.25%	9.67%	1.51%
BofA High Yield Master II Index	7.42%	15.58%	4.38%

Median	11.11%	14.30%	8.65%
Mean	11.18%	13.64%	7.91%

* All funds but FS Investment Corp had limited operations for the year of 2011, FS Investment Corp II had limited operations in 2012

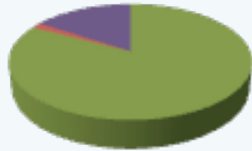
** As of the date of this report, FS Investment Corporation II was also closed and no longer accepting new investments as of March 5, 2014



BDC Industry Review: Fourth Quarter 2013

Business Development Corporation of America

Total Assets.....	\$841.6 Million
Investments.....	\$695.8 Million
Cash & Equivalents.....	\$13.0 Million
Other.....	\$132.9 Million

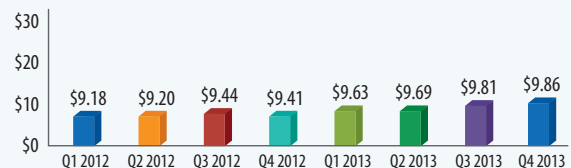


Public Offering Price:	\$11.20
Current Distribution Rate*:	7.75%
Reinvestment Price Per Share:	90% POP
Effective Date:.....	January 25, 2011
Number of Months Effective:	39

*Current distribution rate based on public offering price

Cash & Equivalents to Total Assets Ratio:.....	1.5%
Asset Type:	Diversified Private Debt
Number of Companies in Portfolio:	83
Sponsor/Advisor:	AR Capital - BDCA Adviser
Sub-Advisor:.....	Not Applicable
Use of Total Return Swap (TRS):	Yes
Assets of TRS:	\$296.2 Million

Historical Price (Net Asset Value)



Investment Strategy

Strategy:

To invest largely in senior secured and second lien debt securities and mezzanine debt securities issued by middle market companies.

Company Size:

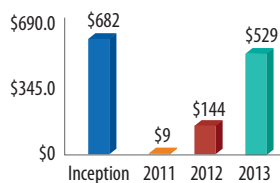
\$10 million to \$1 billion in revenue

Management

Investments are sourced, underwritten and managed by a single advisor and management team. BDCA Adviser is a wholly owned affiliate of AR Capital. The management team has experience in banking, loan origination, private equity investing & management, as well as real estate credit underwriting and investing.

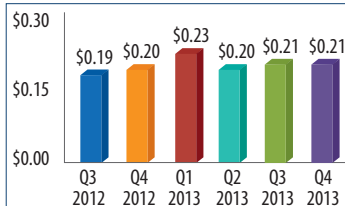
AR Capital – An alternative investment firm that invests in real estate and private company securities. AR Capital manages \$15 billion in alternative investments.

Gross Offering Proceeds



*Includes reinvested distributions (in millions)

Historical Distribution Per Share

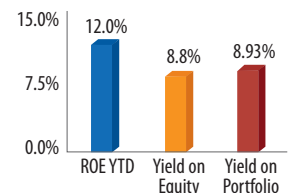


*Does not include special distributions

Sources of Distributions

*Other may include other taxable income items.
**9.7% of distributions attributable to waived fees.

Portfolio Yields



Portfolio by Asset Type



Senior Debt	61.0%
Subordinated Debt	9.0%
Collateralized Securities	15.0%
Equity	15.0%

Portfolio Concentration – Top 5 Industries

Industry	2013	2012
Diversified Investment Vehicles	17%	11%
Media	8%	1%
Hotels, Restaurants & Leisure	6%	13%
Diversified Consumer Services	6%	0%
Health Care Providers & Services	6%	14%

Performance Returns

	2013	2012	2011*
Business Development Corporation of America	14.1%	15.2%	8.4%
S&P/LSTA Leveraged Loan Index	5.25%	9.7%	1.5%
BofA Merrill Lynch High Yield Master II	7.42%	15.6%	4.4%

* YTD returns are not annualized

** Annualized due to limited operating data in 2011, effective 1/24/11

Floating vs. Fixed Rate Investments



Fixed:	25.2%
Floating:	74.8%

Key Statistics

Fund Operating Expense Ratio.....	5.7%
Interest Coverage Ratio.....	15.1x
Weighted Average Interest Rate	4.0%
Leverage Ratio	16.1%
Taxable Income Payout Ratio*	100%
Net Change in Assets Payout Ratio	73%
Expense Support % of Distribution	0%

*BDCA only reports adjusted net investment income quarterly, may differ from taxable income

Contact Information

www.BDCofAmerica.com
Realty Capital Securities
Three Copley Place
Suite 3300
Boston, MA 02116
(877) 373-2522

* See additional notes on page 19.

