

Blackstone / GSO Strategic Credit Fund  
Form N-CSRS  
September 08, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: **811-22686**

Blackstone / GSO Strategic Credit Fund

(exact name of Registrant as specified in charter)

345 Park Avenue, 31<sup>st</sup> Floor

New York, New York 10154

(Address of principal executive offices) (Zip code)

(Name and address of agent for service)

Marisa Beeney

345 Park Avenue, 31<sup>st</sup> Floor

New York, New York 10154

Registrant's telephone number, including area code: (800) 831-5776

Date of fiscal year end: December 31

Date of reporting period: January 1, 2014 June 30, 2014

Item 1. **Report to Stockholders.**

Blackstone / GSO

Senior Floating Rate Term Fund ([NYSE: BSL](#))

Long-Short Credit Income Fund ([NYSE: BGX](#))

Strategic Credit Fund ([NYSE: BGB](#))

1.877.876.1121 | [WWW.BLACKSTONE](#) [GSO.COM](#)

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June 30, 2014 (Unaudited)

**To Our Shareholders:**

Most market participants went to bed on New Year's Eve, 2013, expecting the coming year to be one of rising interest rates and the beginning of the end of the massive Federal Reserve intervention that began in 2008. Supporting that view was a benchmark 10-year U.S. Treasury bond yielding within a breath of 3.0% with estimates that it would end 2014 between 3.50% and 3.75%. Early January trading sessions brought unanticipated volatility, driven by stress in emerging markets, a disappointing Christmas in retail and other mixed economic data on the home front as "General Winter" extended an icy grip over most of the lower 48 states. A further rise in interest rates, however, did not come to pass, as the benchmark 10-year U.S. Treasury yield tightened nearly 30 basis points ( bps ) by the end of March, closing out at 2.72%, just off early February lows. Fixed income bottomed out in late May (2.45% on the 10-year) and ended the first half at just over 2.53%.<sup>1</sup>

The resilient bid for treasuries as well as for long duration investment grade corporates during much of the second quarter became a significant headwind for bank loan mutual funds as individual investors lost interest in loans, ending the record 95 consecutive weeks of inflows to loan-purposed funds. Lack of concern for rising rates, as new Federal Reserve Chair Yellen spoke of considerable slack in employment markets during the second quarter of 2014, spurred net outflows of \$5.8 billion from loan funds (as of June 30<sup>th</sup>, year-to-date bank loans experienced a total net inflow of \$1.8 billion). High yield mutual funds, however, benefited from the strong treasury bid as yields pressed lower and investors flocked to the high yield market. Through June 30<sup>th</sup>, high yield funds took in net inflows of \$7.2 billion compared to their net outflow of \$14.2 billion over the same period in 2013.

While the bank loan market experienced a waning interest from individual investors, that demand has been largely offset by near record issuance of CLOs. The U.S. CLO market hit record levels of issuance by the end of June with \$14.2 billion of demand for the month, topping the previous record high of \$14.1 billion in November 2006, and total second quarter issuance of \$39.3 billion, which far exceeded the previous record high 2Q 2006 volume of \$31.8 billion. According to JPMorgan's CLO strategists, total gross CLO issuance is expected to reach \$95 billion in 2014, surpassing 2013's total issuance of \$87.1 billion. This forecast would be the fifth consecutive year-over-year increase in CLO issuance and the second highest annual volume on record.

Bank loan supply, or issuance, remained strong throughout the first half of 2014, with gross new issuance totaling \$304.0 billion. Much of 2013 new issue volume was dominated by repricings, and while that was also true for the first few months of 2014, tightening spreads began to slow by April, with loan repricing accounting for just 26% of total issuance in the first half of 2014 versus 42% for the same period in 2013. M&A activity also increased versus last year, as the low yield environment continued to attract leveraged credit issuers to fund new leverage buyouts. Repricing activity is expected to remain low and full year bank loan issuance is forecasted at \$500 billion, according to JPMorgan.

**Total YTD Returns as of June 30, 2014**

|  |       |
|--|-------|
| US Senior Loans (S&P/LSTA Leveraged Loan Index)                            | 2.60% |
| US High Yield Bonds (Barclays High Yield Index)                            | 5.46% |
| 3-month Treasury Bills (BofA Merrill Lynch US 3-Month Treasury Bill Index) | 0.02% |

|  |       |
|--|-------|
| 10-Year Treasuries (BofA Merrill Lynch 10-Year US Treasury Index)        | 6.13% |
| US Aggregate Bonds (Barclays US Aggregate Bond Index)                    | 3.93% |
| US Investment Grade Bonds (Barclays US Corporate Investment Grade Index) | 5.68% |
| Emerging Markets (Barclays EM USD Aggregate Index)                       | 7.44% |
| US Large Cap Equities (S&P 500® Index)                                   | 7.13% |

Sources: Barclays, Bloomberg, S&P/LCD

*Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.*

Strong bank loan demand has been met with strong supply, resulting in continued tightening of bank loan spreads over the past six months as the default rate remains very low. Bank loans within the S&P/LSTA Leveraged Loan Index ( S&P LLI ) saw their average spread decline 62 bps from December of last year. The continued benign credit environment, while giving rise to the persistent contraction in credit spreads, also supports the contention that bank loans continue to represent good value. High yield bonds, as seen through the Barclays US High Yield Index ( Barclays HYI ), have also experienced compression as the average yield to maturity declined 73 bps year to date. Average prices of both asset classes increased, though the price change in high yield bonds was much more significant (+2.26%)<sup>3</sup> than the price change in bank loans (+0.73%).<sup>1</sup> We believe that bank loans will continue to provide good risk-adjusted returns and remain compelling when compared to high yield bonds.

At GSO / Blackstone, we value your continued investment and confidence in us and in our family of funds. Additional information about our funds is available on our website at [www.blackstone-gso.com](http://www.blackstone-gso.com).

**Sincerely,**

GSO / Blackstone Debt Funds Management LLC

<sup>1</sup> Bloomberg

<sup>2</sup> S&P/LSTA Leveraged Loan Index 3 Year Spread and Average Price

<sup>3</sup> Barclays US High Yield Index Yield to Maturity and Average Price

June 30, 2014 (Unaudited)

## Fund Overview

Blackstone / GSO Senior Floating Rate Term Fund ( BSL or herein, the Fund ) is a closed-end fund that trades on the New York Stock Exchange under the symbol BSL . BSL 's primary investment objective is to seek high current income, with a secondary objective to seek preservation of capital, consistent with its primary goal of high current income. Under normal market conditions, the fund invests at least 80% of its total assets in senior, secured floating rate loans ( Senior Loans ). BSL may also invest in second-lien loans and high yield bonds and employs financial leverage, which may increase risk to the fund.

## Portfolio Management Commentary

### *Fund Performance*

BSL outperformed its key benchmark, the S&P LLI, on a Net Asset Value ( NAV ) per share basis for the periods of one full year, three years, and the life of the Fund since inception, though it underperformed for the periods of three and six months. The share price of BSL also underperformed its benchmark over all of those periods due to market value fluctuations. The shares of the Fund traded at an average discount to NAV of -3.30% for the six months ending June 30.

### *NAV Performance Factors<sup>1</sup>*

The Fund benefitted from maintaining a low average cash balance over the past six months. In addition, the allocation to and performance of the Fund 's investments in Business Equipment & Services, Oil & Gas and Retailers (except food and drug) were the top industry contributors. Conversely, the Fund 's allocation to Utilities, Financial Intermediaries and Radio & Television weakened its year to date performance. The broader Utilities sector outperformed partially due to Texas Competitive Electric ( TXU ), which defaulted in April 2014 and has traded up considerably since then. However, as BSL has had no exposure to TXU, the Fund was unable to capture these gains, resulting in relative weakness in its allocation to this sector.

### *Portfolio Activity and Positioning*

Over the past six months, BSL reduced its exposure to Telecommunications and increased its exposure to Retail and Energy, Oil and Gas companies. The Fund maintained a lower cash balance compared to December 31, 2013, and increased both its first- and second-lien loan allocations. BSL shifted its portfolio to higher rated assets, adding more B1-rated credits and reducing its B3-rated assets. The portfolio, along with the rest of the Senior Loan market, continued to experience spread compression, with its average loan spread declining 31 bps from the end of 2013.

As of June 30, 2014, the Fund held just over 93% of its Managed Assets in first- and second-lien secured bank loans and around 4% in high yield bonds, with the remainder held in cash. BSL 's investments represented the obligations of 186 companies diversified across 28 distinct industries, with an average position size representing 0.48% of Managed Assets and the top five industry groups representing 44% of total holdings of the Fund. High Tech Industries and Healthcare and Pharmaceuticals continue to represent the Fund 's top industry weightings.

<sup>1</sup> *Industries per S&P/LSTA Leveraged Loan Index*

2

[www.blackstone-gso.com](http://www.blackstone-gso.com)



Blackstone / GSO Senior Floating Rate Term Fund

Fund Summary

June 30, 2014 (Unaudited)

**BSL's Portfolio Composition****BSL's Moody's Rating Distribution\*\****\*\*For more information on Moody's ratings and descriptions refer to [www.moodys.com](http://www.moodys.com).***Portfolio Characteristics**

|   |        |
|---|--------|
| Weighted Average Loan Spread <sup>^</sup> | 4.90%  |
| Weighted Average Bond Coupon              | 7.68%  |
| Current Dividend Yield                    | 6.70%  |
| Weighted Average Days to Reset            | 66     |
| Average Position*                         | 0.48%  |
| Leverage*                                 | 33.21% |

<sup>^</sup> Spread over LIBOR inclusive of LIBOR floors.

Using current dividend rate of \$0.100/share and market price/share as of June 30, 2014.

\* As a percentage of Managed Assets.

**Top 10 Holdings\***

|   |       |
|---|-------|
| U.S. Foods, Inc., Senior Secured First Lien Term Loan   | 1.43% |
| Capital Safety North America Holdings, Inc., Senior Secured First Lien Initial Term Loan      | 1.24% |
| Avaya, Inc., Senior Secured Extended First Lien Term B-3 Loan                                 | 1.21% |
| Sheridan Production Partners LP, Senior Secured Tranche B-2 First Lien Term Loan              | 1.19% |
| Sensus U.S.A., Inc. (fka Sensus Metering Systems), Senior Secured Second Lien Term Loan       | 1.09% |
| Advantage Sales & Marketing, Inc., Senior Secured Second Lien Term Loan                       | 1.09% |
| Sports Authority, Inc. (aka TSA), Senior Secured First Lien Term B Loan                       | 1.06% |
| Sandy Creek Energy Associates LP, Senior Secured First Lien Term Loan                         | 1.06% |
| Kronos, Inc. (aka Seahawk Acquisition Corp.), Senior Secured First Lien Incremental Term Loan | 1.02% |
| Inmar, Inc., Senior Secured First Lien Initial Term Loan                                      | 1.02% |

**Top 10 Holdings** **11.41%**

*Portfolio holdings and distributions are subject to change and are not recommendations to buy or sell any security.*

**Top 5 Industries\***

|                                |        |
|--------------------------------|--------|
| High Tech Industries           | 11.85% |
| Healthcare and Pharmaceuticals | 8.96%  |
| Services - Business            | 8.57%  |
| Retail                         | 8.12%  |
| Energy, Oil and Gas            | 6.64%  |

**BSL Total Return**

|                               | <b>3</b>     | <b>6</b>     | <b>1</b>    | <b>3</b>    | <b>Since</b>     |
|-------------------------------|--------------|--------------|-------------|-------------|------------------|
|                               | <b>Month</b> | <b>Month</b> | <b>Year</b> | <b>Year</b> | <b>Inception</b> |
| NAV                           | 1.24%        | 2.39%        | 6.30%       | 6.30%       | 6.97%            |
| Market Price                  | -2.99%       | -1.75%       | -4.21%      | 2.57%       | 4.16%            |
| S&P/LSTA Leveraged Loan Index | 1.38%        | 2.59%        | 5.58%       | 5.43%       | 6.17%            |

\* As a percentage of Managed Assets.

*Annualized.*

June 30, 2014 (Unaudited)

## Fund Overview

Blackstone / GSO Long Short Credit Income Fund ( BGX or herein, the Fund ) is a closed-end fund that trades on the New York Stock Exchange under the symbol BGX . BGX 's primary investment objective is to provide current income, with a secondary objective of capital appreciation. BGX will take long positions in investments which we believe offer the potential for attractive returns under various economic and interest rate environments. BGX may also take short positions in investments which we believe will under-perform due to a greater sensitivity to earnings growth of the issuer, default risk or the general level and direction of interest rates. BGX must hold no less than 70% of its Managed Assets in secured floating rate loans ( Secured Loans ), but may also invest in unsecured loans and high yield bonds. BGX may use financial leverage and derivatives in employing its long strategy for up to a total of 130% of net assets.

## Portfolio Management Commentary

### *Fund Performance*

BGX outperformed a composite weighting of the S&P LLI and the Barclays HYI (70% loans, 30% high yield bonds) on a NAV per share basis for the periods of one full year, three years, and the life of the Fund since inception, though it underperformed for the periods of three and six months. The share price of BGX outperformed its benchmark over the past three month period, though it underperformed its benchmark for the periods of six months, one year, three years, and the life of the Fund due to market value fluctuations. The shares of the Fund traded at an average discount to NAV of -6.55% for the six months ending June 30.

### *NAV Performance Factors*

BGX 's allocations to Oil & Gas and Electronics, which is synonymous with High Tech Industries, provided the highest returns when compared to the other sectors held in the portfolio. The Fund 's allocation to Publishing, which accounted for approximately 3.4% of investments over the first half of 2014, was one of the top contributors to BGX 's performance during the period. Financial Intermediaries, approximately 3.1% of the Fund 's investments, contributed the lowest return to BGX 's performance versus other portfolio sectors. Cable & Satellite companies, comprising a small allocation in the portfolio, also had a negative contribution to performance.

Similar to BSL, the Fund had no exposure to the loans or bonds issued by TXU over the past six months.

### *Portfolio Activity and Positioning*

Over the past six months, BGX increased its exposure to Energy, Oil and Gas and Retail companies, and decreased its exposure to Business Services and Healthcare and Pharmaceutical companies. The Fund maintained a lower cash balance compared to December 31, 2013, and selectively allocated more of its portfolio to Secured Loans through a reduction of its holdings of high yield bonds. BGX shifted its portfolio to higher rated assets, adding more B1-rated credits and reducing its B2 and below rated assets. The portfolio also experienced additional spread compression, with its average loan spread declining 22 bps from the end of 2013. In preparation for refinancing the Fund 's leverage structure, leverage declined from 18.7% of net assets as of December 31, 2013 to 12.2% of net assets as of June 30, 2014. A new credit facility, which replaced the Fund 's previous total return swap and securities lending program,

closed on July 29<sup>th</sup>.

As of June 30, 2014, over 81% of BGX's assets were invested in Secured Loans and 18% were invested in high yield bonds. The Fund also held a small position of 0.40% in the Ba3 rated tranche of a collateralized loan obligation. There were no short positions in the Fund as of June 30. In the aggregate, BGX's long positions represent the direct obligations of 166 companies diversified across 30 distinct industries, with an average position representing 0.54% of Managed Assets. The top five industry groups represented 45% of total holdings of the Fund.

Blackstone / GSO Long-Short Credit Income Fund

Fund Summary

June 30, 2014 (Unaudited)

**BGX's Portfolio Composition****BGX's Moody's Rating Distribution\*\***

\*\*For more information on Moody's ratings and descriptions refer to [www.moodys.com](http://www.moodys.com).

**Portfolio Characteristics**

|   |        |
|---|--------|
| Weighted Average Loan Spread <sup>^</sup> | 4.91%  |
| Weighted Average Bond Coupon              | 8.17%  |
| Current Dividend Yield                    | 6.63%  |
| Weighted Average Days to Reset            | 66     |
| Average Position*                         | 0.54%  |
| Long Positions**                          | 100%   |
| Short Positions **                        | 0%     |
| Net Positions**                           | 100%   |
| Leverage**                                | 12.19% |

<sup>^</sup> Spread over LIBOR inclusive of LIBOR floors

Using current dividend rate of \$0.098/share and market price/share as of June 30, 2014.

\* As a percentage of Managed Assets.

\*\* As a percentage of Net Assets.

Consists of swaps, securities lending and shorts, if any. See Note 10 Leverage in the Notes to Financial Statements included in this report.

**Top 10 Holdings\***

|   |       |
|---|-------|
| Resolute Energy Corp., Senior Unsecured Bond  | 1.81% |
| Armored AutoGroup, Inc. (fka Viking Acquisition, Inc. (aka Global AutoCare)), Senior Secured First Lien Term B Loan | 1.71% |
| Kronos, Inc. (aka Seahawk Acquisition Corp.), Senior Secured First Lien Incremental Term Loan                       | 1.69% |
| U.S. Foods, Inc., Senior Secured First Lien Term Loan   | 1.61% |
| Capital Safety North America Holdings, Inc., Senior Secured First Lien Initial Term Loan                            | 1.61% |
| Caesars Entertainment Operating Co. (fka Harrah's/Corner Investment), Senior Secured First Lien Term B Loan         | 1.51% |
| Sensus U.S.A., Inc. (fka Sensus Metering Systems), Senior Secured Second Lien Term Loan                             | 1.36% |

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|   |               |
|---|---------------|
| Fibertech Networks LLC (aka Firefox), Senior Secured First Lien Term Loan | 1.25%         |
| PDC Energy, Inc., Senior Unsecured Bond                                   | 1.22%         |
| J. Crew Group, Inc., Senior Secured First Lien Initial Term Loan          | 1.22%         |
| <b>Top 10 Holdings</b>  | <b>14.99%</b> |

*Portfolio holdings and distributions are subject to change and are not recommendations to buy or sell any security.*

**Top 5 Industries\***

|                                |        |
|--------------------------------|--------|
| Energy, Oil and Gas            | 10.77% |
| High Tech Industries           | 10.55% |
| Retail                         | 8.27%  |
| Telecommunications             | 7.96%  |
| Healthcare and Pharmaceuticals | 7.38%  |

**BGX Total Return**

|  | <b>3</b>     | <b>6</b>     | <b>1</b>    | <b>3</b>     | <b>Since</b>     |
|--|--------------|--------------|-------------|--------------|------------------|
|  | <b>Month</b> | <b>Month</b> | <b>Year</b> | <b>Years</b> | <b>Inception</b> |
| NAV  | 1.50%        | 3.07%        | 8.18%       | 7.63%        | 7.05%            |
| Market Price   | 2.35%        | 2.64%        | -3.01%      | 3.65%        | 3.44%            |
| 70% S&P/LSTA Leveraged Loan Index & 30% Barclays US High Yield Index | 1.69%        | 3.45%        | 7.40%       | 6.65%        | 6.21%            |

\* As a percentage of Managed Assets.  
Annualized.

June 30, 2014 (Unaudited)

## Fund Overview

Blackstone / GSO Strategic Credit Fund ( BGB or herein, the Fund ) is a closed-end fund that trades on the New York Stock Exchange under the symbol BGB . BGB 's primary investment objective is to seek high current income, with a secondary objective to seek preservation of capital, consistent with its primary goal of high current income. BGB invests primarily in a diversified portfolio of loans and other fixed income instruments of predominantly US Corporate issuers, including first- and second-lien loans ( Senior Secured Loans ) and high yield corporate bonds of varying maturities. BGB must hold no less than 80% of its Managed Assets in credit investments comprised of corporate fixed income instruments and other investments (including derivatives) with similar economic characteristics.

## Portfolio Management Commentary

### *Fund Performance*

BGB outperformed a composite weighting of the S&P LLI and the Barclays HYI (75% loans, 25% high yield bonds) on a NAV per share basis for the periods of three months, six months, full year, and the life of the Fund since inception. On a share price basis, the Fund also outperformed its benchmark over the past three and six months, though it underperformed over the periods of one year and the life of the fund since inception due to market value fluctuations. The shares of the Fund traded at an average discount to NAV of -6.89% for the six months ending June 30.

### *NAV Performance Factors*

BGB 's allocations to Telecommunications, Oil & Gas, and Electronics and Business Equipment & Services companies, which are synonymous with High Tech Industries and Services - Business, provided the highest returns when compared to the other sectors held in the portfolio. Nonferrous Metals/Minerals and Home Furnishings contributed some of the lowest returns to BGB 's performance versus other portfolio sectors.

Similar to BSL and BGX, the Fund had no exposure to the loans or bonds issued by TXU.

### *Portfolio Activity and Positioning*

Over the past six months, BGB continued to decrease its exposure to Healthcare and Pharmaceuticals and increased its exposure to Retail companies. The Fund increased leverage slightly and maintained a lower cash balance compared to December 31, 2013. BGB shifted its portfolio to higher rated assets, adding more B1-rated credits and reducing its B2/B3-rated assets. The portfolio also experienced additional spread compression, with its average loan spread declining 12 bps from the end of 2013.

As of June 30, 2014, approximately 75% of BGB 's assets were invested in Senior Secured Loans, 23% were invested in high yield bonds, and the remainder was held in cash. In the aggregate, BGB 's investments represent the direct obligations of 310 companies diversified across 31 distinct industries, with an average position representing 0.28% of Managed Assets. The top five industry groups represented 43% of total holdings of the Fund.