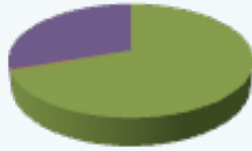
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BDC Industry Review: Fourth Quarter 2013



CION Investment Corporation

Total Assets.....	\$150.6 Million
Investments.....	\$104.5 Million
Cash & Equivalents.....	\$0.4 Million
Other.....	\$45.6 Million

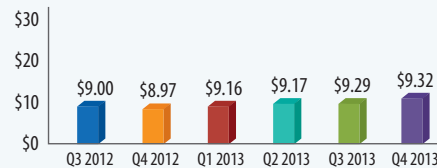


Cash & Equivalents to Total Assets Ratio:.....0.3%
 Asset Type:..... Diversified Private Debt
 Number of Companies in Portfolio:.....42
 Sponsor/Advisor:.....ICON Investments
 Sub-Advisor:.....Apollo Investment Management
 Use of Total Return Swap (TRS):.....Yes
 Assets of TRS:.....\$149.7 Million

Public Offering Price:.....\$10.45
 Current Distribution Rate*:.....7.00%
 Reinvestment Price Per Share:.....90% POP
 Effective Date:.....July 2, 2012
 Number of Months Effective:.....21

*Current distribution rate based on public offering price

Historical Price (Net Asset Value)



Investment Strategy

Strategy:

Primarily invests in the senior secured debt of U.S. middle market companies. The investment objective is to generate current income and to a lesser extent, capital appreciation for its investors.

Company Size:

EBITDA of \$50 million or less.

Average Portfolio Company Size:

\$50.8 million in EBITDA

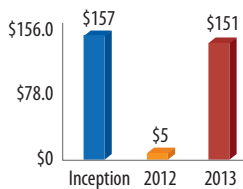
Management

Investments are sourced, underwritten and managed by CION Investment Management, an ICON Investments subsidiary, and has engaged Apollo Investment Management as a sub-advisor to source investments and make investment recommendations.

ICON Investments – With more than 25 years of experience and having made approximately \$4.3 billion in total investments, ICON provides direct financing to public and private companies through secured financing such as equipment financing.

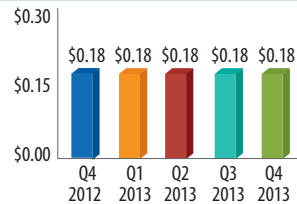
Apollo Investment Management - a subsidiary of Apollo Global – a global private equity, credit and real estate investment management firm with over \$113 billion in assets under management.

Gross Offering Proceeds



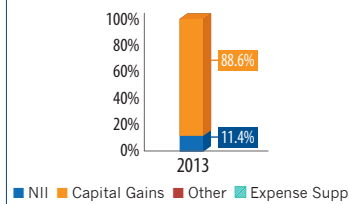
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



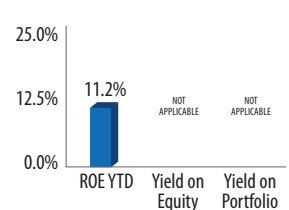
*Does not include special distributions

Sources of Distributions

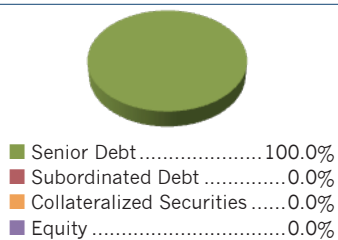


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

Industry	2013	2012
Services: Business	15.1%	N/A
Banking, Finance, Insurance & Real Estate	10.7%	N/A
Consumer Goods Non-Durable	9.1%	N/A
Healthcare & Pharmaceuticals	8.6%	N/A
Automotive	7.2%	N/A

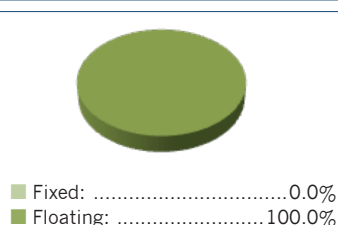
* Short-term Treasury Investments not included

Performance Returns

	2013*
CION Investment Corp	11.96%
S&P/LSTA Leveraged Loan Index	5.25%
BofA Merrill Lynch High Yield Master II	7.42%

* YTD returns are not annualized

Floating vs. Fixed Rate Investments



Key Statistics

Fund Operating Expense Ratio.....	8.7%
Interest Coverage Ratio.....	Not Applicable
Weighted Average Interest Rate.....	Not Applicable
Leverage Ratio.....	36%
Taxable Income Payout Ratio.....	114%
Net Change in Assets Payout Ratio.....	65%
Expense Support % of Distribution.....	Not Applicable

Contact Information

www.CIONInvestmentcorp.com
CION Investment Corp.
 3 Park Avenue, 36th Floor
 New York, NY 10016
 (800) 435-5697

* See additional notes on page 19.

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BDC Industry Review: Fourth Quarter 2013



Corporate Capital Trust, Inc.

Total Assets.....	\$2,281 Million
Investments.....	\$2,075 Million
Cash & Equivalents.....	\$86 Million
Other.....	\$120 Million

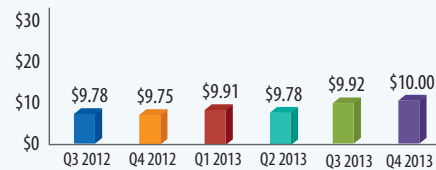


Public Offering Price:	\$11.30
Current Distribution Rate:	7.12%
Reinvestment Price Per Share:.....	90% POP
Effective Date:.....	April 4, 2011
Number of Months Effective:.....	36

*Current distribution rate based on public offering price

Cash & Equivalents to Total Assets Ratio:.....	3.8%
Asset Type:	Diversified Private Debt
Number of Companies in Portfolio:	94
Sponsor/Advisor:	CNL Financial Group
Sub-Advisor:.....	KKR
Use of Total Return Swap (TRS):	Yes
Assets of TRS:	\$60.1 Million

Historical Price (Net Asset Value)



Investment Strategy

Strategy:

To invest in senior and subordinated debt of medium and large sized U.S. companies. Investments in companies may be accompanied by warrants, options, equity co-investments or other forms of equity.

Company Size:

EBITDA greater than \$25 million

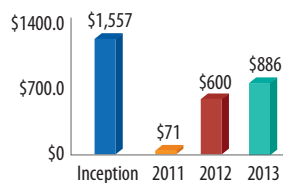
Management

Investments are sourced, underwritten and managed in a collaborative effort by KKR and CNL. Although the investment activity is primarily led by KKR, the partnership provides dual underwriting for investments.

KKR – A global investments firm that manages over \$94 billion in assets. The firm was founded in 1976 and has completed 250 private equity transactions with a total value of more than \$480 billion.

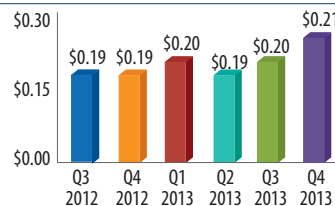
CNL – A private investment firm founded in 1973 that provides global real estate and alternative investment opportunities. CNL and its affiliates have formed or acquired companies with more than \$28 billion in assets.

Gross Offering Proceeds



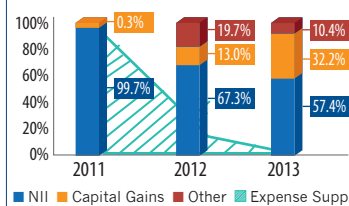
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



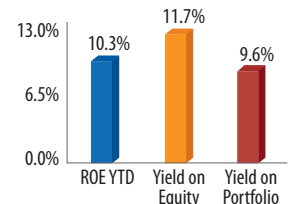
*Does not include special distributions

Sources of Distributions

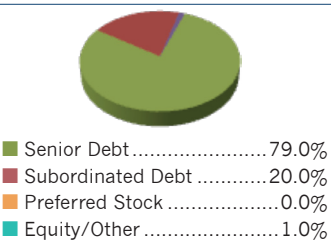


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

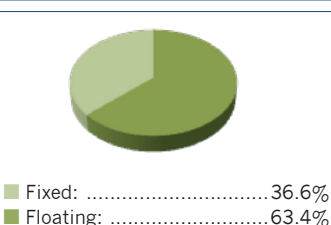
Industry	2013	2012
Consumer Durables & Apparel	19.0%	1%
Technology Hardware & Equipment	12.4%	9%
Retailing	10.6%	9%
Health Care Equipment & Services	9.3%	14%
Software & Services	7.7%	11%

Performance Returns

	2013	2012	2011*
Corporate Capital Trust, Inc.	11.4%	14.3%	12.2%
S&P/LSTA Leveraged Loan Index	5.25%	9.7%	1.5%
BofA Merrill Lynch High Yield Master II	7.42%	15.6%	4.3%

* YTD returns are not annualized
** Annualized due to limited operating data in 2011

Floating vs. Fixed Rate Investments



Key Statistics

Fund Operating Expense Ratio.....	5.8%
Interest Coverage Ratio.....	9.4x
Weighted Average Interest Rate	2.6%
Leverage Ratio.....	31.2%
Taxable Income Payout Ratio.....	97%
Net Change in Assets Payout Ratio.....	83%
Expense Support % of Distribution.....	0%

Contact Information

www.CorporateCapitalTrust.com
CNL Financial Group Inc.
 450 S. Orange Ave.
 Orlando, FL 32801
 (407) 650-1000

* See additional notes on page 19.