Blackstone / GSO Strategic Credit Fund

Fund Summary

June 30, 2014 (Unaudited)

**BGB's Portfolio Composition****BGB's Moody's Rating Distribution\*\***

\*\*For more information on Moody's ratings and descriptions refer to [www.moodys.com](http://www.moodys.com).

**Portfolio Characteristics**

|   |        |
|---|--------|
| Weighted Average Loan Spread <sup>^</sup> | 5.12%  |
| Weighted Average Bond Coupon              | 7.44%  |
| Current Dividend Yield                    | 7.09%  |
| Weighted Average Days to Reset on Loans   | 60     |
| Average Position*                         | 0.28%  |
| Leverage*                                 | 32.24% |

<sup>^</sup> Spread over LIBOR inclusive of LIBOR floors.

Using current dividend rate of \$0.105/share and market price/share as of June 30, 2014.

\* As a percentage of Managed Assets.

**Top 10 Holdings\***

|   |              |
|---|--------------|
| Smart & Final Stores LLC, Senior Secured First Lien Term Loan   | 1.21%        |
| Blackboard, Inc., Senior Secured First Lien Term B-3 Loan   | 1.01%        |
| Bway Corp. (aka ICL Industrial Containers), Senior Secured First Lien Term B Loan                           | 0.95%        |
| Pinnacle Operating Corp., Senior Secured First Lien Term B Loan   | 0.88%        |
| Viasystems, Inc., Senior Unsecured Bond   | 0.84%        |
| Caesars Entertainment Operating Co. (fka Harrah's/Corner Investment), Senior Secured First Lien Term B Loan | 0.84%        |
| Kronos, Inc. (aka Seahawk Acquisition Corp.), Senior Secured First Lien Incremental Term Loan               | 0.83%        |
| U.S. Foods, Inc., Senior Secured First Lien Term Loan   | 0.82%        |
| Multi Packaging Solutions, Inc., Senior Secured First Lien Initial Tranche B Term Loan                      | 0.81%        |
| PQ Corp., Senior Secured First Lien Term Loan   | 0.78%        |
| <b>Top 10 Holdings</b>  | <b>8.97%</b> |

*Portfolio holdings and distributions are subject to change and are not recommendations to buy or sell any security.*

**Top 5 Industries\***

|                      |        |
|----------------------|--------|
| High Tech Industries | 13.53% |
| Energy, Oil and Gas  | 9.03%  |
| Services - Business  | 7.26%  |
| Retail               | 7.10%  |
| Telecommunications   | 6.50%  |

**BGB Total Return**

|  | <b>3</b>     | <b>6</b>     | <b>1</b>    | <b>Since</b>     |
|--|--------------|--------------|-------------|------------------|
|  | <b>Month</b> | <b>Month</b> | <b>Year</b> | <b>Inception</b> |
| NAV  | 1.84%        | 4.09%        | 8.67%       | 7.62%            |
| Market Price   | 2.07%        | 3.53%        | 1.59%       | 0.36%            |
| 75% S&P/LSTA Leveraged Loan Index & 25% Barclays US High Yield Index | 1.64%        | 3.31%        | 7.10%       | 6.36%            |

\* *As a percentage of Managed Assets.  
Annualized*

Blackstone / GSO Senior Floating Rate Term Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|  | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|--|-----------------------------|---------------------|
| <b>FLOATING RATE LOAN INTERESTS<sup>(a)</sup> - 139.21%</b>  |                             |                     |
| <b>Aerospace and Defense - 3.71%</b>   |                             |                     |
| Cadence Aerospace LLC, Senior Secured First Lien Term Loan, 6.500%, 05/09/2018                           | \$444,349                   | \$445,460           |
| DAE Aviation Holdings, Inc., Senior Secured First Lien Tranche B-1 Term Loan, 5.000%, 11/02/2018         | 1,072,147                   | 1,084,879           |
| DAE Aviation Holdings, Inc., Senior Secured First Lien Tranche B-2 Term Loan, 5.000%, 11/02/2018         | 486,040                     | 491,812             |
| Landmark Aviation (LM U.S. Member LLC), Senior Secured First Lien Canadian Term Loan, 4.750%, 10/25/2019 | 156,026                     | 156,455             |
| Landmark Aviation (LM U.S. Member LLC), Senior Secured First Lien Initial Term Loan, 4.750%, 10/25/2019  | 2,306,896                   | 2,313,240           |
| Landmark Aviation (LM U.S. Member LLC), Senior Secured Second Lien Initial Term Loan, 9.500%, 10/26/2020 | 1,021,739                   | 1,031,956           |
| Paradigm Precision Group, Senior Secured First Lien Term Loan, 5.500%, 12/02/2020                        | 1,865,625                   | 1,856,297           |
| Sequa Corp., Senior Secured First Lien Initial Term Loan, 5.250%, 06/19/2017                             | 3,411,567                   | 3,386,339           |
|  |                             | 10,766,438          |
| <b>Automotive - 2.64%</b>  |                             |                     |
| Affinia Group, Inc., Senior Secured Tranche B-2 First Lien Term Loan, 4.750%, 04/25/2020                 | 2,097,521                   | 2,121,118           |
| Grede II Holdings LLC, Senior Secured First Lien Initial Term Loan, L+3.75%, 06/02/2021 <sup>(b)</sup>   | 689,655                     | 693,821             |
| Mitchell International, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 10/13/2020            | 3,980,000                   | 4,003,203           |
| TI Group Automotive Systems LLC, Senior Secured First Lien Additional Term Loan, 5.500%, 03/28/2019      | 854,567                     | 856,439             |
|  |                             | 7,674,581           |
| <b>Banking, Finance and Real Estate - 6.38%</b>  |                             |                     |
| Alliant Holdings I, Inc., Senior Secured First Lien Term B Loan, 4.250%, 12/20/2019                      | 2,869,144                   | 2,877,751           |
| AmWins Group LLC, Senior Secured First Lien Term Loan, 5.000%, 09/06/2019                                | 2,680,641                   | 2,690,693           |
| AssuredPartners Capital, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 04/02/2021           | 1,573,770                   | 1,579,428           |
| Asurion LLC, Senior Secured Second Lien Term Loan, 8.500%, 03/03/2021                                    | 425,532                     | 442,287             |

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|  |           |            |
|--|-----------|------------|
| Asurion LLC, Senior Secured Tranche B-1 First Lien Incremental Term Loan, 5.000%, 05/24/2019                   | 2,182,999 | 2,199,601  |
| Cunningham Lindsey Corp., Senior Secured First Lien Initial Term Loan, 5.000%, 12/10/2019                      | 2,955,000 | 2,950,065  |
| HUB International Ltd., Senior Secured First Lien Initial Term Loan, 4.250%, 10/02/2020                        | 1,401,194 | 1,405,573  |
| Interactive Data Corp., Senior Secured First Lien Term Loan, 4.750%, 05/02/2021                                | 2,774,645 | 2,802,406  |
| Opal Acquisition, Inc. (aka One Call Medical, Inc.), Senior Secured First Lien Term B Loan, 5.000%, 11/27/2020 | 1,572,738 | 1,578,879  |
|  |           | 18,526,683 |

**Beverage, Food and Tobacco - 5.41%**

|  |           |            |
|--|-----------|------------|
| Brasa Holdings, Inc., Senior Secured First Lien Term B Loan, 5.000%, 07/19/2019        | 2,128,750 | 2,132,294  |
| CEC Entertainment, Inc., Senior Secured First Lien Term B Loan, 4.250%, 02/14/2021     | 2,732,283 | 2,718,621  |
| Dole Food Co., Inc., Senior Secured First Lien Tranche B Term Loan, 4.500%, 11/01/2018 | 1,738,639 | 1,743,707  |
| Supervalu, Inc., Senior Secured First Lien Term Loan, 4.500%, 03/21/2019               | 2,918,523 | 2,919,807  |
| U.S. Foods, Inc., Senior Secured First Lien Term Loan, 4.500%, 03/29/2019              | 6,186,444 | 6,204,106  |
|  |           | 15,718,535 |

**Capital Equipment - 3.26%**

|   |           |           |
|---|-----------|-----------|
| BakerCorp International, Inc., Senior Secured First Lien Replacement Term Loan, 4.250%, 02/07/2020          | 2,466,363 | 2,438,628 |
| Sensus U.S.A., Inc. (fka Sensus Metering Systems), Senior Secured First Lien Term Loan, 4.750%, 05/09/2017  | 884,812   | 890,156   |
| Sensus U.S.A., Inc. (fka Sensus Metering Systems), Senior Secured Second Lien Term Loan, 8.500%, 05/09/2018 | 4,714,286 | 4,743,750 |

Blackstone / GSO Senior Floating Rate Term Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|---|-----------------------------|---------------------|
| <b>Capital Equipment (continued)</b>  |                             |                     |
| SunSource Holdings, Senior Secured First Lien Term Loan, 4.750%, 02/12/2021   | \$1,391,860                 | \$1,400,128         |
|   |                             | 9,472,662           |
| <b>Chemicals, Plastics and Rubber - 5.19%</b>   |                             |                     |
| Albaugh, Inc., Senior Secured First Lien Initial Term Loan, 6.000%, 05/31/2021  | 3,000,000                   | 2,943,750           |
| American Pacific Corp., Senior Secured First Lien Initial Term Loan, 7.000%,<br>02/27/2019                              | 997,500                     | 1,012,463           |
| Nexeo Solutions LLC (aka Ashland Distribution), Senior Secured First Lien Initial<br>Term Loan, 5.000%, 09/08/2017      | 3,225,000                   | 3,233,063           |
| Pinnacle Operating Corp., Senior Secured First Lien Term B Loan, 4.750%,<br>11/15/2018                                  | 3,043,396                   | 3,060,515           |
| PQ Corp., Senior Secured First Lien Term Loan, 4.000%, 08/07/2017   | 1,471,266                   | 1,477,857           |
| U.S. Coatings Acquisition, Inc., Senior Secured First Lien Term Loan, 4.000%,<br>02/03/2020                             | 2,492,308                   | 2,496,669           |
| WTG Holdings III Corp., Senior Secured First Lien Term Loan, 4.750%,<br>01/15/2021                                      | 846,809                     | 849,628             |
|   |                             | 15,073,945          |
| <b>Construction and Building - 3.43%</b>  |                             |                     |
| PlyGem Industries, Inc., Senior Secured First Lien Term Loan, 4.000%, 02/01/2021  | 804,435                     | 800,614             |
| Quikrete Holdings, Inc., Senior Secured First Lien Initial Term Loan, 4.000%,<br>09/28/2020                             | 3,155,084                   | 3,163,713           |
| Rexnord LLC, Senior Secured First Lien Term B Loan, 4.000%, 08/21/2020  | 2,977,500                   | 2,979,554           |
| Road Infrastructure Investment LLC, Senior Secured First Lien Term Loan,<br>4.250%, 03/31/2021                          | 868,790                     | 869,516             |
| SRS Distribution, Inc., Senior Secured First Lien Term Loan, 4.750%, 08/28/2019   | 2,136,316                   | 2,142,992           |
|   |                             | 9,956,389           |
| <b>Consumer Goods Durable - 4.39%</b>   |                             |                     |
| AOT Bedding Super Holdings LLC (aka National Bedding/Serta), Senior Secured<br>First Lien Term Loan, 4.250%, 10/01/2019 | 2,624,479                   | 2,633,993           |
| Apex Tool Group LLC, Senior Secured First Lien Term Loan, 4.500%, 01/31/2020  | 1,054,612                   | 1,044,065           |
| Capital Safety North America Holdings, Inc., Senior Secured First Lien Initial<br>Term Loan, 4.000%, 03/29/2021         | 5,422,987                   | 5,397,553           |

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|   |           |            |
|---|-----------|------------|
| Fender Musical Instruments Corp., Senior Secured First Lien Initial Term Loan, 5.750%, 04/03/2019 | 423,810   | 428,048    |
| Hillman Group, Inc., Senior Secured First Lien Term B Loan, L+3.50%, 06/30/2021 <sup>(b)</sup>    | 575,658   | 578,896    |
| MModal, Inc., Senior Secured First Lien Term B Loan, 9.000%, 08/17/2019                           | 3,339,879 | 2,646,854  |
|   |           | 12,729,409 |

**Consumer Goods Non Durable - 2.82%**

|   |           |           |
|---|-----------|-----------|
| Acosta Sales and Marketing Co., Senior Secured First Lien Term B Loan, 4.250%, 03/02/2018   | 1,088,171 | 1,094,564 |
| Armored AutoGroup, Inc. (fka Viking Acquisition, Inc. (aka Global Autocare)), Senior Secured First Lien Term B Loan, 6.000%, 11/05/2016 | 1,667,047 | 1,676,416 |
| Bauer Performance Sports Ltd., Senior Secured First Lien Initial Term Loan, 4.500%, 04/15/2021  | 991,372   | 994,163   |
| Inmar, Inc., Senior Secured First Lien Initial Term Loan, 4.250%, 01/27/2021  | 4,454,545 | 4,415,568 |
|   |           | 8,180,711 |

**Containers, Packaging and Glass - 4.97%**

|   |           |           |
|---|-----------|-----------|
| Berlin Packaging LLC, Senior Secured First Lien Term Loan, 4.750%, 04/02/2019                                 | 1,756,452 | 1,771,276 |
| Exopack LLC, Senior Secured First Lien Term Loan, 5.250%, 05/08/2019  | 746,250   | 759,078   |
| Husky Injection Molding Systems Ltd., Senior Secured First Lien Term Loan, L+3.25%, 06/26/2021 <sup>(b)</sup> | 424,528   | 425,961   |
| Multi Packaging Solutions, Inc., Senior Secured First Lien Initial Tranche B Term Loan, 4.250%, 09/30/2020    | 3,082,875 | 3,092,509 |
| Pelican Products, Inc., Senior Secured First Lien Term Loan, 5.250%, 04/10/2020                               | 451,023   | 455,533   |
| Polarpak, Inc., Senior Secured First Lien Canadian Borrower Term Loan, 4.500%, 06/07/2020                     | 2,378,933 | 2,386,368 |
| Ranpak Corp., Senior Secured First Lien Term Loan, 4.500%, 04/23/2019   | 465,133   | 468,040   |
| Ranpak Corp., Senior Secured Second Lien Term Loan, 8.500%, 04/23/2020  | 2,000,000 | 2,042,500 |

Blackstone / GSO Senior Floating Rate Term Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|---|-----------------------------|---------------------|
| <b>Containers, Packaging and Glass (continued)</b>  |                             |                     |
| Reynolds Group Holdings, Inc., Senior Secured First Lien Term Loan, 4.000%,<br>12/01/2018               | \$1,507,600                 | \$1,511,769         |
| WNA Holdings, Inc., Senior Secured First Lien Term Loan, 4.500%, 06/07/2020                             | 1,516,052                   | 1,520,789           |
|   |                             | 14,433,823          |
| <b>Energy Electricity - 1.75%</b>   |                             |                     |
| La Frontera Generation LLC, Senior Secured First Lien Term Loan, 4.500%,<br>09/30/2020                  | 3,072,125                   | 3,087,102           |
| Star West Generation LLC, Senior Secured First Lien Term B Advance Loan,<br>4.250%, 03/13/2020          | 1,984,118                   | 1,991,568           |
|   |                             | 5,078,670           |
| <b>Energy, Oil and Gas - 8.84%</b>  |                             |                     |
| BBTS Borrower LP, Senior Secured First Lien Term Loan, 7.750%, 06/04/2019                               | 3,751,760                   | 3,792,560           |
| CITGO Petroleum Corp., Senior Secured First Lien Term B Loan, 8.000%,<br>06/24/2015                     | 339,927                     | 343,185             |
| CITGO Petroleum Corp., Senior Secured First Lien Term C Loan, 9.000%,<br>06/26/2017                     | 1,255,750                   | 1,276,677           |
| Crestwood Holdings LLC, Senior Secured Tranche B-1 First Lien Term Loan,<br>7.000%, 06/19/2019          | 2,609,887                   | 2,656,382           |
| Jonah Energy, Inc., Senior Secured Second Lien Initial Term Loan, 7.500%,<br>05/12/2021                 | 2,000,000                   | 2,020,840           |
| Sheridan Production Partners LP, Senior Secured Tranche B-2 First Lien Term Loan:<br>4.250%, 10/01/2019 | 415,801                     | 417,535             |
| 4.250%, 10/01/2019  | 680,741                     | 683,580             |
| 4.250%, 10/01/2019  | 5,137,353                   | 5,158,776           |
| Teine Energy Ltd., Senior Secured First Lien Term Loan, 7.500%, 05/17/2019                              | 2,715,625                   | 2,752,965           |
| Templar Energy LLC, Senior Secured Second Lien Term Loan, L+7.00%,<br>11/25/2020 <sup>(b)</sup>         | 3,000,000                   | 2,985,000           |
| Utex Industries, Inc., Senior Secured First Lien Initial Term Loan, 5.000%,<br>05/24/2021               | 1,923,077                   | 1,949,519           |
| W3 Co., Senior Secured First Lien Term Loan, 5.750%, 03/13/2020   | 1,649,922                   | 1,627,236           |
|   |                             | 25,664,255          |

**Environmental Industries - 1.63%**

|  |           |           |
|--|-----------|-----------|
| ADS Waste Holdings, Inc., Senior Secured First Lien Tranche B-2 Term Loan, 3.750%, 10/09/2019        | 2,523,153 | 2,514,990 |
| EnergySolutions LLC, Senior Secured First Lien Advance Term Loan, L+5.75%, 05/29/2020 <sup>(b)</sup> | 2,181,818 | 2,209,997 |
|  |           | 4,724,987 |

**Forest Products and Paper - 0.28%**

|   |         |         |
|---|---------|---------|
| WS Packaging Group, Inc., Senior Secured First Lien Term Loan, 5.004%, 08/09/2019 | 819,433 | 817,896 |
|---|---------|---------|

**Healthcare and Pharmaceuticals - 13.27%**

|   |           |           |
|---|-----------|-----------|
| Accellent, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 03/12/2021                                    | 2,432,927 | 2,428,377 |
| Alvogen Pharmaceuticals U.S., Inc., Senior Secured First Lien Term Loan, 7.000%, 05/23/2018                         | 2,761,969 | 2,820,661 |
| BSN Medical, Inc., Senior Secured First Lien Term B1 Loan, 4.000%, 08/28/2019                                       | 2,645,520 | 2,652,147 |
| CHG Buyer Corp., Senior Secured First Lien Term Loan, 4.250%, 11/19/2019  | 738,036   | 742,339   |
| Convatec, Inc. (aka Cidron Healthcare, Ltd.), Senior Secured First Lien Dollar Term Loan, 4.000%, 12/22/2016        | 1,588,110 | 1,592,080 |
| Ikaria Acquisition, Inc., Senior Secured First Lien Term Loan, 5.000%, 02/12/2021                                   | 2,130,435 | 2,147,478 |
| Medpace, Inc., Senior Secured First Lien Initial Term Loan, 5.000%, 04/01/2021                                      | 1,175,676 | 1,181,066 |
| National Mentor Holdings, Inc., Senior Secured First Lien Initial Tranche B Term Loan, 4.750%, 01/29/2021           | 1,085,363 | 1,093,167 |
| Onex Carestream Finance LP, Senior Secured First Lien Term Loan, 5.000%, 06/07/2019                                 | 4,063,524 | 4,076,223 |
| Par Pharmaceutical Companies, Inc., Senior Secured First Lien Term B-2 Loan, 4.000%, 09/30/2019                     | 1,402,326 | 1,402,326 |
| Pharmaceutical Product Development, Inc. (Jaguar AKA PPDI), Senior Secured First Lien Term Loan, 4.000%, 12/05/2018 | 2,165,412 | 2,174,041 |
| Phillips-Medisize Corp., Senior Secured First Lien Initial Term Loan, L+3.75%, 06/16/2021 <sup>(b)</sup>            | 344,828   | 345,690   |
| PRA Holdings, Inc., Senior Secured First Lien Tranche B-1 Term Loan, 4.500%, 09/23/2020                             | 3,748,304 | 3,736,591 |