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BDC Industry Review: Fourth Quarter 2013



FS Energy & Power Fund

Total Assets.....	\$2,428.7 Million
Investments.....	\$2,300.2 Million
Cash & Equivalents.....	\$91.1 Million
Other.....	\$37.4 Million



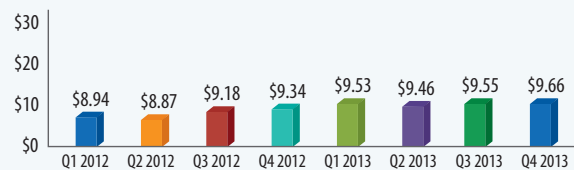
Public Offering Price:	\$10.90
Current Distribution Rate*:	6.10%
Reinvestment Price Per Share:.....	90% POP
Effective Date:.....	May 12, 2011
Number of Months Effective:.....	35

*Current distribution rate based on public offering price

Cash & Equivalents to Total Assets Ratio:.....3.8%
 Asset Type: Energy & Power Private Debt & Equity
 Number of Companies in Portfolio:104
 Sponsor/Advisor: Franklin Square Capital Partners
 Sub-Advisor:..... GSO – Blackstone
 Use of Total Return Swap (TRS): No*
 Assets of TRS: Not Available

*FS Energy and Power Fund terminated the TRS agreement on May 24, 2013

Historical Price (Net Asset Value)



Investment Strategy

Strategy:

To invest primarily in the debt and income-oriented equity securities of private U.S. companies in the energy and power industry.

Company Size:

Not Applicable

Average Portfolio Company Size:

\$185.8 million in EBITDA

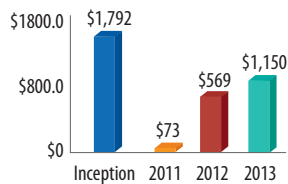
Management

Investments are sourced, underwritten and managed in a collaborative effort between Franklin Square (FS) Capital Partners and the sub-advisor, GSO Capital Partners, a Blackstone company.

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

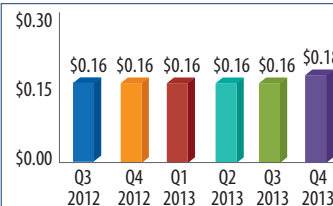
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages over \$10 billion in BDC assets.

Gross Offering Proceeds



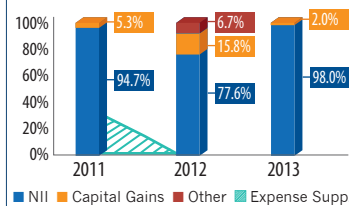
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



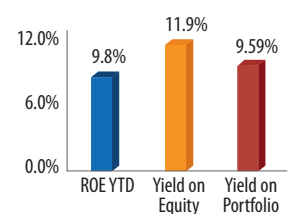
*Does not include special distributions

Sources of Distributions

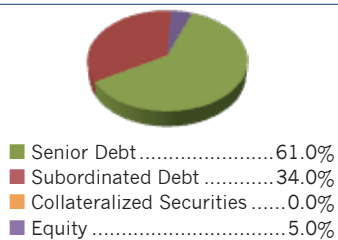


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

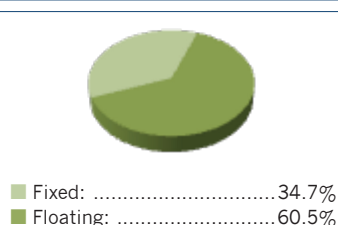
Portfolio is 100% in Energy and Power Industry.

Performance Returns

	2013	2012	2011*
FS Energy & Power Fund	10.49%	14.07%	1.23%
S&P/LSTA Leveraged Loan Index	5.25%	9.67%	1.51%
BofA Merrill Lynch High Yield Master II	7.42%	15.58%	4.38%

* 2011 return is not annualized and reflects limited operations as the fund became effective 5/12/11

Floating vs. Fixed Rate Investments



Key Statistics

Fund Operating Expense Ratio.....	5.0%
Interest Coverage Ratio.....	10.2x
Weighted Average Interest Rate.....	3.2%
Leverage Ratio.....	25.7%
Taxable Income Payout Ratio.....	102%
Net Change in Assets Payout Ratio.....	72%
Expense Support % of Distribution.....	0%

Contact Information

www.FSEnergyandPowerFund.com
 Franklin Square Capital Partners
 2929 Arch Street, Suite 675
 Philadelphia, PA 19104
 (877) 372-9880

* See additional notes on page 19.

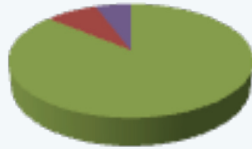
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BDC Industry Review: Fourth Quarter 2013



HMS Income Fund Inc.

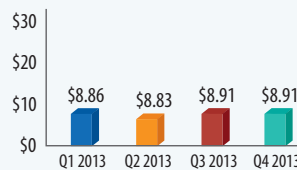
Total Assets.....	\$77.6 Million
Investments.....	\$66.9 Million
Cash & Equivalents.....	\$6.4 Million
Other.....	\$4.4 Million



Public Offering Price:	\$10.00
Current Distribution Rate*:	7.00%
Reinvestment Price Per Share:.....	90% POP
Effective Date:.....	June 4, 2012
Number of Months Effective:.....	64

*Current distribution rate based on public offering price

Historical Price (Net Asset Value)



Cash & Equivalents to Total Assets Ratio:.....	8.2%
Asset Type:	Diversified Private Debt
Number of Companies in Portfolio:	41
Sponsor/Advisor:	Hines
Sub-Advisor:.....	Main Street Capital Corporation
Use of Total Return Swap (TRS):	No
Assets of TRS:	Not Applicable

Investment Strategy

Strategy:

Generate current income and to a lesser, extent capital gains primarily through debt and equity investments in privately owned U.S. lower middle market companies as well as upper middle market firms.

Company Size:

Annual revenues of \$10 million to \$150 million (lower middle market) up to \$3 billion (upper middle market)

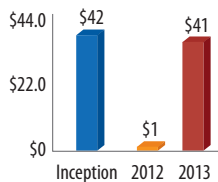
Management

Investments are managed by HMS Adviser, a Hines subsidiary, and sub-advised by Main Street Capital. Main Street provides sourcing, evaluation, negotiation and structuring for HMS's investments.

Hines – A global real estate investment firm that manages or has interests in over \$23 billion of investments. Together with its predecessor, Hines has been investing and managing real estate for over 50 years..

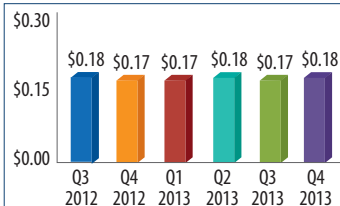
Main Street Capital – A manager of private debt and equity investments, Main Street Capital Corp. is a publicly traded BDC with a market capitalization of roughly \$1.25 billion.

Gross Offering Proceeds



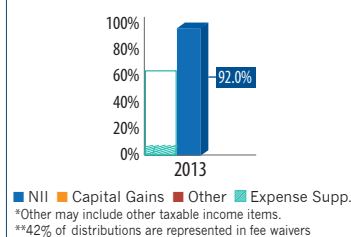
*Includes reinvested distributions (in millions)

Historical Distribution Per Share

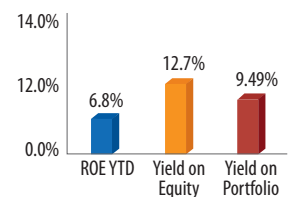


*Does not include special distributions

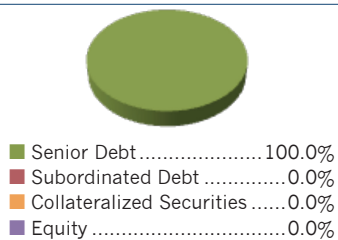
Sources of Distributions



Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

Industry	2013	2012
IT Services	11.2%	12.3%
Media	6.7%	—
Specialty Retail	6.6%	8.9
Internet Software & Services	5.9%	—
Health Care Providers & Services	5.6%	8.7%

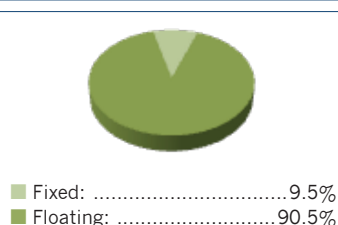
* Short-term Treasury Investments not included

Performance Returns

	2013	2012
HMS Income Fund Inc.	8.47%	10.85%
S&P/LSTA Leveraged Loan Index	5.25%	—
BofA Merrill Lynch High Yield Master II	7.42%	—

* Annualized Returns based on NAV plus reinvestment of distributions
** Limited operations for year of 2012, became effective 2/14/12

Floating vs. Fixed Rate Investments



Key Statistics

Fund Operating Expense Ratio.....	12.5%
Interest Coverage Ratio.....	6.6x
Weighted Average Interest Rate	3.0%
Leverage Ratio.....	18.0%
Taxable Income Payout Ratio.....	107%
Net Change in Assets Payout Ratio.....	86%
Expense Support % of Distribution.....	8%

Contact Information

www.HinesSecurities.com/BDCS/HMS-Income-Fund/SCDistributors
Hines Securities
 2800 Post Oak Boulevard, Suite 4700, Houston, TX 77056
 888.446.3773

* See additional notes on page 19.