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Portfolio of Investments

June 30, 2014 (Unaudited)

|   | Principal<br>Amount | Market Value |
|---|---------------------|--------------|
| <b>Healthcare and Pharmaceuticals (continued)</b>   |                     |              |
| Prescrix, Inc. (Devix/Rexam Health), Senior Secured First Lien Term B Loan, 4.250%, 05/03/2021                    | \$266,667           | \$267,668    |
| Progressive Solutions LLC, Senior Secured First Lien Initial Term Loan, L+4.50%, 10/22/2020 <sup>(b)</sup>        | 1,744,898           | 1,752,532    |
| Sheridan Holdings, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 06/29/2018                          | 2,301,868           | 2,305,321    |
| Smile Brands Group, Inc., Senior Secured First Lien Term B Loan, 7.500%, 08/16/2019                               | 4,025,911           | 3,925,263    |
| Surgery Center Holdings, Inc., Senior Secured First Lien Term Loan, 6.000%, 04/11/2019                            | 1,892,647           | 1,892,647    |
| Surgical Care Affiliates LLC, Senior Secured First Lien Class C Incremental Term Loan, 4.000%, 06/29/2018         | 1,980,000           | 1,980,000    |
|   |                     | 38,515,617   |
| <b>High Tech Industries - 16.97%</b>  |                     |              |
| Applied Systems, Inc., Senior Secured First Lien Initial Term Loan, 4.250%, 01/25/2021                            | 1,243,750           | 1,249,676    |
| Ascend Learning LLC, Senior Secured First Lien Term Loan, L+5.00%, 07/31/2019 <sup>(b)</sup>                      | 393,323             | 398,733      |
| Aspect Software, Inc., Senior Secured Tranche B First Lien Term Loan, 7.250%, 05/07/2016                          | 2,540,598           | 2,569,193    |
| Avago Technologies Ltd., Senior Secured First Lien Term Loan, 3.750%, 05/06/2021                                  | 2,578,125           | 2,589,108    |
| Blackboard, Inc., Senior Secured First Lien Term B-3 Loan, 4.750%, 10/04/2018                                     | 2,955,206           | 2,979,217    |
| Blue Coat Systems, Inc., Senior Secured First Lien Term Loan, 4.000%, 05/31/2019                                  | 2,462,587           | 2,468,227    |
| Dell International LLC, Senior Secured First Lien Term B Loan, 4.500%, 04/29/2020                                 | 2,487,500           | 2,503,756    |
| Flexera Software LLC, Senior Secured First Lien Term Loan, 4.500%, 04/02/2020                                     | 2,000,000           | 2,003,330    |
| Freescale Semiconductor, Inc., Senior Secured First Lien Term Loan, 4.250%, 02/28/2020                            | 990,012             | 991,457      |
| Go Daddy Operating Company, LLC, Senior Secured First Lien Initial Term Loan, 4.750%, 05/13/2021                  | 1,933,333           | 1,927,292    |
| Hyland Software, Inc., Senior Secured First Lien Initial Term Loan, 4.750%, 02/19/2021                            | 1,942,672           | 1,957,261    |
| Kronos, Inc. (aka Seahawk Acquisition Corp.), Senior Secured First Lien Incremental Term Loan, 4.500%, 10/30/2019 | 4,401,851           | 4,443,119    |
| M/A-Com Technology Solutions Holdings, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 05/07/2021      | 2,307,692           | 2,327,885    |
| Peak 10, Inc., Senior Secured First Lien Term Loan, 5.000%, 06/17/2021  | 2,727,273           | 2,740,909    |
| Ship Luxco 3 S.A.R.L. (aka RBS WorldPay), Senior Secured Facility B2A First Lien Term Loan, 5.250%, 11/29/2019    | 1,522,144           | 1,537,366    |

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|  |           |            |
|--|-----------|------------|
| Sophia, L.P., Senior Secured First Lien Term B-1 Loan, 4.000%, 07/19/2018          | 1,957,954 | 1,961,801  |
| Technicolor S.A., Senior Secured First Lien Term Loan, 5.500%, 07/11/2020          | 3,321,569 | 3,367,257  |
| Telx Group, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 04/09/2020  | 1,500,000 | 1,503,562  |
| The Petroleum Place, Inc., Senior Secured First Lien Term Loan, 5.000%, 10/30/2020 | 2,842,857 | 2,860,625  |
| Vertafore, Inc., Senior Secured First Lien Term Loan, 4.250%, 10/03/2019           | 3,800,711 | 3,814,489  |
| Vertafore, Inc., Senior Secured Second Lien Term Loan, 9.750%, 10/27/2017          | 3,000,000 | 3,067,500  |
|  |           | 49,261,763 |

**Hotels, Gaming and Leisure - 5.29%**

|   |           |            |
|---|-----------|------------|
| Alpha Topco Ltd. (Formula One), Senior Secured First Lien New Facility Term B Loan, 4.500%, 04/30/2019  | 3,809,163 | 3,822,914  |
| Caesars Entertainment Operating Co. (fka Harrah s/Corner Investment), Senior Secured First Lien Term B Loan, 7.000%, 10/12/2020                   | 4,118,837 | 4,151,026  |
| Caesars Entertainment Operating Co. (fka Harrah s/Corner Investment), Senior Secured First Lien Term B-5 Loan, L+4.25%, 01/28/2018 <sup>(b)</sup> | 2,771,155 | 2,564,482  |
| Caesars Entertainment Operating Co. (fka Harrah s/Corner Investment), Senior Secured First Lien Term B-6 Loan, L+5.25%, 01/28/2018 <sup>(b)</sup> | 918,033   | 858,650    |
| Corner Investment Propco LLC, Senior Secured First Lien Term B Loan, 11.000%, 11/04/2019  | 2,000,000 | 2,060,000  |
| Stadium Management Corp., Senior Secured First Lien Term Loan, 4.500%, 02/25/2020   | 1,877,378 | 1,884,418  |
|   |           | 15,341,490 |

**Media Advertising, Printing and Publishing - 1.85%**

|   |           |           |
|---|-----------|-----------|
| Penton Media, Inc., Senior Secured First Lien Term B Loan, 5.500%, 10/03/2019 | 2,382,000 | 2,406,415 |
|---|-----------|-----------|

Blackstone / GSO Senior Floating Rate Term Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|---|-----------------------------|---------------------|
| <b>Media Advertising, Printing and Publishing (continued)</b>   |                             |                     |
| Southern Graphics, Inc., Senior Secured First Lien Term Loan, 4.250%, 10/17/2019                        | \$2,952,292                 | \$2,961,518         |
|   |                             | 5,367,933           |
| <b>Media Broadcasting and Subscription - 2.45%</b>  |                             |                     |
| Entercom Radio LLC, Senior Secured First Lien Term B-2 Loan, 4.000%,<br>11/23/2018                      | 1,249,671                   | 1,258,000           |
| Hubbard Radio LLC, Senior Secured First Lien Tranche 1 Term Loan, 4.500%,<br>04/29/2019                 | 2,659,395                   | 2,668,264           |
| RCN Corp., Senior Secured First Lien Term B Loan, 4.500%, 03/01/2020                                    | 1,806,859                   | 1,819,001           |
| Univision Communications, Inc., Senior Secured First Lien Incremental Loan,<br>4.000%, 03/01/2020       | 1,356,199                   | 1,357,806           |
|   |                             | 7,103,071           |
| <b>Media Diversified and Production - 0.29%</b>   |                             |                     |
| Lion s Gate Entertainment Corp., Senior Secured Second Lien Term Loan, 5.000%,<br>07/20/2020            | 833,333                     | 847,646             |
| <b>Metals and Mining - 0.80%</b>  |                             |                     |
| McJunkin Red Man Corp., Senior Secured First Lien Term Loan, 5.000%,<br>11/09/2019                      | 2,306,892                   | 2,324,920           |
| <b>Retail - 12.13%</b>  |                             |                     |
| Academy Ltd., Senior Secured First Lien Initial Term Loan, 4.500%, 08/03/2018                           | 2,921,709                   | 2,935,106           |
| Albertson s LLC, Senior Secured First Lien Term B Loan, L+3.75%, 06/24/2020                             | 2,500,000                   | 2,510,163           |
| Albertson s LLC, Senior Secured First Lien Term B-2 Loan, 4.750%, 03/21/2019                            | 1,148,084                   | 1,155,736           |
| Burlington Coat Factory Warehouse Corp., Senior Secured First Lien Term B-2<br>Loan, 4.250%, 02/23/2017 | 2,090,727                   | 2,106,408           |
| Container Store, Inc., Senior Secured First Lien Term B-3 Loan, 4.250%,<br>04/08/2019                   | 2,775,900                   | 2,775,900           |
| DBP Holdings Corp., Senior Secured First Lien Initial Term Loan, 5.000%,<br>10/11/2019                  | 1,246,234                   | 1,209,158           |
| Hudson s Bay Co., Senior Secured First Lien Initial Term Loan, 4.750%,<br>11/04/2020                    | 2,775,000                   | 2,813,156           |
| J. Crew Group, Inc., Senior Secured First Lien Initial Term Loan, 4.000%,<br>03/05/2021                 | 4,185,978                   | 4,136,918           |

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|  |           |            |
|--|-----------|------------|
| Neiman Marcus Group Ltd. LLC, Senior Secured First Lien Other Term Loan, 4.250%, 10/25/2020                  | 1,765,334 | 1,763,974  |
| Nine West Holdings, Inc., Senior Secured First Lien Initial Term Loan, 4.750%, 10/08/2019                    | 1,200,000 | 1,207,914  |
| Party City Holdings, Inc., Senior Secured First Lien Term Loan, 4.000%, 07/29/2019                           | 1,050,279 | 1,045,522  |
| Payless, Inc. (aka Collective Brands Finance, Inc.), Senior Secured First Lien Term Loan, 5.000%, 03/11/2021 | 2,009,502 | 2,018,284  |
| Smart & Final Stores LLC, Senior Secured First Lien Term Loan, 4.750%, 11/15/2019                            | 3,424,461 | 3,438,159  |
| Sports Authority, Inc. (aka TSA), Senior Secured First Lien Term B Loan, 7.500%, 11/16/2017                  | 4,611,833 | 4,624,078  |
| The Men's Wearhouse, Inc., Senior Secured First Lien Tranche B Term Loan, 4.500%, 06/18/2021                 | 1,463,415 | 1,473,629  |
|  |           | 35,214,105 |

**Services - Business - 12.72%**

|   |           |           |
|---|-----------|-----------|
| Advantage Sales & Marketing, Inc., Senior Secured Second Lien Term Loan, 8.250%, 06/18/2018     | 4,714,286 | 4,730,998 |
| AlixPartners LLP, Senior Secured First Lien Replacement Term B-2 Loan, 4.000%, 07/10/2020       | 2,932,949 | 2,935,149 |
| BarBri, Inc., Senior Secured First Lien Term Loan, 5.250%, 07/19/2017                           | 2,919,777 | 2,932,551 |
| Checkout Holding Corp., Senior Secured First Lien Term B Loan, 4.500%, 04/09/2021               | 1,867,621 | 1,871,898 |
| Crossmark Holdings, Inc., Senior Secured First Lien Term Loan, 4.500%, 12/20/2019               | 2,254,330 | 2,254,330 |
| Epicor Software Corp., Senior Secured First Lien Term B-2 Loan, 4.000%, 05/16/2018              | 1,926,736 | 1,932,035 |
| Information Resources, Inc., Senior Secured First Lien Term Loan, 4.750%, 09/30/2020            | 497,604   | 501,958   |
| MPH Acquisition Holdings LLC, Senior Secured First Lien Tranche B Term Loan, 4.000%, 03/31/2021 | 3,291,182 | 3,286,311 |
| PGA Holdings, Inc. (aka Press Ganey), Senior Secured First Lien Term Loan, 4.250%, 04/20/2018   | 2,713,371 | 2,721,429 |
| Scitor Corp., Senior Secured First Lien Term Loan, 5.000%, 02/15/2017                           | 584,089   | 576,788   |

Blackstone / GSO Senior Floating Rate Term Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | Principal<br>Amount | Market Value |
|---|---------------------|--------------|
| <b>Services - Business (continued)</b>  |                     |              |
| Sedgwick Claims Management Services, Inc., Senior Secured Second Lien Initial Term Loan, 6.750%, 02/28/2022 | \$1,818,182         | \$1,820,454  |
| StoneRiver Group LP, Senior Secured First Lien Initial Term Loan, 4.500%, 11/30/2019                        | 702,720             | 702,429      |
| SurveyMonkey.com LLC, Senior Secured First Lien Term Loan, 5.500%, 02/07/2019                               | 2,377,462           | 2,399,750    |
| Trans Union LLC, Senior Secured First Lien Replacement Term Loan, 4.000%, 04/09/2021                        | 2,283,434           | 2,287,921    |
| Transaction Network Services, Senior Secured First Lien Initial Term Loan, 5.000%, 02/14/2020               | 1,996,226           | 2,009,950    |
| Truven Health Analytics, Inc., Senior Secured New Tranche B First Lien Term Loan, 4.500%, 06/06/2019        | 3,571,300           | 3,546,748    |
| VGroup Ltd., Senior Secured First Lien Term Loan, L+4.00%, 06/18/2021 <sup>(b)</sup>                        | 395,604             | 399,810      |
|   |                     | 36,910,509   |
| <b>Services - Consumer - 3.90%</b>  |                     |              |
| California Pizza Kitchen, Inc., Senior Secured First Lien Term Loan 5.250%, 03/29/2018                      | 2,222,312           | 2,127,875    |
| Knowledge Universe Education LLC, Senior Secured First Lien Term Loan, 5.250%, 03/18/2021                   | 885,840             | 900,234      |
| Learning Care Group No. 2, Inc., Senior Secured First Lien Term Loan, 5.500%, 05/05/2021                    | 1,481,481           | 1,507,407    |
| Monitronics International, Inc., Senior Secured First Lien Term B Loan, 4.250%, 03/23/2018                  | 1,419,096           | 1,423,970    |
| Renaissance Learning, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 04/09/2021                 | 1,400,000           | 1,401,750    |
| Service Master Co., Senior Secured First Lien Term Loan, L+3.25%, 06/25/2021 <sup>(b)</sup>                 | 1,844,037           | 1,844,332    |
| Spin Holdco, Inc. (aka Coinmach Corp.), Senior Secured First Lien Initial Term Loan, 4.250%, 11/14/2019     | 2,095,839           | 2,102,200    |
|   |                     | 11,307,768   |
| <b>Telecommunications - 7.92%</b>   |                     |              |
| Avaya, Inc., Senior Secured Extended First Lien Term B-3 Loan, 4.734%, 10/26/2017                           | 5,359,682           | 5,259,188    |
| Fairpoint Communications, Inc., Senior Secured First Lien Term Loan, 7.500%, 02/14/2019                     | 2,962,500           | 3,074,216    |

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|  |           |            |
|--|-----------|------------|
| Fibertech Networks LLC (aka Firefox), Senior Secured First Lien Term Loan, 4.000%, 12/18/2019                    | 3,047,433 | 3,060,765  |
| Nextgen Finance, LLC, Senior Secured First Lien Term B Loan, 5.000%, 05/31/2021                                  | 2,000,000 | 2,001,250  |
| Syniverse Holdings, Inc., (Buccaneer Merger Sub., Inc.), Senior Secured First Lien Term Loan, 4.000%, 04/23/2019 | 2,879,479 | 2,881,278  |
| Wide Open West Finance LLC, Senior Secured First Lien Term B Loan, 4.750%, 04/01/2019                            | 3,695,029 | 3,711,195  |
| Zayo Group LLC (Zayo Capital, Inc.), Senior Secured First Lien Term Loan, 3.234%, 07/02/2019                     | 2,997,807 | 3,005,931  |
|  |           | 22,993,823 |

**Transportation Consumer - 2.30%**

|  |           |           |
|--|-----------|-----------|
| Lineage Logistics LLC, Senior Secured First Lien Term Loan, 4.500%, 04/07/2021   | 4,336,452 | 4,319,280 |
| Sabre, Inc., Senior Secured First Lien Incremental Term Loan, 4.500%, 02/19/2019 | 1,330,852 | 1,337,646 |
| Sabre, Inc., Senior Secured First Lien Term B Loan, 4.250%, 02/19/2019           | 1,021,712 | 1,025,752 |
|  |           | 6,682,678 |

**Utilities Electric - 3.53%**

|   |           |            |
|---|-----------|------------|
| Atlantic Power Co., Senior Secured First Lien Term Loan, 4.750%, 02/24/2021               | 672,213   | 681,039    |
| Empire Generating Co. LLC, Senior Secured First Lien Term B Loan, 5.250%, 03/15/2021      | 915,178   | 925,474    |
| Empire Generating Co. LLC, Senior Secured First Lien Term C Loan, 5.250%, 03/15/2021      | 64,010    | 64,730     |
| Moxie Liberty LLC, Senior Secured First Lien Term B-1 Loan, 7.500%, 08/21/2020            | 1,470,588 | 1,514,706  |
| Moxie Patriot LLC, Senior Secured First Lien Term B-1 Loan, 6.750%, 12/18/2020            | 1,481,481 | 1,525,926  |
| Panda Temple Power LLC, Senior Secured First Lien Term Loan, 7.250%, 04/03/2019           | 927,273   | 950,454    |
| Sandy Creek Energy Associates LP, Senior Secured First Lien Term Loan, 5.000%, 11/09/2020 | 4,541,283 | 4,588,263  |
|   |           | 10,250,592 |

Blackstone / GSO Senior Floating Rate Term Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|---|-----------------------------|---------------------|
| <b>Wholesale - 1.09%</b>  |                             |                     |
| Envision Pharmaceutical Services, Inc., Senior Secured First Lien Term Loan, 5.750%, 11/04/2020 | \$3,132,709                 | \$3,167,952         |
| <b>TOTAL FLOATING RATE LOAN INTERESTS</b>   |                             |                     |
| (Cost \$401,421,449)  |                             | 404,108,851         |
| <b>CORPORATE BONDS - 6.32%</b>  |                             |                     |
| <b>Beverage, Food and Tobacco - 0.49%</b>   |                             |                     |
| Del Monte Foods Co., Senior Unsecured Bond, 7.625%, 02/15/2019                                  | 1,352,000                   | 1,410,609           |
| <b>Containers, Packaging and Glass - 0.55%</b>  |                             |                     |
| Exopack Holdings SA, Senior Secured Bond, 7.875%, 11/01/2019 <sup>(c)</sup>                     | 500,000                     | 537,500             |
| Reynolds Group Holdings, Inc., Senior Unsecured Bond 5.750%, 10/15/2020                         | 1,000,000                   | 1,060,000           |
|   |                             | 1,597,500           |
| <b>Energy, Oil and Gas - 1.10%</b>  |                             |                     |
| CrownRock LP /CrownRock Finance, Inc., Senior Unsecured Bond, 7.125%, 04/15/2021 <sup>(c)</sup> | 3,000,000                   | 3,180,000           |
| <b>Healthcare and Pharmaceuticals - 0.15%</b>   |                             |                     |
| Aurora Diagnostics Holdings LLC, Senior Unsecured Bond, 10.750%, 01/15/2018                     | 500,000                     | 422,500             |
| <b>High Tech Industries - 0.73%</b>   |                             |                     |
| Viasystems, Inc., Senior Unsecured Bond, 7.875%, 05/01/2019 <sup>(c)</sup>                      | 2,000,000                   | 2,125,000           |
| <b>Hotels, Gaming and Leisure - 0.81%</b>   |                             |                     |
| Carlson Wagonlit BV, Senior Unsecured Bond, 6.875%, 06/15/2019 <sup>(c)</sup>                   | 1,000,000                   | 1,080,000           |
| Six Flags Theme Parks, Inc., Senior Unsecured Bond, 5.250%, 01/15/2021 <sup>(c)</sup>           | 1,250,000                   | 1,284,375           |
|   |                             | 2,364,375           |

**Media Broadcasting and Subscription - 0.51%**

|  |           |           |
|--|-----------|-----------|
| Entercom Radio LLC, Senior Unsecured Bond, 10.500%, 12/01/2019 | 1,300,000 | 1,495,000 |
|--|-----------|-----------|

**Media Diversified and Production - 0.09%**

|   |         |         |
|---|---------|---------|
| Live Nation Entertainment, Inc., Senior Secured Bond, 7.000%, 09/01/2020 <sup>(c)</sup> | 250,000 | 275,000 |
|---|---------|---------|

**Services - Consumer - 0.37%**

|  |           |           |
|--|-----------|-----------|
| Monitronics International, Inc., Senior Unsecured Bond, 9.125%, 04/01/2020 | 1,000,000 | 1,072,500 |
|--|-----------|-----------|

**Telecommunications - 1.52%**

|   |           |           |
|---|-----------|-----------|
| Cincinnati Bell, Inc. (aka Broadwing, Inc.), Senior Unsecured Bond, 8.375%,<br>10/15/2020 | 2,043,000 | 2,249,854 |
|---|-----------|-----------|

|   |           |           |
|---|-----------|-----------|
| Intelsat Jackson Holdings SA, Senior Unsecured Bond, 7.250%, 10/15/2020 | 2,000,000 | 2,160,000 |
|---|-----------|-----------|

|  |  |           |
|--|--|-----------|
|  |  | 4,409,854 |
|--|--|-----------|

**TOTAL CORPORATE BONDS**

|                     |  |            |
|---------------------|--|------------|
| (Cost \$17,219,531) |  | 18,352,338 |
|---------------------|--|------------|



Blackstone / GSO Senior Floating Rate Term Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   |                      |
|---|----------------------|
| Total Investments - 145.53%                           |                      |
| (Cost \$418,640,980)                                  | \$422,461,189        |
| Assets in Excess of Other Liabilities - 4.11%         | 11,917,507           |
| Term Preferred Shares - (16.57)%*                     |                      |
| (plus distributions payable on term preferred shares) | (48,095,791)         |
| Senior Secured Notes - (33.07)%                       | (96,000,000)         |
| <b>Net Assets - 100.00%</b>                           | <b>\$290,282,905</b> |

Amounts above are shown as a percentage of net assets as of June 30, 2014.

\* Series A Floating Rate Cumulative Term Preferred Shares, Term Preferred Shares .