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BDC Industry Review: Fourth Quarter 2013



Sierra Income Corporation

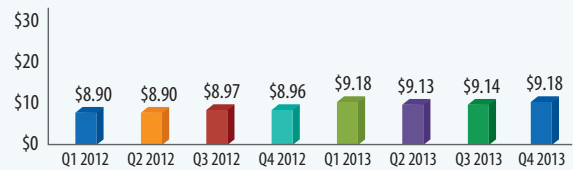
Total Assets.....	\$186.2 Million
Investments.....	\$137.8 Million
Cash & Equivalents.....	\$34.9 Million
Other.....	\$13.5 Million



Public Offering Price:	\$10.25
Current Distribution Rate*:	7.80%
Reinvestment Price Per Share:.....	90% POP
Effective Date:.....	April 16, 2012
Number of Months Effective:.....	24

*Current distribution rate based on public offering price

Historical Price (Net Asset Value)



Cash & Equivalents to Total Assets Ratio:.....	18.8%
Asset Type:	Diversified Private Debt
Number of Companies in Portfolio:	49
Sponsor/Advisor:	SIC Advisors - Medley Capital
Sub-Advisor:.....	Not Applicable
Use of Total Return Swap (TRS):	Yes
Assets of TRS:	\$25.2 Million

Investment Strategy

Strategy:

To invest primarily in debt of privately owned U.S. companies with a focus on senior secured debt, second lien debt, and to a lesser extent, subordinated debt.

Company Size:

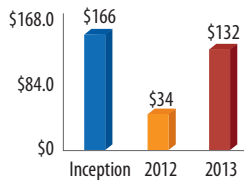
Enterprise value of \$50 million to \$4 billion

Management

Investments are sourced, underwritten and managed by SIC Advisors, Medley Capital professionals.

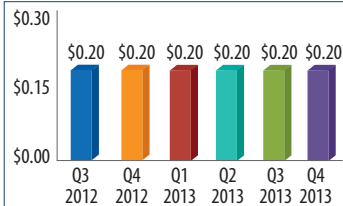
SIC Advisors - Medley Capital – Management team members bring an average of more than 20 years experience in principal finance, investment sourcing, credit analysis, transaction structuring, due diligence and investing. Medley Capital, the parent company of SIC Advisors has several private investment funds and a publicly traded BDC (Medley Capital Corporation) with combined assets of \$2.5 billion.

Gross Offering Proceeds



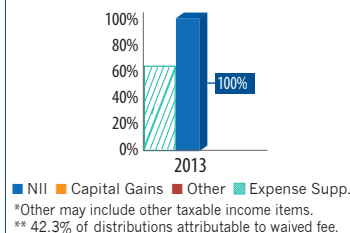
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



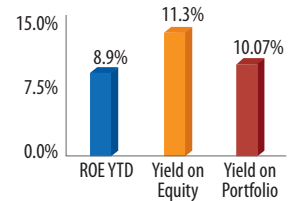
*Does not include special distributions

Sources of Distributions

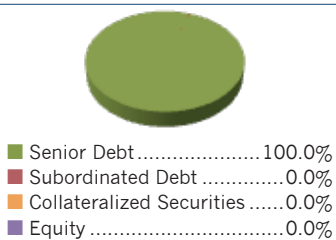


*Other may include other taxable income items.
** 42.3% of distributions attributable to waived fee.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration - Top 5 Industries

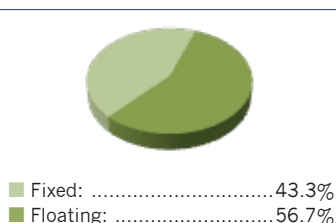
Industry	2013	2012
Oil and Gas	13.7%	10%
Telecommunications	12.4%	11%
Retail Stores	12.3%	4%
Electronics	10.2%	4%
Healthcare, Education, and Childcare	8.9%	2%

Performance Returns

	2013
Sierra Income Corporation	11.75%
S&P/LSTA Leveraged Loan Index	5.25%
BofA Merrill Lynch High Yield Master II	7.42%

* Annualized Returns based on NAV plus reinvestment of distributions
** Limited operations for year of 2012, became effective 2/14/12

Floating vs. Fixed Rate Investments



Key Statistics

Fund Operating Expense Ratio.....	9.0%
Interest Coverage Ratio.....	37.2x
Weighted Average Interest Rate	1.2%
Leverage Ratio.....	16.2%
Taxable Income Payout Ratio.....	107%
Net Change in Assets Payout Ratio.....	96%
Expense Support % of Distribution.....	65%

Contact Information

www.SierraincomeCorp.com
SC Distributors
610 Newport Center Drive
Suite #350
Newport Beach, CA 92660
(949) 706-8640

* See additional notes on page 19.

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Effective Nontraded BDCs with Limited Operating Results (Under \$45mm in Assets)

	Effective Date	Investment Style	Total Assets (in \$ Millions)	Minimum Shares Sold / Funds Released from Escrow	Gross Offering Proceeds Raised Since Inception (in \$ Millions)	Investments (in \$ Millions)	Distributions Declared	Debt on Balance Sheet
VII Peaks Co-Optivist Income BDC II, Inc.*	March 1, 2012	Diversified Private Debt	\$25.5	Yes	\$28.5	\$23.6	7.20%	None
FS Investment Corp III	December 31, 2013	Diversified Private Debt	\$0.2	Yes	\$0.2	NA	NA	NA
Triton Pacific Investment Corporation	September 4, 2012	Diversified Private Debt	\$0.8	No	NA	\$0.0	NA	NA

*VII Peaks has ceased its relationship with KBR citing financial instability with the broker dealer.



BDC Industry Review: Fourth Quarter 2013

FS Investment Corporation

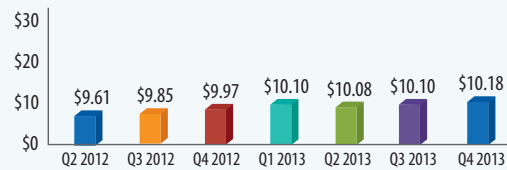
Total Assets.....\$4,444.6 Million
 Investments.....\$4,137.6 Million
 Cash & Equivalents.....\$227.3 Million
 Other.....\$79.7 Million



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

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

Historical Price (Net Asset Value)



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

Investment Strategy

Strategy:

To invest primarily in senior secured, second-lien secured and to a lesser extent subordinated debt of private U.S. companies.

Company Size:

\$50 million to \$2.5 billion in revenue.

Average Portfolio Company Size:

\$190.7 million in EBITDA

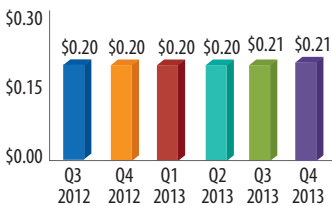
Management

Investments are sourced, underwritten and managed in a collaborative effort between Franklin Square (FS) Capital Partners and the sub-advisor, GSO Capital Partners, a Blackstone company.

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

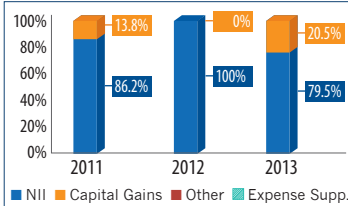
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages over \$10 billion in BDC assets.

Historical Distribution Per Share



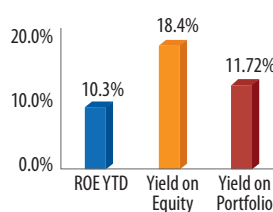
*Does not include special distributions

Sources of Distributions

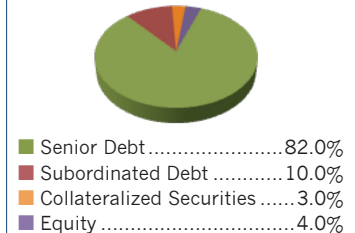


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

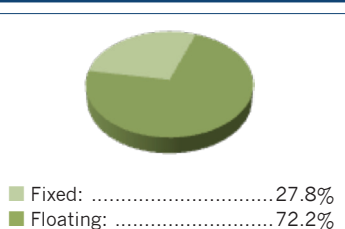
Industry	2013	2012
Capital Goods	21%	17%
Consumer Services	11%	7%
Energy	11%	11%
Software & Services	9%	9%
Commercial & Professional Services	8%	7%

Performance Returns

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

* Annualized Returns based on NAV plus reinvestment of distributions

Floating vs. Fixed Rate Investments



Key Statistics

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

Contact Information

www.FSInvestmentCorp.com
Franklin Square Capital Partners
2929 Arch Street, Suite 675
Philadelphia, PA 19104
(877) 372-9880

* See additional notes on page 19.