(a) The interest rate shown represents the rate at period end.

(b) All or a portion of this position has not settled as of June 30, 2014. The interest rate shown represents the stated spread over the London Interbank Offered Rate ( LIBOR or L ) or the applicable LIBOR floor; the Fund will not accrue interest until the settlement date, at which point LIBOR will be established.

(c) Security exempt from registration under Rule 144A of the Securities Act of 1933. Total market value of Rule 144A securities amounts to \$8,481,875, which represents approximately 2.92% of net assets as of June 30, 2014.

See Notes to Financial Statements.

Blackstone / GSO Long-Short Credit Income Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|  | <b>Principal</b> |                     |
|--|------------------|---------------------|
|  | <b>Amount</b>    | <b>Market Value</b> |
| <b>FLOATING RATE LOAN INTERESTS<sup>(a)</sup> - 88.11%</b>   |                  |                     |
| <b>Aerospace and Defense - 2.97%</b>   |                  |                     |
| DAE Aviation Holdings, Inc., Senior Secured First Lien Tranche B-1 Term Loan, 5.000%, 11/02/2018               | \$1,072,147      | \$1,084,879         |
| DAE Aviation Holdings, Inc., Senior Secured First Lien Tranche B-2 Term Loan, 5.000%, 11/02/2018               | 486,040          | 491,812             |
| Landmark Aviation (LM U.S. Member LLC), Senior Secured First Lien Canadian Term Loan, 4.750%, 10/25/2019       | 103,754          | 104,039             |
| Landmark Aviation (LM U.S. Member LLC), Senior Secured First Lien Initial Term Loan, 4.750%, 10/25/2019        | 1,537,930        | 1,542,160           |
| Paradigm Precision Group, Senior Secured First Lien Term Loan, 5.500%, 12/02/2020                              | 1,865,625        | 1,856,297           |
| Sequa Corp., Senior Secured First Lien Initial Term Loan, 5.250%, 06/19/2017                                   | 2,129,328        | 2,113,581           |
|  |                  | 7,192,768           |
| <b>Automotive - 0.85%</b>  |                  |                     |
| Affinia Group, Inc., Senior Secured Tranche B-2 First Lien Term Loan, 4.750%, 04/25/2020                       | 995,103          | 1,006,298           |
| Mitchell International, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 10/13/2020                  | 1,052,910        | 1,059,048           |
|  |                  | 2,065,346           |
| <b>Banking, Finance and Real Estate - 3.49%</b>  |                  |                     |
| AmWins Group LLC, Senior Secured First Lien Term Loan, 5.000%, 09/06/2019                                      | 2,010,481        | 2,018,020           |
| AssuredPartners Capital, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 04/02/2021                 | 1,049,180        | 1,052,952           |
| Asurion LLC, Senior Secured Second Lien Term Loan, 8.500%, 03/03/2021  | 851,064          | 884,575             |
| Cunningham Lindsey Corp., Senior Secured First Lien Initial Term Loan, 5.000%, 12/10/2019                      | 1,846,875        | 1,843,791           |
| HUB International Ltd., Senior Secured First Lien Initial Term Loan, 4.250%, 10/02/2020                        | 700,597          | 702,786             |
| Interactive Data Corp., Senior Secured First Lien Term Loan, 4.750%, 05/02/2021                                | 1,664,787        | 1,681,443           |
| Opal Acquisition, Inc. (aka One Call Medical, Inc.), Senior Secured First Lien Term B Loan, 5.000%, 11/27/2020 | 259,093          | 260,105             |

8,443,672

**Beverage, Food and Tobacco - 3.70%**

|   |           |           |
|---|-----------|-----------|
| CEC Entertainment, Inc., Senior Secured First Lien Term B Loan, 4.250%,<br>02/14/2021     | 2,049,212 | 2,038,966 |
| Dole Food Co., Inc., Senior Secured First Lien Tranche B Term Loan, 4.500%,<br>11/01/2018 | 1,159,092 | 1,162,471 |
| Stater Brothers Holdings, Senior Secured First Lien Term B Loan, 4.750%,<br>05/12/2021    | 491,803   | 496,107   |
| U.S. Foods, Inc., Senior Secured First Lien Term Loan, 4.500%, 03/29/2019                 | 4,418,888 | 4,431,504 |
| Winebow, Inc., Senior Secured First Lien Term Loan, L+3.75%, 06/25/2021 <sup>(b)</sup>    | 114,504   | 114,933   |
| Winebow, Inc., Senior Secured Second Lien Term Loan, L+7.50%, 12/27/2021 <sup>(b)</sup>   | 693,642   | 695,376   |
|   |           | 8,939,357 |

**Capital Equipment - 1.98%**

|  |           |           |
|--|-----------|-----------|
| Sensus U.S.A., Inc. (fka Sensus Metering Systems), Senior Secured Second Lien<br>Term Loan, 8.500%, 05/09/2018 | 3,714,286 | 3,737,500 |
| SunSource Holdings, Senior Secured First Lien Term Loan, 4.750%, 02/12/2021                                    | 1,043,895 | 1,050,096 |
|  |           | 4,787,596 |

**Chemicals, Plastics and Rubber - 2.28%**

|  |           |           |
|--|-----------|-----------|
| Nexeo Solutions LLC (aka Ashland Distribution), Senior Secured First Lien Initial<br>Term Loan, 5.000%, 09/08/2017 | 1,587,692 | 1,591,662 |
| Nexeo Solutions LLC (aka Ashland Distribution), Senior Secured First Lien Term<br>B-3 Loan, 5.000%, 09/08/2017     | 927,250   | 931,886   |
| Pinnacle Operating Corp., Senior Secured First Lien Term B Loan, 4.750%,<br>11/15/2018                             | 2,541,058 | 2,555,351 |
| WTG Holdings III Corp., Senior Secured First Lien Term Loan, 4.750%,<br>01/15/2021                                 | 423,404   | 424,814   |
|  |           | 5,503,713 |

Blackstone / GSO Long-Short Credit Income Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | Principal<br>Amount | Market Value |
|---|---------------------|--------------|
| <b>Construction and Building - 0.83%</b>  |                     |              |
| Road Infrastructure Investment LLC, Senior Secured First Lien Term Loan, 4.250%, 03/31/2021   | \$868,790           | \$869,516    |
| SRS Distribution, Inc., Senior Secured First Lien Term Loan, 4.750%, 08/28/2019   | 1,146,316           | 1,149,898    |
|   |                     | 2,019,414    |
| <b>Consumer Goods Durable - 3.50%</b>   |                     |              |
| Apex Tool Group LLC, Senior Secured First Lien Term Loan, 4.500%, 01/31/2020  | 1,800,297           | 1,782,294    |
| Capital Safety North America Holdings, Inc., Senior Secured First Lien Initial Term Loan, 4.000%, 03/29/2021                            | 4,428,000           | 4,407,232    |
| Hillman Group, Inc., Senior Secured First Lien Term B Loan, L+3.50%, 06/30/2021 <sup>(b)</sup>  | 345,395             | 347,337      |
| MModal, Inc., Senior Secured First Lien Term B Loan, 9.000%, 08/17/2019   | 2,442,190           | 1,935,436    |
|   |                     | 8,472,299    |
| <b>Consumer Goods Non Durable - 1.94%</b>   |                     |              |
| Armored AutoGroup, Inc. (fka Viking Acquisition, Inc. (aka Global AutoCare)), Senior Secured First Lien Term B Loan, 6.000%, 11/05/2016 | 4,667,935           | 4,694,168    |
| <b>Containers, Packaging and Glass - 1.75%</b>  |                     |              |
| Exopack LLC, Senior Secured First Lien Term Loan, 5.250%, 05/08/2019  | 746,250             | 759,078      |
| Multi Packaging Solutions, Inc., Senior Secured First Lien Initial Tranche B Term Loan, 4.250%, 09/30/2020                              | 1,402,500           | 1,406,883    |
| Pelican Products, Inc., Senior Secured First Lien Term Loan, 5.250%, 04/10/2020   | 300,682             | 303,689      |
| Pelican Products, Inc., Senior Secured Second Lien Term Loan, 9.250%, 04/09/2021  | 562,500             | 570,937      |
| Signode Industrial Group U.S., Inc., Senior Secured First Lien Term Loan, 4.000%, 05/03/2021  | 1,194,030           | 1,192,161    |
|   |                     | 4,232,748    |
| <b>Energy Electricity - 1.02%</b>   |                     |              |
|   | 948,092             | 952,714      |

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|  |           |           |
|--|-----------|-----------|
| La Frontera Generation LLC, Senior Secured First Lien Term Loan, 4.500%,<br>09/30/2020         |           |           |
| Star West Generation LLC, Senior Secured First Lien Term B Advance Loan,<br>4.250%, 03/13/2020 | 1,498,356 | 1,503,983 |
|  |           | 2,456,697 |

**Energy, Oil and Gas - 3.55%**

|   |           |           |
|---|-----------|-----------|
| Chief Exploration & Development LLC, Senior Secured Second Lien Term Loan,<br>7.500%, 05/16/2021            | 752,941   | 771,765   |
| EMG Utica LLC, Senior Secured First Lien Term Loan, 4.750%, 03/27/2020                                      | 2,472,028 | 2,481,298 |
| Sheridan Production Partners II LP, Senior Secured First Lien Facility A Term<br>Loan, 4.250%, 12/16/2020   | 116,216   | 116,434   |
| Sheridan Production Partners II LP, Senior Secured First Lien SIP Facility Term<br>Loan, 4.250%, 12/16/2020 | 835,442   | 837,008   |
| Sheridan Production Partners II LP, Senior Secured First Lien Term Loan, 4.250%,<br>12/16/2020              | 43,342    | 43,423    |
| Sheridan Production Partners LP, Senior Secured Tranche B-2 First Lien Term<br>Loan:<br>4.250%, 10/01/2019  | 129,071   | 129,610   |
| 4.250%, 10/01/2019  | 211,313   | 212,194   |
| 4.250%, 10/01/2019  | 1,594,717 | 1,601,367 |
| Utex Industries, Inc., Senior Secured First Lien Initial Term Loan, 5.000%,<br>05/24/2021                   | 1,923,077 | 1,949,519 |
| W3 Co., Senior Secured First Lien Term Loan, 5.750%, 03/13/2020   | 441,615   | 435,543   |
|   |           | 8,578,161 |

**Environmental Industries - 1.94%**

|   |           |           |
|---|-----------|-----------|
| ADS Waste Holdings, Inc., Senior Secured First Lien Tranche B-2 Term Loan,<br>3.750%, 10/09/2019        | 1,261,576 | 1,257,495 |
| EnergySolutions LLC, Senior Secured First Lien Advance Term Loan, L+5.75%,<br>05/29/2020 <sup>(b)</sup> | 2,181,818 | 2,209,996 |

Blackstone / GSO Long-Short Credit Income Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | Principal<br>Amount | Market Value |
|---|---------------------|--------------|
| <b>Environmental Industries (continued)</b>   |                     |              |
| Wastequip LLC, Senior Secured First Lien Term Loan, 5.500%, 08/09/2019  | \$1,205,217         | \$1,214,257  |
|   |                     | 4,681,748    |
| <b>Forest Products and Paper - 0.31%</b>  |                     |              |
| WS Packaging Group, Inc., Senior Secured First Lien Term Loan, 5.004%, 08/09/2019   | 745,671             | 744,273      |
| <b>Healthcare and Pharmaceuticals - 7.31%</b>   |                     |              |
| Accellent, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 03/12/2021  | 1,216,463           | 1,214,189    |
| Alvogen Pharmaceuticals U.S., Inc., Senior Secured First Lien Term Loan, 7.000%, 05/23/2018   | 1,689,793           | 1,725,701    |
| CHG Buyer Corp., Senior Secured First Lien Term Loan, 4.250%, 11/19/2019  | 992,108             | 997,891      |
| CT Technologies Intermediate Holdings, Inc. (aka Smart Document Solutions, Inc.), Senior Secured First Lien Initial Term Loan, 5.250%, 10/04/2019 | 1,105,556           | 1,112,123    |
| Ikaria Acquisition, Inc., Senior Secured First Lien Term Loan, 5.000%, 02/12/2021   | 782,609             | 788,870      |
| Immucor, Inc., Senior Secured First Lien Term B-2 Loan, 5.000%, 08/17/2018  | 186,183             | 187,376      |
| Medpace, Inc., Senior Secured First Lien Initial Term Loan, 5.000%, 04/01/2021  | 783,784             | 787,377      |
| Onex Carestream Finance LP, Senior Secured First Lien Term Loan, 5.000%, 06/07/2019   | 3,233,342           | 3,243,446    |
| Phillips-Medisize Corp., Senior Secured First Lien Initial Term Loan, L+3.75%, 06/16/2021 <sup>(b)</sup>  | 229,885             | 230,460      |
| PRA Holdings, Inc., Senior Secured First Lien Tranche B-1 Term Loan, 4.500%, 09/23/2020   | 1,293,484           | 1,289,442    |
| Prescrix, Inc. (Devix/Rexam Health), Senior Secured First Lien Term B Loan, 4.250%, 05/03/2021  | 177,778             | 178,445      |
| Sheridan Holdings, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 06/29/2018  | 1,671,449           | 1,673,957    |
| Smile Brands Group, Inc., Senior Secured First Lien Term B Loan, 7.500%, 08/16/2019   | 2,206,052           | 2,150,901    |
| United Surgical Partners International, Inc., Senior Secured New Tranche B First Lien Term Loan, 4.750%, 04/03/2019                               | 2,088,959           | 2,107,237    |
|   |                     | 17,687,415   |

**High Tech Industries - 11.09%**

|  |           |            |
|--|-----------|------------|
| Applied Systems, Inc., Senior Secured First Lien Initial Term Loan, 4.250%,<br>01/25/2021                            | 829,167   | 833,118    |
| Ascend Learning LLC, Senior Secured First Lien Term Loan, L+5.00%,<br>07/31/2019 <sup>(b)</sup>                      | 393,323   | 398,733    |
| Ascend Learning LLC, Senior Secured Second Lien Term Loan, L+8.50%,<br>11/30/2020 <sup>(b)</sup>                     | 1,030,303 | 1,035,454  |
| Blackboard, Inc., Senior Secured First Lien Term B-3 Loan, 4.750%, 10/04/2018  | 2,955,206 | 2,979,217  |
| Blue Coat Systems, Inc., Senior Secured First Lien Term Loan, 4.000%,<br>05/31/2019                                  | 2,047,919 | 2,052,609  |
| Flexera Software LLC, Senior Secured First Lien Term Loan, 4.500%, 04/02/2020  | 2,000,000 | 2,003,330  |
| Go Daddy Operating Company, LLC, Senior Secured First Lien Initial Term Loan,<br>L+3.75%, 05/13/2021 <sup>(b)</sup>  | 966,667   | 963,646    |
| Hyland Software, Inc., Senior Secured First Lien Initial Term Loan, 4.750%,<br>02/19/2021                            | 1,457,004 | 1,467,946  |
| Kronos, Inc. (aka Seahawk Acquisition Corp.), Senior Secured First Lien<br>Incremental Term Loan, 4.500%, 10/30/2019 | 4,600,133 | 4,643,259  |
| MMI International Ltd., Senior Secured First Lien Term Loan, 7.250%, 11/20/2018                                      | 958,156   | 948,574    |
| MSC Software Corp., Senior Secured Second Lien Term Loan, 8.500%, 05/28/2021   | 1,095,833 | 1,106,792  |
| Peak 10, Inc., Senior Secured Second Lien Term Loan, L+7.25%, 06/17/2022 <sup>(b)</sup>                              | 1,000,000 | 1,002,080  |
| Sophia, L.P., Senior Secured First Lien Term B-1 Loan, 4.000%, 07/19/2018  | 2,955,337 | 2,961,144  |
| Technicolor S.A., Senior Secured First Lien Term Loan, 5.500%, 07/11/2020  | 2,359,069 | 2,391,518  |
| Telx Group, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 04/09/2020                                    | 1,000,000 | 1,002,375  |
| Vertafore, Inc., Senior Secured Second Lien Term Loan, 9.750%, 10/27/2017  | 1,000,000 | 1,022,500  |
|  |           | 26,812,295 |

**Hotels, Gaming and Leisure - 3.56%**

|  |           |           |
|--|-----------|-----------|
| Alpha Topco Ltd. (Formula One), Senior Secured First Lien New Facility Term B<br>Loan, 4.500%, 04/30/2019                          | 2,722,886 | 2,732,716 |
| Caesars Entertainment Operating Co. (fka Harrah's/Corner Investment), Senior<br>Secured First Lien Term B Loan, 7.000%, 10/12/2020 | 4,118,837 | 4,151,026 |

Blackstone / GSO Long-Short Credit Income Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|---|-----------------------------|---------------------|
| <b>Hotels, Gaming and Leisure (continued)</b>   |                             |                     |
| Mood Media Corp., Senior Secured First Lien Term Loan, 7.000%, 05/01/2019                   | \$1,716,486                 | \$1,721,850         |
|   |                             | 8,605,592           |
| <b>Media Advertising, Printing and Publishing - 1.16%</b>                                   |                             |                     |
| Penton Media, Inc., Senior Secured First Lien Term B Loan, 5.500%, 10/03/2019               | 1,588,000                   | 1,604,277           |
| Southern Graphics, Inc., Senior Secured First Lien Term Loan, 4.250%, 10/17/2019            | 1,196,875                   | 1,200,615           |
|   |                             | 2,804,892           |
| <b>Media Broadcasting and Subscription - 1.82%</b>  |                             |                     |
| Entercom Radio LLC, Senior Secured First Lien Term B-2 Loan, 4.000%,<br>11/23/2018          | 524,337                     | 527,832             |
| Hubbard Radio LLC, Senior Secured First Lien Tranche 1 Term Loan, 4.500%,<br>04/29/2019     | 2,549,742                   | 2,558,245           |
| RCN Corp., Senior Secured First Lien Term B Loan, 4.500%, 03/01/2020                        | 1,297,874                   | 1,306,596           |
|   |                             | 4,392,673           |
| <b>Media Diversified and Production - 0.35%</b>   |                             |                     |
| Lions Gate Entertainment Corp., Senior Secured Second Lien Term Loan, 5.000%,<br>07/20/2020 | 833,333                     | 847,646             |
| <b>Metals and Mining - 0.48%</b>  |                             |                     |
| McJunkin Red Man Corp., Senior Secured First Lien Term Loan, 5.000%,<br>11/09/2019          | 1,153,446                   | 1,162,460           |
| <b>Retail - 7.45%</b>   |                             |                     |
| Academy Ltd., Senior Secured First Lien Initial Term Loan, 4.500%, 08/03/2018               | 1,946,578                   | 1,955,503           |
| Container Store, Inc., Senior Secured First Lien Term B-3 Loan, 4.250%,<br>04/06/2019       | 2,350,708                   | 2,350,708           |
| Hudson's Bay Co., Senior Secured First Lien Initial Term Loan, 4.750%,<br>11/04/2020        | 925,000                     | 937,719             |



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|   |           |            |
|---|-----------|------------|
| J. Crew Group, Inc., Senior Secured First Lien Initial Term Loan, 4.000%,<br>03/05/2021                         | 3,393,141 | 3,353,374  |
| Nine West Holdings, Inc., Senior Secured First Lien Initial Term Loan, 4.750%,<br>10/08/2019                    | 800,000   | 805,276    |
| Payless, Inc. (aka Collective Brands Finance, Inc.), Senior Secured First Lien Term<br>Loan, 5.000%, 03/11/2021 | 1,339,668 | 1,345,522  |
| Pier 1 Imports, Inc., Senior Secured First Lien Initial Term Loan, 4.500%,<br>04/30/2021                        | 2,083,333 | 2,098,958  |
| Smart & Final Stores LLC, Senior Secured First Lien Term Loan, 4.750%,<br>11/15/2019                            | 1,369,785 | 1,375,264  |
| Sports Authority, Inc. (aka TSA), Senior Secured First Lien Term B Loan, 7.500%,<br>11/16/2017                  | 2,790,357 | 2,797,765  |
| The Men s Wearhouse, Inc., Senior Secured First Lien Tranche B Term Loan,<br>L+3.50%, 06/18/2021 <sup>(b)</sup> | 975,610   | 982,419    |
|   |           | 18,002,508 |

**Services - Business - 8.07%**

|  |           |           |
|--|-----------|-----------|
| Advantage Sales and Marketing, Inc., Senior Secured First Lien Term Loan,<br>4.250%, 12/18/2017                | 2,122,576 | 2,127,055 |
| AlixPartners LLP, Senior Secured First Lien Replacement Term B-2 Loan, 4.000%,<br>07/10/2020                   | 2,932,949 | 2,935,149 |
| Brickman Group Holdings, Inc., Senior Secured First Lien Term Loan, 4.000%,<br>12/18/2020                      | 995,000   | 986,746   |
| Checkout Holding Corp., Senior Secured First Lien Term B Loan, 4.500%,<br>04/09/2021                           | 933,810   | 935,949   |
| Crossmark Holdings, Inc., Senior Secured First Lien Term Loan, 4.500%,<br>12/20/2019                           | 1,340,862 | 1,340,862 |
| Information Resources, Inc., Senior Secured First Lien Term Loan, 4.750%,<br>09/30/2020                        | 331,736   | 334,638   |
| MPH Acquisition Holdings LLC, Senior Secured First Lien Tranche B Term Loan,<br>4.000%, 03/31/2021             | 2,632,946 | 2,629,049 |
| Neff Rental, Senior Secured Second Lien Term Loan, 7.250%, 06/09/2021  | 1,449,275 | 1,448,370 |
| PGA Holdings, Inc. (aka Press Ganey), Senior Secured First Lien Term Loan,<br>4.250%, 04/20/2018               | 262,179   | 262,958   |
| Sedgwick Claims Management Services, Inc., Senior Secured Second Lien Initial<br>Term Loan, 6.750%, 02/28/2022 | 1,090,909 | 1,092,273 |
| StoneRiver Group LP, Senior Secured First Lien Initial Term Loan, 4.500%,<br>11/30/2019                        | 468,480   | 468,286   |
| SurveyMonkey.com LLC, Senior Secured First Lien Term Loan, 5.500%,<br>02/07/2019                               | 1,584,974 | 1,599,833 |
| Transaction Network Services, Senior Secured First Lien Initial Term Loan,<br>5.000%, 02/14/2020               | 1,330,817 | 1,339,966 |

Blackstone / GSO Long-Short Credit Income Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|---|-----------------------------|---------------------|
| <b>Services - Business (continued)</b>  |                             |                     |
| Truven Health Analytics, Inc., Senior Secured New Tranche B First Lien Term Loan, 4.500%, 06/06/2019            | \$1,611,113                 | \$1,600,037         |
| VGroup Ltd., Senior Secured First Lien Term Loan, L+4.00%, 06/18/2021 <sup>(b)</sup>                            | 395,604                     | 399,810             |
|   |                             | 19,500,981          |
| <b>Services - Consumer - 4.10%</b>  |                             |                     |
| Alliance Laundry Systems LLC, Senior Secured First Lien Term Loan, 4.260%, 12/10/2018                           | 964,095                     | 970,574             |
| California Pizza Kitchen, Inc., Senior Secured First Lien Term Loan 5.250%, 03/29/2018                          | 2,222,312                   | 2,127,875           |
| Monitronics International, Inc., Senior Secured First Lien Term B Loan, 4.250%, 03/23/2018                      | 2,404,080                   | 2,412,338           |
| Renaissance Learning, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 04/09/2021                     | 700,000                     | 700,875             |
| Service Master Co., Senior Secured First Lien Term Loan, L+3.25%, 06/25/2021 <sup>(b)</sup>                     | 1,229,358                   | 1,229,554           |
| Spin Holdco, Inc. (aka Coinmach Corp.), Senior Secured First Lien Initial Term Loan, 4.250%, 11/14/2019         | 2,471,452                   | 2,478,952           |
|   |                             | 9,920,168           |
| <b>Telecommunications - 6.68%</b>   |                             |                     |
| Avaya, Inc., Senior Secured Extended First Lien Term B-3 Loan, 4.734%, 10/26/2017                               | 2,895,197                   | 2,840,912           |
| ConvergeOne Holdings Corp., Senior Secured First Lien Initial Term Loan, L+5.00%, 06/17/2020 <sup>(b)</sup>     | 1,428,571                   | 1,432,143           |
| Fairpoint Communications, Inc., Senior Secured First Lien Term Loan, 7.500%, 02/14/2019                         | 728,157                     | 755,615             |
| Fibertech Networks LLC (aka Firefox), Senior Secured First Lien Term Loan, 4.000%, 12/18/2019                   | 3,416,785                   | 3,431,734           |
| Nextgen Finance, LLC, Senior Secured First Lien Term B Loan, 5.000%, 05/31/2021                                 | 2,000,000                   | 2,001,250           |
| Syniverse Holdings, Inc., (Buccaneer Merger Sub., Inc.), Senior Secured First Lien Term Loan, 4.000%, 4/23/2019 | 1,919,653                   | 1,920,852           |
| Wide Open West Finance LLC, Senior Secured First Lien Term B Loan, 4.750%, 04/01/2019                           | 1,729,904                   | 1,737,473           |

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|  |           |            |
|--|-----------|------------|
| Zayo Group LLC (Zayo Capital, Inc.), Senior Secured First Lien Term Loan, 3.234%, 07/02/2019 | 2,019,826 | 2,025,300  |
|  |           | 16,145,279 |

**Transportation Consumer - 2.03%**

|  |           |           |
|--|-----------|-----------|
| Lineage Logistics LLC, Senior Secured First Lien Term Loan, 4.500%, 04/07/2021   | 2,601,871 | 2,591,568 |
| Sabre, Inc., Senior Secured First Lien Incremental Term Loan, 4.500%, 02/19/2019 | 1,669,205 | 1,677,726 |
| Sabre, Inc., Senior Secured First Lien Term B Loan, 4.250%, 02/19/2019           | 645,863   | 648,417   |
|  |           | 4,917,711 |

**Utilities Electric - 2.49%**

|   |           |           |
|---|-----------|-----------|
| Atlantic Power Co., Senior Secured First Lien Term Loan, 4.750%, 02/24/2021               | 448,142   | 454,026   |
| Empire Generating Co. LLC, Senior Secured First Lien Term B Loan, 5.250%, 03/15/2021      | 915,178   | 925,474   |
| Empire Generating Co. LLC, Senior Secured First Lien Term C Loan, 5.250%, 03/15/2021      | 64,010    | 64,730    |
| Moxie Liberty LLC, Senior Secured First Lien Term B-1 Loan, 7.500%, 08/21/2020            | 1,470,588 | 1,514,706 |
| Moxie Patriot LLC, Senior Secured First Lien Term B-1 Loan, 6.750%, 12/18/2020            | 740,741   | 762,963   |
| Sandy Creek Energy Associates LP, Senior Secured First Lien Term Loan, 5.000%, 11/09/2020 | 2,284,922 | 2,308,560 |
|   |           | 6,030,459 |

**Utilities, Oil & Gas - 0.47%**

|   |         |           |
|---|---------|-----------|
| Equipower Resources Holdings LLC, Senior Secured First Lien Term B Loan, 4.250%, 12/21/2018 | 160,472 | 161,726   |
| EquiPower Resources Holdings LLC, Senior Secured First Lien Term C Loan, 4.250%, 12/21/2019 | 958,068 | 965,555   |
|   |         | 1,127,281 |

Blackstone / GSO Long-Short Credit Income Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|  | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|--|-----------------------------|---------------------|
| <b>Wholesale - 0.94%</b>   |                             |                     |
| Envision Pharmaceutical Services, Inc., Senior Secured First Lien Term Loan, 5.750%, 11/04/2020                              | \$2,237,649                 | \$2,262,823         |
| <b>TOTAL FLOATING RATE LOAN INTERESTS</b>  |                             |                     |
| (Cost \$211,586,402)   |                             | 213,032,143         |
| <b>COLLATERALIZED LOAN OBLIGATION - 0.46%</b>  |                             |                     |
| <b>Banking, Finance and Real Estate - 0.46%</b>  |                             |                     |
| Sudbury Mill CLO Ltd., Senior Unsecured Collateralized Loan Obligation, Series 2013-1A, 4.750%, 01/17/2026 <sup>(c)(d)</sup> | 1,200,000                   | 1,098,310           |
| <b>TOTAL COLLATERALIZED LOAN OBLIGATION</b>  |                             |                     |
| (Cost \$1,098,263)   |                             | 1,098,310           |
| <b>CORPORATE BONDS - 23.94%</b>  |                             |                     |
| <b>Aerospace and Defense - 0.49%</b>   |                             |                     |
| Erickson, Inc., Senior Secured Bond, Series WI, 8.250%, 05/01/2020   | 1,144,000                   | 1,181,180           |
| <b>Beverage, Food and Tobacco - 1.29%</b>  |                             |                     |
| Del Monte Foods Co., Senior Unsecured Bond, 7.625%, 02/15/2019 <sup>(e)</sup>  | 2,998,000                   | 3,127,963           |
| <b>Consumer Goods Durable - 0.45%</b>  |                             |                     |
| Serta Simmons Holdings LLC, Senior Unsecured Bond, 8.125%, 10/01/2020 <sup>(c)(e)</sup>                                      | 1,000,000                   | 1,092,500           |
| <b>Consumer Goods Non Durable - 0.85%</b>  |                             |                     |
| Revlon Consumer Products Corp., Senior Unsecured Bond, Series WI, 5.750%, 02/15/2021 <sup>(e)</sup>                          | 2,000,000                   | 2,065,000           |

**Containers, Packaging and Glass - 1.53%**

|  |           |           |
|--|-----------|-----------|
| Exopack Holdings SA, Senior Secured Bond, 7.875%, 11/01/2019 <sup>(c)(e)</sup>             | 250,000   | 268,750   |
| Reynolds Group Holdings, Inc., Senior Unsecured Bond,<br>9.875%, 08/15/2019 <sup>(e)</sup> | 1,400,000 | 1,559,250 |
| 8.250%, 02/15/2021 <sup>(e)</sup>  | 700,000   | 764,750   |
| Sealed Air Corp., Senior Unsecured Bond, 8.125%, 09/15/2019 <sup>(c)(e)</sup>              | 1,000,000 | 1,106,250 |
|  |           | 3,699,000 |

**Energy Electricity - 0.36%**

|   |         |         |
|---|---------|---------|
| Calumet Specialty Products Partners LP, Senior Unsecured Bond, 9.625%,<br>08/01/2020 <sup>(e)</sup> | 750,000 | 868,125 |
|---|---------|---------|

**Energy, Oil and Gas - 8.68%**

|  |           |            |
|--|-----------|------------|
| Alta Mesa Holdings LP, Senior Unsecured Bond, 9.625%, 10/15/2018 <sup>(e)</sup>                          | 2,000,000 | 2,110,000  |
| Comstock Resources, Inc., Senior Unsecured Bond, 9.500%, 06/15/2020 <sup>(e)</sup>                       | 2,000,000 | 2,290,000  |
| Crestwood Midstream Partners LP, Senior Unsecured Bond, 7.750%, 04/01/2019 <sup>(e)</sup>                | 2,000,000 | 2,155,000  |
| CrownRock LP / CrownRock Finance, Inc., Senior Unsecured Bond, 7.125%,<br>04/15/2021 <sup>(c)(e)</sup>   | 2,000,000 | 2,120,000  |
| PDC Energy, Inc., Senior Unsecured Bond, 7.750%, 10/15/2022 <sup>(e)</sup>                               | 3,000,000 | 3,360,000  |
| QR Energy LP / QRE Finance Corp., Senior Unsecured Bond, 9.250%, 08/01/2020                              | 500,000   | 548,750    |
| Resolute Energy Corp., Senior Unsecured Bond, 8.500%, 05/01/2020 <sup>(e)</sup>                          | 4,750,000 | 4,975,625  |
| SandRidge Energy, Inc., Senior Unsecured Bond, 8.125%, 10/15/2022 <sup>(e)</sup>                         | 2,000,000 | 2,212,500  |
| Swift Energy Co., Senior Unsecured Bond,<br>8.875%, 01/15/2020   | 500,000   | 535,000    |
| 7.875%, 03/01/2022   | 500,000   | 525,000    |
| Tesoro Logistics LP/Finance Corp., Senior Unsecured Bond Series WI, 6.125%,<br>10/15/2021 <sup>(e)</sup> | 150,000   | 160,875    |
|  |           | 20,992,750 |

Blackstone / GSO Long-Short Credit Income Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|  | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|--|-----------------------------|---------------------|
| <b>Healthcare and Pharmaceuticals - 1.06%</b>  |                             |                     |
| HCA, Inc., Senior Secured Bond, 3.750%, 03/15/2019 <sup>(e)</sup>                                  | \$1,500,000                 | \$1,516,875         |
| Universal Hospital Services, Inc., Senior Unsecured Bond, 7.625%, 08/15/2020 <sup>(e)</sup>        | 1,000,000                   | 1,052,500           |
|  |                             | 2,569,375           |
| <b>High Tech Industries - 0.88%</b>  |                             |                     |
| Viasystems, Inc., Senior Unsecured Bond, 7.875%, 05/01/2019 <sup>(c)(e)</sup>                      | 2,000,000                   | 2,125,000           |
| <b>Hotels, Gaming and Leisure - 1.12%</b>  |                             |                     |
| Palace Entertainment Holdings LLC, Senior Secured Bond, 8.875%, 04/15/2017 <sup>(c)</sup>          | 2,600,000                   | 2,702,375           |
| <b>Media Broadcasting and Subscription - 0.44%</b>   |                             |                     |
| Mediacom Broadband Group (aka MCC Iowa), Senior Unsecured Bond, 9.125%, 08/15/2019 <sup>(e)</sup>  | 1,000,000                   | 1,052,500           |
| <b>Media Diversified and Production - 1.50%</b>  |                             |                     |
| Allbritton Communications Co., Senior Unsecured Bond, 8.000%, 05/15/2018                           | 2,000,000                   | 2,095,000           |
| Cambium Learning Group, Inc., Senior Secured Bond, 9.750%, 02/15/2017                              | 1,500,000                   | 1,541,250           |
|  |                             | 3,636,250           |
| <b>Metals and Mining - 0.43%</b>   |                             |                     |
| Penn Virginia Resource Partners LP, Senior Unsecured Bond, 8.375%, 06/01/2020                      | 788,000                     | 895,365             |
| Prince Mineral Holding Corp., Senior Unsecured Bond, 11.500%, 12/15/2019 <sup>(c)</sup>            | 125,000                     | 141,563             |
|  |                             | 1,036,928           |
| <b>Retail - 1.95%</b>  |                             |                     |
| Burlington Coat Factory Warehouse Corp., Senior Unsecured Bond, 10.000%, 02/15/2019 <sup>(e)</sup> | 2,000,000                   | 2,187,500           |
| Ferrellgas LP / Ferrellgas Finance Corp., Senior Unsecured Bond, 6.750%, 01/15/2022 <sup>(c)</sup> | 350,000                     | 367,500             |
| Logan's Roadhouse, Inc., Senior Unsecured Bond, 10.750%, 10/15/2017 <sup>(f)</sup>                 | 1,300,000                   | 1,062,750           |

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|   |           |               |
|---|-----------|---------------|
| The Pantry, Inc., Senior Unsecured Bond, 8.375%, 07/01/2020 <sup>(e)</sup>                | 1,000,000 | 1,085,000     |
|   |           | 4,702,750     |
| <b>Services - Consumer - 0.55%</b>  |           |               |
| Monitronics International, Inc., Senior Unsecured Bond, 9.125%, 04/01/2020 <sup>(e)</sup> | 1,250,000 | 1,340,625     |
| <b>Telecommunications - 2.36%</b>   |           |               |
| Avaya, Inc., Senior Secured Bond, 7.000%, 04/01/2019 <sup>(e)</sup>                       | 1,450,000 | 1,457,250     |
| Fairpoint Communications, Inc., Senior Secured Bond, 8.750%, 08/15/2019 <sup>(e)(e)</sup> | 1,000,000 | 1,082,500     |
| MetroPCS Wireless, Inc., Senior Unsecured Bond, 7.875%, 09/01/2018 <sup>(e)</sup>         | 3,000,000 | 3,153,900     |
|   |           | 5,693,650     |
| <b>TOTAL CORPORATE BONDS</b>  |           |               |
| (Cost \$54,508,222)   |           | 57,885,971    |
| <b>Total Investments - 112.51%</b>  |           |               |
| (Cost \$267,192,887)  |           | 272,016,424   |
| Liabilities in Excess of Other Assets - (12.51)% <sup>(f)</sup>                           |           | (30,236,626)  |
| <b>Net Assets - 100.00%</b>   |           |               |
|   |           | \$241,779,798 |

*Amounts above are shown as a percentage of net assets as of June 30, 2014.*

*(a) The interest rate shown represents the rate at period end.*

June 30, 2014 (Unaudited)

- (b) All or a portion of this position has not settled as of June 30, 2014. The interest rate shown represents the stated spread over the London Interbank Offered Rate ( LIBOR or L ) or the applicable LIBOR floor; the Fund will not accrue interest until the settlement date, at which point LIBOR will be established.*
- (c) Security exempt from registration under Rule 144A of the Securities Act of 1933. Total market value of Rule 144A securities amounts to \$13,561,998, which represents approximately 5.61% of net assets as of June 30, 2014.*
- (d) Floating or variable rate security. Interest rate disclosed is that which is in effect at June 30, 2014.*
- (e) Security, or portion of security is currently on loan. Total market value of securities on loan amounts to \$31,994,949, as of June 30, 2014. Total value of BGX s obligation to return securities lending collateral was \$32,609,155, as of June 30, 2014.*
- (f) Includes liabilities associated with the obligation to return securities lending collateral of \$32,609,155, assets associated with deposits held with broker for total return swap contracts of \$1,751,117 and other assets in excess of other liabilities of \$621,412 as of June 30, 2014.*

*See Notes to Financial Statements.*



Blackstone / GSO Strategic Credit Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal</b> |                     |
|---|------------------|---------------------|
|   | <b>Amount</b>    | <b>Market Value</b> |
| <b>FLOATING RATE LOAN INTERESTS<sup>(a)</sup> - 110.36%</b>   |                  |                     |
| <b>Aerospace and Defense - 4.20%</b>  |                  |                     |
| Camp Systems International Holding Co., Senior Secured First Lien Replacement Term Loan, 4.750%, 05/31/2019 | \$5,399,496      | \$5,430,975         |
| DAE Aviation Holdings, Inc., Senior Secured First Lien Tranche B-1 Term Loan, 5.000%, 11/02/2018            | 4,028,211        | 4,076,046           |
| DAE Aviation Holdings, Inc., Senior Secured First Lien Tranche B-2 Term Loan, 5.000%, 11/02/2018            | 1,826,122        | 1,847,807           |
| DAE Aviation Holdings, Inc., Senior Secured Second Lien Initial Term Loan, 7.750%, 08/05/2019               | 3,750,000        | 3,825,000           |
| Landmark Aviation (LM U.S. Member LLC), Senior Secured First Lien Canadian Term Loan, 4.750%, 10/25/2019    | 393,325          | 394,407             |
| Landmark Aviation (LM U.S. Member LLC), Senior Secured First Lien Initial Term Loan, 4.750%, 10/25/2019     | 5,830,189        | 5,846,222           |
| Landmark Aviation (LM U.S. Member LLC), Senior Secured Second Lien Initial Term Loan, 9.500%, 10/26/2020    | 4,000,000        | 4,040,000           |
| Paradigm Precision Group, Senior Secured First Lien Term Loan, 5.500%, 12/02/2020                           | 2,798,438        | 2,784,445           |
| Sequa Corp., Senior Secured First Lien Initial Term Loan, 5.250%, 06/19/2017                                | 7,801,220        | 7,743,530           |
|   |                  | 35,988,432          |
| <b>Automotive - 1.66%</b>   |                  |                     |
| Affinia Group, Inc., Senior Secured Tranche B-2 First Lien Term Loan, 4.750%, 04/25/2020                    | 1,999,962        | 2,022,461           |
| CCC Information Services, Inc., Senior Secured First Lien Term Loan, 4.000%, 12/20/2019                     | 2,977,330        | 2,974,844           |
| Grede II Holdings LLC, Senior Secured First Lien Initial Term Loan, L+3.75%, 06/02/2021 <sup>(b)</sup>      | 689,655          | 693,821             |
| Mitchell International, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 10/13/2020               | 6,233,228        | 6,269,567           |
| TI Group Automotive Systems LLC, Senior Secured First Lien Additional Term Loan, 5.500%, 03/28/2019         | 2,278,846        | 2,283,837           |
|   |                  | 14,244,530          |

**Banking, Finance and Real Estate - 6.13%**

|  |           |            |
|--|-----------|------------|
| Alliant Holdings I, Inc., Senior Secured First Lien Term B Loan, 4.250%,<br>12/20/2019                                     | 9,563,813 | 9,592,504  |
| AmWins Group LLC, Senior Secured First Lien Term Loan, 5.000%, 09/06/2019  | 2,694,111 | 2,704,214  |
| AssuredPartners Capital, Inc., Senior Secured First Lien Initial Term Loan, 4.500%,<br>04/02/2021                          | 2,622,951 | 2,632,380  |
| Asurion LLC, Senior Secured Second Lien Term Loan, 8.500%, 03/03/2021  | 1,063,830 | 1,105,718  |
| Asurion LLC, Senior Secured Tranche B-1 First Lien Incremental Term Loan,<br>5.000%, 05/24/2019                            | 7,747,516 | 7,806,436  |
| Cunningham Lindsey Corp., Senior Secured First Lien Initial Term Loan, 5.000%,<br>12/10/2019                               | 9,234,375 | 9,218,954  |
| Duff and Phelps Corp., Senior Secured First Lien Term Loan, 4.500%, 04/23/2020   | 2,549,450 | 2,563,790  |
| Guggenheim Partners Investment Management Holdings LLC, Senior Secured First<br>Lien Initial Term Loan, 4.250%, 07/22/2020 | 3,422,414 | 3,438,670  |
| HUB International Ltd., Senior Secured First Lien Initial Term Loan, 4.250%,<br>10/02/2020                                 | 2,213,582 | 2,220,500  |
| Interactive Data Corp., Senior Secured First Lien Term Loan, 4.750%, 05/02/2021  | 3,884,503 | 3,923,368  |
| National Financial Partners Corp., Senior Secured First Lien New Term Loan,<br>5.250%, 07/01/2020                          | 3,001,820 | 3,023,583  |
| Opal Acquisition, Inc. (aka One Call Medical, Inc.), Senior Secured First Lien Term<br>B Loan, 5.000%, 11/27/2020          | 4,299,383 | 4,316,172  |
|  |           | 52,546,289 |