BDC Industry Review: Fourth Quarter 2013



FS Investment Corporation II

Total Assets.....\$3,322.0 Million
 Investments.....\$2,655.8 Million
 Cash & Equivalents.....\$581.6 Million
 Other.....\$84.6 Million



Last Offering Price:\$10.60
 Current Distribution Rate*:7.11%
 Reinvestment Price Per Share:..... Set By Board*
 Effective Date:.....February 14, 2012
 Offering Close Date:.....March 5, 2014

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

Cash & Equivalents to Total Assets Ratio:.....17.5%
 Asset Type: Diversified Private Debt
 Number of Companies in Portfolio:179
 Sponsor/Advisor: Franklin Square Capital Partners
 Sub-Advisor:..... GSO – Blackstone
 Use of Total Return Swap (TRS): No*
 Assets of TRS: Not Available

*FS Investment Corporation II terminated the TRS agreement on June 13, 2013

Historical Price (Net Asset Value)



Investment Strategy

Strategy:

To invest primarily in senior secured, second-lien secured and to a lesser extent subordinated debt of private U.S. companies.

Company Size:

\$50 million to \$2.5 billion in revenue.

Average Portfolio Company Size:

\$242.1 million in EBITDA.

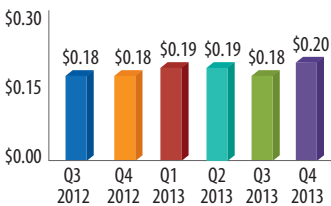
Management

Investments are sourced, underwritten and managed in a collaborative effort between Franklin Square (FS) Capital Partners and the sub-advisor, GSO Capital Partners, a Blackstone company.

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

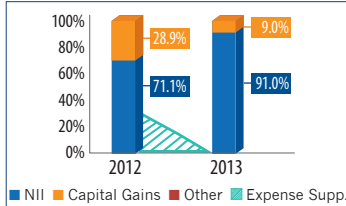
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages over \$10 billion in BDC assets.

Historical Distribution Per Share



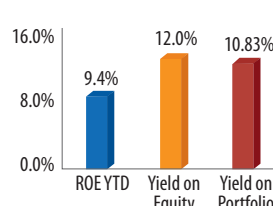
*Does not include special distributions

Sources of Distributions

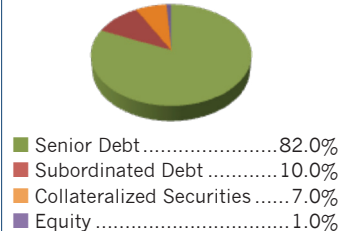


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

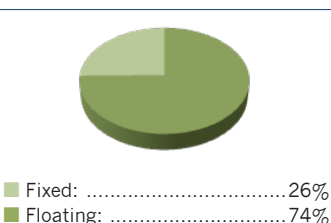
Industry	2013	2012
Energy	16%	19%
Consumer Services	15%	5%
Diversified Financials	8%	7%
Capital Goods	8%	17%
Retailing	7%	0%

Performance Returns

	2013	2012
FS Investment Corporation II	10.81%	6.11%
S&P/LSTA Leveraged Loan Index	5.25%	9.67%
BofA Merrill Lynch High Yield Master II	7.42%	15.58%

* Annualized Returns based on NAV plus reinvestment of distributions
 ** Limited operations for year of 2012, became effective 2/14/12

Floating vs. Fixed Rate Investments



Key Statistics

Total Operating Expense Ratio	4.5%
Interest Coverage Ratio	10.4x
Weighted Average Interest Rate	3.2%
Leverage Ratio	21.7%
Taxable Income Payout Ratio	110%
Net Change in Assets Payout Ratio	87%
Expense Support as % of NII	0%

Contact Information

www.FSInvestmentCorpII.com
Franklin Square Capital Partners
2929 Arch Street, Suite 675
Philadelphia, PA 19104
(877) 372-9880

* See additional notes on page 19.



Additional BDC Notes

Business Development Corporation of America

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

CION Investment Corp.

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

Corporate Capital Trust

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

FS Energy and Power Fund

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

FS Investment Corp.

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

FS Investment Corp. II

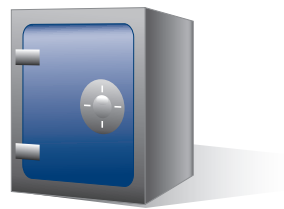
- Closed to new investors, announced March 25, 2014
- Received a BBB- rating from Standard & Poor's, announced April 1, 2014

HMS Income Fund

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

Sierra Income Corp.

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



BlueVault
P A R T N E R S , L L C

407 E. Maple St.
Suite 305
Cumming, GA 30040

Toll Free: 877-256-2304
www.BlueVaultPartners.com