**Beverage, Food and Tobacco - 5.06%**

|   |           |           |
|---|-----------|-----------|
| Advance Pierre Foods, Inc., Senior Secured Second Lien Term Loan, 9.500%,<br>10/10/2017   | 6,944,444 | 6,744,826 |
| Arby's Restaurant Group, Inc., Senior Secured First Lien Term Loan, 5.000%,<br>11/15/2020 | 995,000   | 1,002,458 |
| CEC Entertainment, Inc., Senior Secured First Lien Term B Loan, 4.250%,<br>02/14/2021     | 6,830,707 | 6,796,553 |
| Dole Food Co., Inc., Senior Secured First Lien Tranche B Term Loan, 4.500%,<br>11/01/2018 | 2,318,185 | 2,324,942 |
| El Pollo Loco, Inc., Senior Secured First Lien Term Loan, 5.253%, 10/11/2018              | 1,592,000 | 1,603,940 |
| Fairway Group Acquisition Co., Senior Secured First Lien Term Loan, 5.000%,<br>08/17/2018 | 3,438,881 | 3,425,985 |

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Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|---|-----------------------------|---------------------|
| <b>Beverage, Food and Tobacco (continued)</b>   |                             |                     |
| Performance Food Group, Inc. (fka Vistar Corp.), Senior Secured Second Lien Term Loan, 6.250%, 11/14/2019   | \$2,977,444                 | \$3,012,816         |
| RGIS Services LLC, Senior Secured Tranche C First Lien Term Loan, 5.500%, 10/18/2017                        | 2,969,620                   | 2,980,756           |
| Stater Brothers Holdings, Senior Secured First Lien Term B Loan, 4.750%, 05/12/2021                         | 491,803                     | 496,107             |
| Supervalu, Inc., Senior Secured First Lien Term Loan, 4.500%, 03/21/2019                                    | 2,918,523                   | 2,919,807           |
| U.S. Foods, Inc., Senior Secured First Lien Term Loan, 4.500%, 03/29/2019                                   | 10,304,788                  | 10,334,208          |
| Winebow, Inc., Senior Secured First Lien Term Loan, L+3.75%, 06/25/2021 <sup>(b)</sup>                      | 343,511                     | 344,800             |
| Winebow, Inc., Senior Secured Second Lien Term Loan, L+7.50%, 12/27/2021 <sup>(b)</sup>                     | 1,387,283                   | 1,390,751           |
|   |                             | 43,377,949          |
| <b>Capital Equipment - 2.06%</b>  |                             |                     |
| BakerCorp International, Inc., Senior Secured First Lien Replacement Term Loan, 4.250%, 02/07/2020          | 1,965,162                   | 1,943,064           |
| Dematic S.A. (Mirror Bidco), Senior Secured First Lien Term Loan, 4.250%, 12/28/2019                        | 4,787,465                   | 4,795,436           |
| Sensus U.S.A., Inc. (fka Sensus Metering Systems), Senior Secured Second Lien Term Loan, 8.500%, 05/09/2018 | 6,450,000                   | 6,490,313           |
| SunSource Holdings, Senior Secured First Lien Term Loan, 4.750%, 02/12/2021                                 | 2,087,791                   | 2,100,192           |
| VAT, Inc., Senior Secured First Lien Term Loan, 4.750%, 02/11/2021  | 2,312,086                   | 2,330,883           |
|   |                             | 17,659,888          |
| <b>Chemicals, Plastics and Rubber - 4.31%</b>   |                             |                     |
| American Pacific Corp., Senior Secured First Lien Initial Term Loan, 7.000%, 02/27/2019                     | 1,496,250                   | 1,518,694           |
| Filtration Group Corp., Senior Secured First Lien Term Loan, 4.500%, 11/20/2020                             | 365,510                     | 368,937             |
| Ineos Finance PLC, Senior Secured First Lien Dollar Term Loan, 3.750%, 05/04/2018                           | 2,963,694                   | 2,960,745           |
| Pinnacle Operating Corp., Senior Secured First Lien Term B Loan, 4.750%, 11/15/2018                         | 11,053,828                  | 11,116,006          |
| PQ Corp., Senior Secured First Lien Term Loan, 4.000%, 08/07/2017   | 9,850,000                   | 9,894,128           |
| U.S. Coatings Acquisition, Inc., Senior Secured First Lien Term Loan, 4.000%, 02/03/2020                    | 8,307,692                   | 8,322,231           |

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|   |           |            |
|---|-----------|------------|
| Univar, Inc., Senior Secured First Lien Term B Loan, 5.000%, 06/30/2017         | 1,453,702 | 1,461,762  |
| WTG Holdings III Corp., Senior Secured First Lien Term Loan, 4.750%, 01/15/2021 | 1,270,213 | 1,274,442  |
|   |           | 36,916,945 |

**Construction and Building - 2.37%**

|  |           |            |
|--|-----------|------------|
| Atkore International, Inc., Senior Secured First Lien Term Loan, 4.500%,<br>04/09/2021         | 4,200,000 | 4,207,014  |
| Interline Brands, Inc., Senior Secured First Lien Term Loan, 4.000%, 03/17/2021                | 702,465   | 701,882    |
| PlyGem Industries, Inc., Senior Secured First Lien Term Loan, 4.000%, 02/01/2021               | 804,435   | 800,615    |
| Quikrete Holdings, Inc., Senior Secured First Lien Initial Term Loan, 4.000%,<br>09/28/2020    | 4,404,009 | 4,416,054  |
| Rexnord LLC, Senior Secured First Lien Term B Loan, 4.000%, 08/21/2020                         | 5,884,107 | 5,888,167  |
| Road Infrastructure Investment LLC, Senior Secured First Lien Term Loan, 4.250%,<br>03/31/2021 | 1,447,984 | 1,449,193  |
| SRS Distribution, Inc., Senior Secured First Lien Term Loan, 4.750%, 08/28/2019                | 2,865,789 | 2,874,745  |
|  |           | 20,337,670 |

**Consumer Goods Durable - 2.96%**

|   |           |            |
|---|-----------|------------|
| 1-800 Contacts, Inc., Senior Secured First Lien Term Loan, 4.250%, 01/29/2021   | 4,143,462 | 4,152,536  |
| AOT Bedding Super Holdings LLC (aka National Bedding/Serta), Senior Secured<br>First Lien Term Loan, 4.250%, 10/01/2019 | 6,787,195 | 6,811,798  |
| Apex Tool Group LLC, Senior Secured First Lien Term Loan, 4.500%, 01/31/2020  | 1,757,686 | 1,740,109  |
| Capital Safety North America Holdings, Inc., Senior Secured First Lien Initial Term<br>Loan, 4.000%, 03/29/2021         | 5,838,264 | 5,810,883  |
| Hillman Group, Inc., Senior Secured First Lien Term B Loan, L+3.50%,<br>06/30/2021 <sup>(b)</sup>                       | 805,921   | 810,454    |
| MModal, Inc., Senior Secured First Lien Term B Loan, 9.000%, 08/17/2019   | 7,615,932 | 6,035,626  |
|   |           | 25,361,406 |

**Consumer Goods Non Durable - 1.84%**

|  |           |           |
|--|-----------|-----------|
| Acosta Sales and Marketing Co., Senior Secured First Lien Term B Loan, 4.250%,<br>03/02/2018 | 6,225,299 | 6,261,873 |
|--|-----------|-----------|

Blackstone / GSO Strategic Credit Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | Principal<br>Amount | Market Value |
|---|---------------------|--------------|
| <b>Consumer Goods Non Durable (continued)</b>   |                     |              |
| Bauer Performance Sports Ltd., Senior Secured First Lien Initial Term Loan, 4.500%, 04/15/2021                | \$1,652,287         | \$1,656,938  |
| FGI Operating Co. LLC, Senior Secured First Lien Term B Loan, 5.500%, 04/19/2019                              | 1,974,878           | 1,994,637    |
| Hostess Brands, Senior Secured First Lien Term Loan, 6.750%, 04/09/2020                                       | 1,360,227           | 1,412,936    |
| Inmar, Inc., Senior Secured Second Lien Initial Term Loan, L+7.00%, 01/27/2022 <sup>(b)</sup>                 | 2,471,698           | 2,457,795    |
| Reddy Ice Group, Inc., Senior Secured First Lien Term B Loan, 6.751%, 05/01/2019                              | 1,979,950           | 1,940,351    |
|   |                     | 15,724,530   |
| <b>Containers, Packaging and Glass - 5.26%</b>  |                     |              |
| Berlin Packaging LLC, Senior Secured First Lien Term Loan, 4.750%, 04/02/2019                                 | 3,512,903           | 3,542,552    |
| Berlin Packaging LLC, Senior Secured Second Lien Term Loan, 8.750%, 04/02/2020                                | 714,286             | 733,929      |
| Bway Corp. (aka ICL Industrial Containers), Senior Secured First Lien Term B Loan, 4.500%, 08/06/2017         | 11,930,767          | 11,990,421   |
| Exopack LLC, Senior Secured First Lien Term Loan, 5.250%, 05/08/2019  | 1,492,500           | 1,518,156    |
| Husky Injection Molding Systems Ltd., Senior Secured First Lien Term Loan, L+3.25%, 06/26/2021 <sup>(b)</sup> | 849,057             | 851,922      |
| Multi Packaging Solutions, Inc., Senior Secured First Lien Initial Tranche B Term Loan, 4.250%, 09/30/2020    | 10,267,500          | 10,299,586   |
| Pelican Products, Inc., Senior Secured First Lien Term Loan, 5.250%, 04/10/2020                               | 751,705             | 759,222      |
| Pelican Products, Inc., Senior Secured Second Lien Term Loan, 9.250%, 04/09/2021                              | 1,312,500           | 1,332,188    |
| Polarpak, Inc., Senior Secured First Lien Canadian Borrower Term Loan, 4.500%, 06/07/2020                     | 3,990,030           | 4,002,499    |
| Ranpak Corp., Senior Secured Second Lien Term Loan, 8.500%, 04/23/2020  | 4,264,706           | 4,355,331    |
| Signode Industrial Group U.S., Inc., Senior Secured First Lien Term Loan, 4.000%, 05/03/2021                  | 2,985,075           | 2,980,403    |
| WNA Holdings, Inc., Senior Secured First Lien Term Loan, 4.500%, 06/07/2020                                   | 2,725,909           | 2,734,427    |
|   |                     | 45,100,636   |
| <b>Energy Electricity - 0.71%</b>   |                     |              |
| La Frontera Generation LLC, Senior Secured First Lien Term Loan, 4.500%, 09/30/2020                           | 3,160,308           | 3,175,714    |
|   | 2,916,795           | 2,927,748    |

Star West Generation LLC, Senior Secured First Lien Term B Advance Loan,  
4.250%, 03/13/2020

6,103,462

**Energy, Oil and Gas - 6.58%**

|   |           |           |
|---|-----------|-----------|
| Atlas Energy LP, Senior Secured First Lien Term Loan, 6.500%, 07/22/2019                                  | 2,398,542 | 2,436,019 |
| BBTS Borrower LP, Senior Secured First Lien Term Loan, 7.750%, 06/04/2019                                 | 9,138,902 | 9,238,287 |
| Brock Holdings III, Inc., Senior Secured Second Lien Term Loan, 10.000%,<br>03/16/2018                    | 1,833,333 | 1,853,957 |
| Buffalo Gulf Coast Terminals LLC, Senior Secured First Lien Term Loan, 5.250%,<br>10/31/2017              | 2,620,000 | 2,636,375 |
| Chief Exploration & Development LLC, Senior Secured Second Lien Term Loan,<br>7.500%, 05/16/2021          | 752,941   | 771,765   |
| Crestwood Holdings LLC, Senior Secured Tranche B-1 First Lien Term Loan,<br>7.000%, 06/19/2019            | 5,592,616 | 5,692,248 |
| EMG Utica LLC, Senior Secured First Lien Term Loan, 4.750%, 03/27/2020                                    | 1,888,112 | 1,895,192 |
| Jonah Energy, Inc., Senior Secured Second Lien Initial Term Loan, 7.500%,<br>05/12/2021                   | 7,246,575 | 7,322,085 |
| NFR Energy LLC (Sabine Oil & Gas LLC), Senior Secured First Lien Mission Term<br>Loan, 8.750%, 12/31/2018 | 1,432,983 | 1,461,642 |
| Sheridan Production Partners LP, Senior Secured Tranche B-2 First Lien Term Loan:<br>4.250%, 10/01/2019   | 456,395   | 458,298   |
| 4.250%, 10/01/2019  | 747,201   | 750,317   |
| 4.250%, 10/01/2019  | 5,638,904 | 5,662,418 |
| Teine Energy Ltd., Senior Secured First Lien Term Loan, 7.500%, 05/17/2019                                | 2,715,625 | 2,752,965 |
| Templar Energy LLC, Senior Secured Second Lien Term Loan, 8.000%, 11/25/2020                              | 8,146,154 | 8,105,423 |
| UTEX Industries, Inc., Senior Secured Second Lien Initial Term Loan, 8.250%,<br>05/20/2022                | 3,181,818 | 3,225,568 |
| W3 Co., Senior Secured First Lien Term Loan, 5.750%, 03/13/2020   | 1,104,037 | 1,088,857 |

Blackstone / GSO Strategic Credit Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|---|-----------------------------|---------------------|
| <b>Energy, Oil and Gas (continued)</b>  |                             |                     |
| W3 Co., Senior Secured Second Lien Term Loan, 9.250%, 09/13/2020  | \$1,056,176                 | \$1,058,817         |
|   |                             | 56,410,233          |
| <b>Environmental Industries - 1.48%</b>   |                             |                     |
| ADS Waste Holdings, Inc., Senior Secured First Lien Tranche B-2 Term Loan, 3.750%, 10/09/2019   | 6,870,063                   | 6,847,839           |
| EnergySolutions LLC, Senior Secured First Lien Advance Term Loan, 6.750%, 05/29/2020  | 2,909,091                   | 2,946,662           |
| US Ecology, Inc., Senior Secured First Lien Term B Loan, L+3.00%, 06/17/2021 <sup>(b)</sup>   | 1,666,667                   | 1,679,425           |
| Wastequip LLC, Senior Secured First Lien Term Loan, 5.500%, 08/09/2019  | 1,205,217                   | 1,214,256           |
|   |                             | 12,688,182          |
| <b>Forest Products and Paper - 0.14%</b>  |                             |                     |
| WS Packaging Group, Inc., Senior Secured First Lien Term Loan, 5.004%, 08/09/2019   | 1,194,889                   | 1,192,649           |
| <b>Healthcare and Pharmaceuticals - 8.77%</b>   |                             |                     |
| Accellent, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 03/12/2021  | 3,041,159                   | 3,035,472           |
| Akorn, Inc., Senior Secured First Lien Term Loan, L+3.50%, 04/16/2021 <sup>(b)</sup>  | 1,318,681                   | 1,325,275           |
| Alvogen Pharmaceuticals U.S., Inc., Senior Secured First Lien Term Loan, 7.000%, 05/23/2018   | 6,035,414                   | 6,163,666           |
| CHG Buyer Corp., Senior Secured First Lien Term Loan, 4.250%, 11/19/2019  | 4,960,538                   | 4,989,458           |
| CHG Buyer Corp., Senior Secured Second Lien Term Loan, 9.000%, 11/19/2020   | 2,673,913                   | 2,728,501           |
| Convatec, Inc. (aka Cidron Healthcare, Ltd.), Senior Secured First Lien Dollar Term Loan, 4.000%, 12/22/2016                                      | 3,752,023                   | 3,761,403           |
| CT Technologies Intermediate Holdings, Inc. (aka Smart Document Solutions, Inc.), Senior Secured First Lien Initial Term Loan, 5.250%, 10/04/2019 | 1,474,074                   | 1,482,830           |
| Curo Health Services LLC, Senior Secured First Lien Initial Term Loan, 5.750%, 06/08/2020   | 1,400,000                   | 1,388,338           |
| Harvard Drug Group LLC, Senior Secured First Lien Term Loan, 5.000%, 08/16/2020   | 4,398,990                   | 4,432,203           |
| Ikaria Acquisition, Inc., Senior Secured First Lien Term Loan, 5.000%, 02/12/2021   | 3,130,435                   | 3,155,478           |
| Medpace, Inc., Senior Secured First Lien Initial Term Loan, 5.000%, 04/01/2021  | 1,567,568                   | 1,574,755           |

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|   |           |            |
|---|-----------|------------|
| National Mentor Holdings, Inc., Senior Secured First Lien Initial Tranche B Term Loan, 4.750%, 01/29/2021           | 3,617,876 | 3,643,888  |
| Onex Carestream Finance LP, Senior Secured First Lien Term Loan, 5.000%, 06/07/2019                                 | 4,946,139 | 4,961,596  |
| Par Pharmaceutical Companies, Inc., Senior Secured First Lien Term B-2 Loan, 4.000%, 09/30/2019                     | 6,895,393 | 6,895,393  |
| Phillips-Medisize Corp., Senior Secured First Lien Initial Term Loan, L+3.75%, 06/16/2021 <sup>(b)</sup>            | 804,598   | 806,609    |
| PRA Holdings, Inc., Senior Secured First Lien Tranche B-1 Term Loan, 4.500%, 09/23/2020                             | 4,737,288 | 4,722,484  |
| Prescrix, Inc. (Devix/Rexam Health), Senior Secured First Lien Term B Loan, 4.250%, 05/03/2021                      | 444,444   | 446,113    |
| Progressive Solutions LLC, Senior Secured First Lien Initial Term Loan, L+4.50%, 10/22/2020 <sup>(b)</sup>          | 2,617,347 | 2,628,798  |
| Progressive Solutions LLC, Senior Secured Second Lien Term Loan, L+8.50%, 10/22/2021 <sup>(b)</sup>                 | 1,937,374 | 1,947,061  |
| Sheridan Holdings, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 06/29/2018                            | 2,655,960 | 2,659,944  |
| Smile Brands Group, Inc., Senior Secured First Lien Term B Loan, 7.500%, 08/16/2019                                 | 4,129,529 | 4,026,291  |
| Surgery Center Holdings, Inc., Senior Secured First Lien Term Loan, 6.000%, 04/11/2019                              | 3,785,294 | 3,785,294  |
| Surgical Care Affiliates LLC, Senior Secured First Lien Class C Incremental Term Loan, 4.000%, 06/29/2018           | 2,470,099 | 2,470,099  |
| United Surgical Partners International, Inc., Senior Secured New Tranche B First Lien Term Loan, 4.750%, 04/03/2019 | 2,105,491 | 2,123,914  |
|   |           | 75,154,863 |

**High Tech Industries - 17.05%**

|   |           |           |
|---|-----------|-----------|
| Applied Systems, Inc., Senior Secured First Lien Initial Term Loan, 4.250%, 01/25/2021        | 2,487,500 | 2,499,353 |
| Ascend Learning LLC, Senior Secured First Lien Term Loan, L+5.00%, 07/31/2019 <sup>(b)</sup>  | 786,646   | 797,467   |
| Ascend Learning LLC, Senior Secured Second Lien Term Loan, L+8.50%, 11/30/2020 <sup>(b)</sup> | 1,030,303 | 1,035,455 |
| Aspect Software, Inc., Senior Secured Tranche B First Lien Term Loan, 7.250%, 05/07/2016      | 6,697,404 | 6,772,783 |
| Attachmante Corp., Senior Secured Second Lien Term Loan, 11.000%, 11/22/2018                  | 5,838,265 | 5,925,839 |



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Portfolio of Investments

June 30, 2014 (Unaudited)

|  | Principal<br>Amount | Market Value |
|--|---------------------|--------------|
| <b>High Tech Industries (continued)</b>  |                     |              |
| Avago Technologies Ltd., Senior Secured First Lien Term Loan, 3.750%,<br>05/06/2021                                  | \$1,437,500         | \$1,443,624  |
| Blackboard, Inc., Senior Secured First Lien Term B-3 Loan, 4.750%, 10/04/2018  | 12,700,306          | 12,803,496   |
| Blue Coat Systems, Inc., Senior Secured First Lien Term Loan, 4.000%, 05/31/2019                                     | 6,714,091           | 6,729,466    |
| BMC Software, Senior Secured First Lien Term Loan, 5.500%, 09/10/2020  | 3,346,818           | 4,630,048    |
| Dell International LLC, Senior Secured First Lien Term B Loan, 4.500%,<br>04/29/2020                                 | 4,975,000           | 5,007,512    |
| EZE Software Group LLC, Senior Secured First Lien Term B-1 Loan, 4.000%,<br>04/06/2020                               | 1,320,025           | 1,322,777    |
| EZE Software Group LLC, Senior Secured Second Lien Term Loan, 7.250%,<br>04/05/2021                                  | 1,643,057           | 1,643,057    |
| Flexera Software LLC, Senior Secured First Lien Term Loan, 4.500%, 04/02/2020  | 2,000,000           | 2,003,330    |
| Flexera Software, Inc., Senior Secured Second Lien Term Loan, L+7.00%,<br>04/02/2021 <sup>(b)</sup>                  | 2,000,000           | 2,007,500    |
| Freescale Semiconductor, Inc., Senior Secured First Lien Term Loan, 4.250%,<br>02/28/2020                            | 2,970,038           | 2,974,374    |
| Go Daddy Operating Company, LLC, Senior Secured First Lien Initial Term Loan,<br>4.750%, 05/13/2021                  | 3,383,333           | 3,372,760    |
| Hyland Software, Inc., Senior Secured First Lien Initial Term Loan, 4.750%,<br>02/19/2021                            | 9,794,305           | 9,867,861    |
| Kronos, Inc. (aka Seahawk Acquisition Corp.), Senior Secured First Lien<br>Incremental Term Loan, 4.500%, 10/30/2019 | 10,350,299          | 10,447,333   |
| Kronos, Inc. (aka Seahawk Acquisition Corp.), Senior Secured Second Lien Term<br>Loan, 9.750%, 04/30/2020            | 3,850,008           | 4,018,446    |
| Landesk Software (aka Landslide Holdings), Senior Secured First Lien Term Loan,<br>5.000%, 02/25/2020                | 5,491,430           | 5,511,995    |
| M/A-Com Technology Solutions Holdings, Inc., Senior Secured First Lien Initial<br>Term Loan, 4.500%, 05/07/2021      | 1,153,846           | 1,163,942    |
| Mitel Networks, Senior Secured First Lien Term B Loan, 5.250%, 01/31/2020  | 2,528,393           | 2,555,270    |
| MSC Software Corp., Senior Secured Second Lien Term Loan, 8.500%, 05/28/2021   | 1,095,833           | 1,106,792    |
| NXP B.V. (NXP Fundings LLC), Senior Secured Tranche D First Lien Term Loan,<br>3.250%, 01/11/2020                    | 4,160,836           | 4,142,632    |
| Peak 10, Inc., Senior Secured Second Lien Term Loan, L+7.25%, 06/17/2022 <sup>(b)</sup>                              | 1,500,000           | 1,503,120    |
| Rocket Software, Inc., Senior Secured First Lien Term Loan, 5.750%, 02/08/2018                                       | 2,789,456           | 2,802,943    |
| Ship Luxco 3 S.A.R.L. (aka RBS Worldpay), Senior Secured Facility B2A First<br>Lien Term Loan, 5.250%, 11/29/2019    | 1,011,411           | 1,021,525    |
| Ship Luxco 3 S.A.R.L. (aka RBS Worldpay), Senior Secured First Lien Facility<br>B2A Term Loan, 4.750%, 11/29/2019    | 2,707,692           | 2,726,727    |

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|  |           |             |
|--|-----------|-------------|
| Sirius Computer, Inc. (SCS Holdings I), Senior Secured First Lien Term Loan, 7.000%, 12/07/2018      | 4,511,538 | 4,579,212   |
| Sophia, L.P., Senior Secured First Lien Term B-1 Loan, 4.000%, 07/19/2018                            | 1,905,697 | 1,909,441   |
| Technicolor S.A., Senior Secured First Lien Term Loan, 5.500%, 07/11/2020                            | 9,436,275 | 9,566,070   |
| Telx Group, Inc., Senior Secured First Lien Initial Term Loan, L+3.50%, 04/09/2020 <sup>(b)</sup>    | 5,500,000 | 5,513,063   |
| The Petroleum Place, Inc., Senior Secured First Lien Term Loan, 5.000%, 10/30/2020                   | 4,264,286 | 4,290,937   |
| TriZetto Group, Inc. (TZ Merger Sub, Inc.), Senior Secured First Lien Term Loan, 4.750%, 05/02/2018  | 1,719,000 | 1,727,062   |
| TriZetto Group, Inc. (TZ Merger Sub, Inc.), Senior Secured Second Lien Term Loan, 8.500%, 03/28/2019 | 1,288,768 | 1,298,434   |
| Vertafore, Inc., Senior Secured Second Lien Term Loan, 9.750%, 10/27/2017                            | 9,250,000 | 9,458,125   |
|  |           | 146,179,771 |

**Hotels, Gaming and Leisure - 3.64%**

|   |            |            |
|---|------------|------------|
| Alpha Topco Ltd. (Formula One), Senior Secured First Lien New Facility Term B Loan, 4.500%, 04/30/2019  | 4,373,451  | 4,389,239  |
| Caesars Entertainment Operating Co. (fka Harrah s/Corner Investment), Senior Secured First Lien Term B Loan, 7.000%, 10/12/2020                   | 10,528,488 | 10,610,768 |
| Caesars Entertainment Operating Co. (fka Harrah s/Corner Investment), Senior Secured First Lien Term B-5 Loan, L+4.25%, 01/28/2018 <sup>(b)</sup> | 4,582,300  | 4,240,552  |
| Caesars Entertainment Operating Co. (fka Harrah s/Corner Investment), Senior Secured First Lien Term B-6 Loan, L+5.25%, 01/28/2018 <sup>(b)</sup> | 1,836,066  | 1,717,300  |
| Corner Investment Propco LLC, Senior Secured First Lien Term B Loan, 11.000%, 11/04/2019  | 3,000,000  | 3,090,000  |

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Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal</b> |                     |
|---|------------------|---------------------|
|   | <b>Amount</b>    | <b>Market Value</b> |
| <b>Hotels, Gaming and Leisure (continued)</b>   |                  |                     |
| Zuffa LLC, Senior Secured First Lien Term B Loan, 3.750%, 02/25/2020                                  | \$7,132,781      | \$7,152,860         |
|   |                  | 31,200,719          |
| <b>Media Advertising, Printing and Publishing - 0.28%</b>   |                  |                     |
| Penton Media, Inc., Senior Secured First Lien Term B Loan, 5.500%, 10/03/2019                         | 2,382,000        | 2,406,416           |
| <b>Media Broadcasting and Subscription - 2.78%</b>  |                  |                     |
| Clear Channel Communications, Inc., Senior Secured First Lien Tranche D Term Loan, 6.900%, 01/30/2019 | 7,291,667        | 7,266,911           |
| Clear Channel Communications, Inc., Senior Secured First Lien Tranche E Term Loan, 7.653%, 07/30/2019 | 2,708,333        | 2,719,966           |
| Cumulus Media Holdings, Inc., Senior Secured First Lien Term Loan, 4.250%, 12/23/2020                 | 4,508,065        | 4,530,605           |
| Entercom Radio LLC, Senior Secured First Lien Term B-2 Loan, 4.000%, 11/23/2018                       | 1,727,822        | 1,739,338           |
| RCN Corp., Senior Secured First Lien Term B Loan, 4.500%, 03/01/2020                                  | 3,562,898        | 3,586,840           |
| Univision Communications, Inc., Senior Secured First Lien Term C-4 Loan, 4.000%, 03/01/2020           | 3,950,129        | 3,951,492           |
|   |                  | 23,795,152          |
| <b>Media Diversified and Production - 0.20%</b>   |                  |                     |
| Lions Gate Entertainment Corp., Senior Secured Second Lien Term Loan, 5.000%, 07/20/2020              | 1,666,667        | 1,695,292           |
| <b>Metals and Mining - 0.61%</b>  |                  |                     |
| McJunkin Red Man Corp., Senior Secured First Lien Term Loan, 5.000%, 11/09/2019                       | 5,190,507        | 5,231,071           |
| <b>Retail - 9.01%</b>   |                  |                     |
| Academy Ltd., Senior Secured First Lien Initial Term Loan, 4.500%, 08/03/2018                         | 6,862,688        | 6,894,154           |

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|   |            |            |
|---|------------|------------|
| Albertson's LLC, Senior Secured First Lien Term B Loan, L+3.75%, 06/24/2020 <sup>(1)</sup>  | 5,000,000  | 5,020,325  |
| Albertson's LLC, Senior Secured First Lien Term B-2 Loan, 4.750%, 03/21/2019  | 3,156,843  | 3,177,883  |
| BJ's Wholesale Club, Inc., Senior Secured First Lien Replacement Term Loan, 4.500%, 09/26/2019  | 2,985,000  | 2,992,462  |
| Burlington Coat Factory Warehouse Corp., Senior Secured First Lien Term B-2 Loan, 4.250%, 02/23/2017                                  | 2,647,768  | 2,667,627  |
| Container Store, Inc., Senior Secured First Lien Term B-3 Loan, 4.250%, 04/08/2019  | 1,711,285  | 1,711,285  |
| DBP Holdings Corp., Senior Secured First Lien Initial Term Loan, 5.000%, 10/11/2019   | 6,937,368  | 6,730,982  |
| Hudson's Bay Co., Senior Secured First Lien Initial Term Loan, 4.750%, 11/04/2020   | 3,700,000  | 3,750,875  |
| J. Crew Group, Inc., Senior Secured First Lien Initial Term Loan, 4.000%, 03/05/2021  | 5,638,006  | 5,571,929  |
| Neiman Marcus Group Ltd. LLC, Senior Secured First Lien Other Term Loan, 4.250%, 10/25/2020   | 3,530,667  | 3,527,949  |
| Nine West Holdings, Inc., Senior Secured First Lien Initial Term Loan, 4.750%, 10/08/2019   | 2,000,000  | 2,013,190  |
| Payless, Inc. (aka Collective Brands Finance, Inc.), Senior Secured First Lien Term Loan, 5.000%, 03/11/2021                          | 6,698,341  | 6,727,613  |
| Payless, Inc. (fka Collective Brands Finance, Inc.), Senior Secured Second Lien Initial Term Loan, L+7.50%, 03/11/2022 <sup>(b)</sup> | 1,845,543  | 1,851,310  |
| Pier 1 Imports, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 04/30/2021   | 2,083,333  | 2,098,958  |
| Smart & Final Stores LLC, Senior Secured First Lien Term Loan, 4.750%, 11/15/2019   | 15,198,452 | 15,259,246 |
| Sports Authority, Inc. (aka TSA), Senior Secured First Lien Term B Loan, 7.500%, 11/16/2017   | 3,755,182  | 3,765,152  |
| The Men's Wearhouse, Inc., Senior Secured First Lien Tranche B Term Loan, 4.500%, 06/18/2021  | 3,414,634  | 3,438,468  |
|   |            | 77,199,408 |

**Services - Business - 9.15%**

|   |           |           |
|---|-----------|-----------|
| Advantage Sales & Marketing, Inc., Senior Secured Second Lien Term Loan, 8.250%, 06/18/2018 | 102,857   | 103,222   |
| AlixPartners LLP, Senior Secured First Lien Replacement Term B-2 Loan, 4.000%, 07/10/2020   | 5,323,115 | 5,327,107 |

Blackstone / GSO Strategic Credit Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|  | <b>Principal<br/>Amount</b> | <b>Market Value</b> |
|--|-----------------------------|---------------------|
| <b>Services - Business (continued)</b>   |                             |                     |
| Checkout Holding Corp., Senior Secured First Lien Term B Loan, 4.500%,<br>04/09/2021                               | \$3,268,336                 | \$3,275,821         |
| Crossmark Holdings, Inc., Senior Secured First Lien Term Loan, 4.500%,<br>12/20/2019                               | 3,113,716                   | 3,113,716           |
| Crossmark Holdings, Inc., Senior Secured Second Lien Term Loan, 8.750%,<br>12/21/2020                              | 2,000,000                   | 1,990,000           |
| eResearch Technology, Inc., Senior Secured First Lien Term Loan, 6.000%,<br>05/02/2018                             | 3,020,117                   | 3,031,442           |
| FR Dixie Acquisition, Senior Secured First Lien Term Loan, 5.750%, 12/18/2020                                      | 5,236,842                   | 5,269,572           |
| Garda World Security Corp., Senior Secured First Lien Delayed Draw Term B Loan,<br>4.000%, 11/06/2020              | 640,733                     | 641,265             |
| Garda World Security Corp., Senior Secured First Lien Term B Loan, 4.000%,<br>11/06/2020                           | 2,504,683                   | 2,506,761           |
| Information Resources, Inc., Senior Secured First Lien Term Loan, 4.750%,<br>09/30/2020                            | 1,161,075                   | 1,171,235           |
| Ipreo Holdings LLC, Senior Secured First Lien Tranche B-4 Term Loan, 5.000%,<br>08/07/2017                         | 980,811                     | 981,120             |
| MPH Acquisition Holdings LLC, Senior Secured First Lien Tranche B Term Loan,<br>4.000%, 03/31/2021                 | 6,582,365                   | 6,572,623           |
| Neff Rental, Senior Secured Second Lien Term Loan, 7.250%, 06/09/2021  | 2,536,232                   | 2,534,647           |
| PGA Holdings, Inc. (aka Press Ganey), Senior Secured First Lien Term Loan,<br>4.250%, 04/20/2018                   | 2,337,467                   | 2,344,410           |
| Polyconcept Investments B.V. (Metropolitan Management), Senior Secured First<br>Lien Term Loan, 6.000%, 06/28/2019 | 4,836,104                   | 4,824,014           |
| Scitor Corp., Senior Secured First Lien Term Loan, 5.000%, 02/15/2017  | 1,614,747                   | 1,594,563           |
| Sedgwick Claims Management Services, Inc., Senior Secured Second Lien Initial<br>Term Loan, 6.750%, 02/28/2022     | 2,545,455                   | 2,548,636           |
| StoneRiver Group LP, Senior Secured First Lien Initial Term Loan, 4.500%,<br>11/30/2019                            | 1,171,201                   | 1,170,715           |
| StoneRiver Group LP, Senior Secured Second Lien Initial Term Loan, 8.500%,<br>05/30/2020                           | 2,205,955                   | 2,221,121           |
| SurveyMonkey.com LLC, Senior Secured First Lien Term Loan, 5.500%,<br>02/07/2019                                   | 5,547,410                   | 5,599,417           |
| Trans Union LLC, Senior Secured First Lien Replacement Term Loan, 4.000%,<br>04/09/2021                            | 3,653,494                   | 3,660,673           |
| Transaction Network Services, Senior Secured First Lien Initial Term Loan, 5.000%,<br>02/14/2020                   | 3,327,043                   | 3,349,916           |
|  | 1,406,250                   | 1,421,634           |

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Transaction Network Services, Senior Secured Second Lien Term Loan, 9.000%,  
08/14/2020

|  |           |            |
|--|-----------|------------|
| TravelCLICK Holdings (aka TCH-2 Holdings LLC.), Senior Secured Second Lien Term Loan, 8.750%, 11/08/2021 | 1,500,000 | 1,485,000  |
| Truven Health Analytics, Inc., Senior Secured New Tranche B First Lien Term Loan, 4.500%, 06/06/2019     | 7,896,271 | 7,841,984  |
| VGroup Ltd., Senior Secured First Lien Term Loan, L+4.00%, 06/18/2021 <sup>(b)</sup>                     | 791,209   | 799,619    |
| Web.com Group, Inc., Senior Secured First Lien Term Loan, 4.500%, 10/27/2017                             | 3,012,159 | 3,023,455  |
|  |           | 78,403,688 |

**Services - Consumer - 3.66%**

|   |           |            |
|---|-----------|------------|
| Alliance Laundry Systems LLC, Senior Secured First Lien Term Loan, 4.260%, 12/10/2018                   | 2,721,752 | 2,740,042  |
| California Pizza Kitchen, Inc., Senior Secured First Lien Term Loan 5.250%, 03/29/2018                  | 4,682,846 | 4,483,849  |
| Knowledge Universe Education LLC, Senior Secured First Lien Term Loan, 5.250%, 03/18/2021               | 3,461,474 | 3,517,723  |
| Monitronics International, Inc., Senior Secured First Lien Term B Loan, 4.250%, 03/23/2018              | 8,344,023 | 8,372,684  |
| Renaissance Learning, Inc., Senior Secured First Lien Initial Term Loan, 4.500%, 04/09/2021             | 2,800,000 | 2,803,500  |
| Service Master Co., Senior Secured First Lien Term Loan, L+3.25%, 06/25/2021 <sup>(b)</sup>             | 3,688,073 | 3,688,664  |
| ServiceMaster, Senior Secured First Lien Extended Term Loan, 6.500%, 01/31/2017                         | 4,987,310 | 4,993,718  |
| Spin Holdco, Inc. (aka Coinmach Corp.), Senior Secured First Lien Initial Term Loan, 4.250%, 11/14/2019 | 802,419   | 804,855    |
|   |           | 31,405,035 |

**Telecommunications - 4.09%**

|   |           |           |
|---|-----------|-----------|
| Avaya, Inc., Senior Secured Extended First Lien Term B-3 Loan, 4.734%, 10/26/2017             | 6,422,261 | 6,301,843 |
| ConvergeOne Holdings Corp., Senior Secured First Lien Initial Term Loan, 6.000%, 06/17/2020   | 2,857,143 | 2,864,286 |
| Fairpoint Communications, Inc., Senior Secured First Lien Term Loan, 7.500%, 02/14/2019       | 2,184,470 | 2,266,846 |
| Fibertech Networks LLC (aka Firefox), Senior Secured First Lien Term Loan, 4.000%, 12/18/2019 | 5,294,419 | 5,317,581 |

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Portfolio of Investments

June 30, 2014 (Unaudited)

|  | Principal<br>Amount | Market Value |
|--|---------------------|--------------|
| <b>Telecommunications (continued)</b>  |                     |              |
| Hargray Communications (DPC Acquisitions), Senior Secured First Lien Term Loan, 4.750%, 06/26/2019   | \$2,970,000         | \$2,987,642  |
| Nextgen Finance, LLC, Senior Secured First Lien Term B Loan, 5.000%, 05/31/2021                      | 2,000,000           | 2,001,250    |
| Wide Open West Finance LLC, Senior Secured First Lien Term B Loan, 4.750%, 04/01/2019                | 3,941,102           | 3,958,345    |
| Zayo Group LLC (Zayo Capital, Inc.), Senior Secured First Lien Term Loan, 3.234%, 07/02/2019         | 9,369,341           | 9,394,732    |
|  |                     | 35,092,525   |
| <b>Transportation Consumer - 2.27%</b>   |                     |              |
| Air Medical Group Holdings, Inc., Senior Secured First Lien Term B-1 Loan, 5.000%, 06/30/2018        | 6,541,381           | 6,574,088    |
| Lineage Logistics LLC, Senior Secured First Lien Term Loan, 4.500%, 04/07/2021                       | 6,938,323           | 6,910,847    |
| Sabre, Inc., Senior Secured First Lien Term B Loan, 4.250%, 02/19/2019                               | 5,940,785           | 5,964,281    |
|  |                     | 19,449,216   |
| <b>Utilities Electric - 3.11%</b>  |                     |              |
| Atlantic Power Co., Senior Secured First Lien Term Loan, 4.750%, 02/24/2021                          | 1,120,355           | 1,135,065    |
| Bayonne Energy Center LLC, Senior Secured First Lien Term B Loan, L+3.50%, 06/24/2021 <sup>(b)</sup> | 353,774             | 357,311      |
| Empire Generating Co. LLC, Senior Secured First Lien Term B Loan, 5.250%, 03/15/2021                 | 2,745,534           | 2,776,422    |
| Empire Generating Co. LLC, Senior Secured First Lien Term C Loan, 5.250%, 03/15/2021                 | 192,029             | 194,189      |
| FREIF North American Power I LLC, Senior Secured First Lien Term B-1 Loan, 4.750%, 03/29/2019        | 3,603,701           | 3,648,748    |
| FREIF North American Power I LLC, Senior Secured First Lien Term C-1 Loan, 4.750%, 03/29/2019        | 705,636             | 714,456      |
| Moxie Liberty LLC, Senior Secured First Lien Term B-1 Loan, 7.500%, 08/21/2020                       | 2,941,176           | 3,029,412    |
| Moxie Patriot LLC, Senior Secured First Lien Term B-1 Loan, 6.750%, 12/18/2020                       | 2,962,963           | 3,051,852    |
| Panda Temple Power LLC, Senior Secured First Lien Term Loan, 7.250%, 04/03/2019                      | 2,545,455           | 2,609,091    |
|  | 9,082,567           | 9,176,526    |

Sandy Creek Energy Associates LP, Senior Secured First Lien Term Loan, 5.000%,  
11/09/2020

26,693,072

**Utilities, Oil & Gas - 0.35%**

EquiPower Resources Holdings LLC, Senior Secured First Lien Term C Loan,  
4.250%, 12/21/2019

3,004,927

3,028,411

**Wholesale - 0.63%**

Envision Pharmaceutical Services, Inc., Senior Secured First Lien Term Loan,  
5.750%, 11/04/2020

5,370,358

5,430,774

**TOTAL FLOATING RATE LOAN INTERESTS**

(Cost \$939,910,616)

946,018,214

**CORPORATE BONDS - 34.37%****Aerospace and Defense - 0.24%**

Erickson, Inc., Senior Secured Bond, Series WI, 8.250%, 05/01/2020

2,000,000

2,065,000

**Banking, Finance and Real Estate - 1.18%**

Forestar USA Real Estate Group, Inc., Senior Secured Bond, 8.500%, 06/01/2022<sup>(c)</sup>

1,650,000

1,716,000

HUB International Ltd., Senior Unsecured Bond, 7.875%, 10/01/2021<sup>(c)</sup>

2,000,000

2,152,500

Jefferies Finance LLC, Senior Unsecured Bond, 6.875%, 04/15/2022<sup>(c)</sup>

1,450,000

1,475,375

Legacy Reserves LP / Legacy Reserves Finance Corp., Senior Unsecured Bond,  
6.625%, 12/01/2021<sup>(c)</sup>

2,650,000

2,703,000

Opal Acquisition, Inc. (aka One Call Medical, Inc.), Senior Unsecured Bond,  
8.875%, 12/15/2021<sup>(c)</sup>

2,000,000

2,112,500

10,159,375



Blackstone / GSO Strategic Credit Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|  | <b>Principal</b> |                     |
|--|------------------|---------------------|
|  | <b>Amount</b>    | <b>Market Value</b> |
| <b>Beverage, Food and Tobacco - 1.08%</b>  |                  |                     |
| Del Monte Foods Co., Senior Unsecured Bond, 7.625%, 02/15/2019                                 | \$3,504,000      | \$3,655,898         |
| Dole Food Co., Inc., Senior Secured Bond, 7.250%, 05/01/2019 <sup>(c)</sup>                    | 500,000          | 506,875             |
| Post Holdings, Inc., Senior Unsecured Bond, 6.750%, 12/01/2021 <sup>(c)</sup>                  | 2,250,000        | 2,393,438           |
| U.S. Foods, Inc., Senior Unsecured Bond, 8.500%, 06/30/2019                                    | 2,500,000        | 2,678,750           |
|  |                  | 9,234,961           |
| <b>Capital Equipment - 0.50%</b>   |                  |                     |
| Terex Corp., Senior Unsecured Bond, 6.000%, 05/15/2021   | 4,000,000        | 4,330,000           |
| <b>Chemicals, Plastics and Rubber - 0.88%</b>  |                  |                     |
| PetroLogistics LP / PetroLogistics Finance Corp., Senior Unsecured Bond, 6.250%,<br>04/01/2020 | 1,000,000        | 1,095,000           |
| Pinnacle Operating Corp., Senior Secured Bond, 9.000%, 11/15/2020 <sup>(c)</sup>               | 2,000,000        | 2,175,000           |
| VWR Funding, Inc., Senior Unsecured Bond, 7.250%, 09/15/2017                                   | 4,000,000        | 4,245,000           |
|  |                  | 7,515,000           |
| <b>Construction and Building - 0.21%</b>   |                  |                     |
| Century Communities, Inc., Senior Unsecured Bond, 6.875%, 05/15/2022 <sup>(c)</sup>            | 250,000          | 256,875             |
| Zachry Holdings, Inc., Senior Unsecured Bond, 7.500%, 02/01/2020 <sup>(c)</sup>                | 1,450,000        | 1,562,375           |
|  |                  | 1,819,250           |
| <b>Consumer Goods Durable - 0.76%</b>  |                  |                     |
| Serta Simmons Holdings LLC, Senior Unsecured Bond, 8.125%, 10/01/2020 <sup>(c)</sup>           | 6,000,000        | 6,555,000           |
| <b>Consumer Goods Non Durable - 1.50%</b>  |                  |                     |
| Armored AutoGroup, Inc., Senior Unsecured Bond, 9.250%, 11/01/2018                             | 4,850,000        | 5,128,875           |
| Revlon Consumer Products Corp., Senior Unsecured Bond, Series WI, 5.750%,<br>02/15/2021        | 6,000,000        | 6,195,000           |
| Wolverine World Wide, Inc., Senior Unsecured Bond, 6.125%, 10/15/2020                          | 1,400,000        | 1,515,500           |

12,839,375

**Containers, Packaging and Glass - 1.16%**

|  |           |           |
|--|-----------|-----------|
| Beverage Packaging Holdings Luxembourg II SA, Senior Unsecured Bond, 6.000%, 06/15/2017 <sup>(c)</sup> | 700,000   | 719,250   |
| Exopack Holdings SA, Senior Secured Bond, 7.875%, 11/01/2019 <sup>(c)</sup>                            | 750,000   | 806,250   |
| Reynolds Group Holdings, Inc., Senior Unsecured Bond:  |           |           |
| 8.500%, 05/15/2018   | 4,000,000 | 4,190,000 |
| 5.750%, 10/15/2020   | 4,000,000 | 4,240,000 |
|  |           | 9,955,500 |

**Energy, Oil and Gas - 6.70%**

|  |           |           |
|--|-----------|-----------|
| Alta Mesa Holdings LP, Senior Unsecured Bond, 9.625%, 10/15/2018                                 | 4,400,000 | 4,642,000 |
| Atlas Energy LP, Senior Unsecured Bond, 7.750%, 01/15/2021 <sup>(c)</sup>                        | 2,550,000 | 2,652,000 |
| CrownRock LP / CrownRock Finance, Inc., Senior Unsecured Bond, 7.125%, 04/15/2021 <sup>(c)</sup> | 5,000,000 | 5,300,000 |
| CVR Refining/Coffeyville Finance, Inc., Senior Secured Bond, 6.500%, 11/01/2022                  | 5,000,000 | 5,300,000 |
| Energy XXI Gulf Coast, Inc., Senior Unsecured Bond, 6.875%, 03/15/2024 <sup>(c)</sup>            | 2,000,000 | 2,045,000 |
| Everest Acquisition LLC, Senior Unsecured Bond, 7.750%, 09/01/2022                               | 2,000,000 | 2,265,000 |
| Genesis Energy LP / Genesis Energy Finance Corp., Senior Unsecured Bond, 5.750%, 02/15/2021      | 2,000,000 | 2,090,000 |
| Lightstream Resources Ltd., Senior Unsecured Bond, 8.625%, 02/01/2020 <sup>(c)</sup>             | 2,600,000 | 2,743,000 |
| NGL Energy Partners LP, Senior Unsecured Bond, 5.125%, 07/15/2019 <sup>(c)</sup>                 | 2,200,000 | 2,216,500 |
| QR Energy LP / QRE Finance Corp., Senior Unsecured Bond, 9.250%, 08/01/2020                      | 1,500,000 | 1,646,250 |
| Resolute Energy Corp., Senior Unsecured Bond, 8.500%, 05/01/2020                                 | 2,900,000 | 3,037,750 |
| Rice Energy, Inc., Senior Unsecured Bond, 6.250%, 05/01/2022 <sup>(c)</sup>                      | 4,900,000 | 5,028,625 |
| Sanchez Energy Corp., Senior Unsecured Bond, 6.125%, 01/15/2023 <sup>(c)</sup>                   | 1,750,000 | 1,811,250 |
| SandRidge Energy, Inc., Senior Unsecured Bond, 7.500%, 02/15/2023                                | 4,000,000 | 4,360,000 |

Blackstone / GSO Strategic Credit Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal</b> |                     |
|---|------------------|---------------------|
|   | <b>Amount</b>    | <b>Market Value</b> |
| <b>Energy, Oil and Gas (continued)</b>  |                  |                     |
| Sidewinder Drilling, Inc., Senior Unsecured Bond, 9.750%, 11/15/2019 <sup>(c)</sup>                             | \$4,250,000      | \$4,335,000         |
| Swift Energy Co., Senior Unsecured Bond,:   |                  |                     |
| 8.875%, 01/15/2020  | 1,500,000        | 1,605,000           |
| 7.875%, 03/01/2022  | 1,500,000        | 1,575,000           |
| Talos Production LLC / Talos Production Finance, Inc., Senior Unsecured Bond, 9.750%, 02/15/2018 <sup>(c)</sup> | 2,000,000        | 2,130,000           |
| Western Refining, Inc., Senior Unsecured Bond, 6.250%, 04/01/2021   | 2,500,000        | 2,625,000           |
|   |                  | 57,407,375          |
| <b>Exploration &amp; Production - 0.49%</b>   |                  |                     |
| Linn Energy LLC, Senior Unsecured Bond, 7.250%, 11/01/2019  | 4,000,000        | 4,210,000           |
| <b>Healthcare and Pharmaceuticals - 0.45%</b>   |                  |                     |
| Aurora Diagnostics Holdings LLC, Senior Unsecured Bond, 10.750%, 01/15/2018                                     | 500,000          | 422,500             |
| MPH Acquisition Holdings LLC, Senior Unsecured Bond, 6.625%, 04/01/2022 <sup>(c)</sup>                          | 600,000          | 630,000             |
| Salix Pharmaceuticals Ltd., Senior Unsecured Bond, 6.000%, 01/15/2021 <sup>(c)</sup>                            | 600,000          | 645,000             |
| Valeant Pharmaceuticals, Inc., Senior Unsecured Bond, 6.375%, 10/15/2020 <sup>(c)</sup>                         | 2,000,000        | 2,132,500           |
|   |                  | 3,830,000           |
| <b>High Tech Industries - 2.87%</b>   |                  |                     |
| Blackboard, Inc., Senior Unsecured Bond, 7.750%, 11/15/2019 <sup>(c)</sup>                                      | 6,250,000        | 6,562,500           |
| Entegris, Inc., Senior Unsecured Bond, 6.000%, 04/01/2022 <sup>(c)</sup>  | 1,250,000        | 1,293,750           |
| Sanmina-SCI Corp., Senior Secured Bond, 4.375%, 06/01/2019 <sup>(c)</sup>                                       | 750,000          | 750,937             |
| Sanmina-SCI Corp., Senior Unsecured Bond, 7.000%, 05/15/2019 <sup>(c)</sup>                                     | 4,000,000        | 4,220,000           |
| Viasystems, Inc., Senior Unsecured Bond, 7.875%, 05/01/2019 <sup>(c)</sup>                                      | 10,002,000       | 10,627,125          |
| Waterjet Holdings, Inc., Senior Secured Bond, 7.625%, 02/01/2020 <sup>(c)</sup>                                 | 1,100,000        | 1,171,500           |
|   |                  | 24,625,812          |
| <b>Hotels, Gaming and Leisure - 1.83%</b>   |                  |                     |
| Mood Media Corp., Senior Unsecured Bond, 9.250%, 10/15/2020 <sup>(c)</sup>                                      | 9,850,000        | 8,963,500           |

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|   |           |            |
|---|-----------|------------|
| NCL Corp. Ltd., Senior Unsecured Bond, Series WI, 5.000%, 02/15/2018                  | 3,250,000 | 3,371,875  |
| Six Flags Theme Parks, Inc., Senior Unsecured Bond, 5.250%, 01/15/2021 <sup>(c)</sup> | 3,250,000 | 3,339,375  |
|   |           | 15,674,750 |

**Media Advertising, Printing and Publishing - 0.12%**

|   |           |           |
|---|-----------|-----------|
| Southern Graphics, Inc., Senior Unsecured Bond, 8.375%, 10/15/2020 <sup>(c)</sup> | 1,000,000 | 1,065,000 |
|---|-----------|-----------|

**Media Broadcasting and Subscription - 2.60%**

|  |           |            |
|--|-----------|------------|
| Cablevision Systems Corp., Senior Unsecured Bond, 5.875%, 09/15/2022                     | 4,000,000 | 4,090,000  |
| CCO Holdings, Inc., Senior Unsecured Bond, 5.125%, 02/15/2023                            | 5,050,000 | 5,094,187  |
| Cequel Communications LLC, Senior Unsecured Bond, 6.375%, 09/15/2020 <sup>(c)</sup>      | 8,500,000 | 9,073,750  |
| Univision Communications, Inc., Senior Unsecured Bond, 6.750%, 09/15/2022 <sup>(c)</sup> | 3,604,000 | 4,004,945  |
|  |           | 22,262,882 |

**Media Diversified and Production - 0.13%**

|   |           |           |
|---|-----------|-----------|
| Live Nation Entertainment, Inc., Senior Secured Bond, 7.000%, 09/01/2020 <sup>(c)</sup> | 1,000,000 | 1,100,000 |
|---|-----------|-----------|

**Metals and Mining - 0.16%**

|   |           |           |
|---|-----------|-----------|
| Prince Mineral Holding Corp., Senior Unsecured Bond, 11.500%, 12/15/2019 <sup>(c)</sup> | 1,200,000 | 1,359,000 |
|---|-----------|-----------|

**Retail - 1.44%**

|  |           |           |
|--|-----------|-----------|
| Ferrellgas LP / Ferrellgas Finance Corp., Senior Unsecured Bond, 6.750%, 01/15/2022 <sup>(c)</sup> | 650,000   | 682,500   |
| Hillman Group, Inc., Senior Unsecured Bond, 6.375%, 07/15/2022 <sup>(c)</sup>                      | 1,300,000 | 1,306,500 |
| Logan's Roadhouse, Inc., Senior Unsecured Bond, 10.750%, 10/15/2017                                | 6,044,000 | 4,940,970 |
| New Academy Finance Co., LLC, Senior Unsecured Bond, 8.000%, 06/15/2018 <sup>(c)(d)</sup>          | 3,000,000 | 3,071,250 |

Blackstone / GSO Strategic Credit Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   | <b>Principal</b> |                     |
|---|------------------|---------------------|
|   | <b>Amount</b>    | <b>Market Value</b> |
| <b>Retail (continued)</b>   |                  |                     |
| Petco Holdings, Inc., Senior Unsecured Bond, 8.500%, 10/15/2017 <sup>(c)(d)</sup>           | \$2,300,000      | \$2,363,250         |
|   |                  | 12,364,470          |
| <b>Services - Business - 1.41%</b>  |                  |                     |
| Ceridian Corp., Senior Unsecured Bond, 8.125%, 11/15/2017 <sup>(c)</sup>                    | 1,250,000        | 1,265,625           |
| Envision Healthcare Corp., Senior Unsecured Bond, 5.125%, 07/01/2022 <sup>(c)</sup>         | 1,650,000        | 1,668,563           |
| FTI Consulting, Inc., Senior Unsecured Bond, 6.000%, 11/15/2022                             | 1,800,000        | 1,860,750           |
| Global A&T Electronics Ltd., Senior Unsecured Bond, 10.000%, 02/01/2019 <sup>(c)</sup>      | 4,000,000        | 3,380,000           |
| Live Nation Entertainment, Inc., Senior Unsecured Bond, 5.375%, 06/15/2022 <sup>(c)</sup>   | 1,750,000        | 1,780,625           |
| SFX Entertainment, Inc., Senior Secured Bond, 9.625%, 02/01/2019 <sup>(c)</sup>             | 2,000,000        | 2,110,000           |
|   |                  | 12,065,563          |
| <b>Services - Consumer - 0.31%</b>  |                  |                     |
| Aramark Services, Inc., Senior Unsecured Bond, Series WI, 5.750%, 03/15/2020                | 1,500,000        | 1,593,750           |
| Monitronics International, Inc., Senior Unsecured Bond, 9.125%, 04/01/2020                  | 1,000,000        | 1,072,500           |
|   |                  | 2,666,250           |
| <b>Telecommunications - 5.44%</b>   |                  |                     |
| Avaya, Inc., Senior Secured Bond, 9.000%, 04/01/2019 <sup>(c)</sup>                         | 3,000,000        | 3,131,250           |
| Cincinnati Bell, Inc. (aka Broadwing, Inc.), Senior Unsecured Bond, 8.750%, 03/15/2018      | 4,643,000        | 4,875,150           |
| Crown Castle International Corp., Senior Unsecured Bond, 5.250%, 01/15/2023                 | 2,000,000        | 2,095,000           |
| Fairpoint Communications, Inc., Senior Secured Bond, 8.750%, 08/15/2019 <sup>(c)</sup>      | 3,000,000        | 3,247,500           |
| Frontier Communications Corp., Senior Unsecured Bond, 7.125%, 01/15/2023                    | 4,000,000        | 4,260,000           |
| GCI, Inc., Senior Unsecured Bond, 6.750%, 06/01/2021  | 6,000,000        | 6,093,750           |
| MetroPCS Wireless, Inc., Senior Unsecured Bond, Series WI, 6.250%, 04/01/2021               | 2,000,000        | 2,132,500           |
| Numericable Finance & Co. S.C.A., Senior Secured Bond, 6.000%, 05/15/2022 <sup>(c)</sup>    | 2,250,000        | 2,342,813           |
| Sorenson Communications, Inc., Senior Secured Bond, 9.000%, 04/15/2021 <sup>(c)</sup>       | 1,530,612        | 1,385,204           |
| Sorenson Communications, Inc., Senior Unsecured Bond, 13.000%, 10/31/2021 <sup>(c)(d)</sup> | 1,163,265        | 1,076,020           |
| Sprint Corp., Senior Unsecured Bond, 7.875%, 09/15/2023 <sup>(c)</sup>                      | 4,750,000        | 5,296,250           |
| West Corp., Senior Unsecured Bond, 5.375%, 07/15/2022 <sup>(c)</sup>                        | 7,750,000        | 7,672,500           |

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|   |           |            |
|---|-----------|------------|
| Windstream Corp., Senior Unsecured Bond, 6.375%, 08/01/2023 | 3,000,000 | 3,052,500  |
|   |           | 46,660,437 |

**Transportation Cargo - 0.91%**

|   |           |           |
|---|-----------|-----------|
| Kenan Advantage Group, Inc., Senior Unsecured Bond, 8.375%, 12/15/2018 <sup>(c)</sup> | 7,250,000 | 7,775,625 |
|---|-----------|-----------|

**Transportation Consumer - 0.81%**

|   |           |           |
|---|-----------|-----------|
| Sabre Holdings, Corp., Senior Unsecured Bond, 8.500%, 05/15/2019 <sup>(c)</sup> | 2,302,000 | 2,563,853 |
| US Airways, Inc., Senior Unsecured Bond, 6.125%, 06/01/2018                     | 4,100,000 | 4,340,875 |
|   |           | 6,904,728 |

**Utilities Electric - 0.90%**

|  |           |           |
|--|-----------|-----------|
| NRG Energy, Inc., Senior Unsecured Bond: |           |           |
| 6.250%, 07/15/2022 <sup>(c)</sup>        | 750,000   | 800,625   |
| 6.625%, 03/15/2023                       | 3,000,000 | 3,262,500 |
| 6.250%, 05/01/2024 <sup>(c)</sup>        | 3,500,000 | 3,661,875 |
|  |           | 7,725,000 |

**Utilities, Oil & Gas - 0.29%**

|   |           |           |
|---|-----------|-----------|
| Vanguard Natural Resources LLC, Senior Unsecured Bond, 7.875%, 04/01/2020 | 2,250,000 | 2,446,875 |
|---|-----------|-----------|

**TOTAL CORPORATE BONDS**

|                      |  |             |
|----------------------|--|-------------|
| (Cost \$285,418,956) |  | 294,617,228 |
|----------------------|--|-------------|

Blackstone / GSO Strategic Credit Fund

Portfolio of Investments

June 30, 2014 (Unaudited)

|   |                      |
|---|----------------------|
| Total Investments - 144.73%                   |                      |
| (Cost \$1,225,329,572)                        | \$1,240,635,442      |
| Assets in Excess of Other Liabilities - 2.81% | 24,090,307           |
| Leverage Facility - (47.54)%                  | (407,500,000)        |
| <b>Net Assets - 100.00%</b>                   | <b>\$857,225,749</b> |

Amounts above are shown as a percentage of net assets as of June 30, 2014.

- (a) *The interest rate shown represents the rate at period end.*
- (b) *All or a portion of this position has not settled as of June 30, 2014. The interest rate shown represents the stated spread over the London Interbank Offered Rate ( LIBOR or L ) or the applicable LIBOR floor; the Fund will not accrue interest until the settlement date, at which point LIBOR will be established.*
- (c) *Security exempt from registration under Rule 144A of the Securities Act of 1933. Total market value of Rule 144A securities amounts to \$166,916,523, which represents approximately 19.47% of net assets as of June 30, 2014.*
- (d) *Option to convert to pay-in-kind security.*  
*See Notes to Financial Statements.*

Blackstone / GSO Funds

Statements of Assets and Liabilities

June 30, 2014 (Unaudited)

|  | Senior Floating Rate<br>Term Fund | Long-Short Credit<br>Income Fund | Strategic Credit<br>Fund |
|--|-----------------------------------|----------------------------------|--------------------------|
| <b>ASSETS:</b>   |                                   |                                  |                          |
| Investments, at value (Cost \$418,640,980,<br>\$267,192,887 and \$1,225,329,572,<br>respectively) (including securities on loan) <sup>(a)</sup>            | \$ 422,461,189                    | \$ 272,016,424                   | \$ 1,240,635,442         |
| Cash   | 17,440,088                        | 5,562,190                        | 39,192,515               |
| Foreign Currency, at value (Cost \$0, \$0 and<br>\$77,674, respectively)   |                                   |                                  | 77,657                   |
| Receivable for investment securities sold  | 6,379,405                         | 4,998,771                        | 39,075,904               |
| Interest receivable  | 1,837,256                         | 2,011,914                        | 8,049,832                |
| Total return swap payments receivable  |                                   | 23,471                           |                          |
| Deferred financing costs (Note 10)   | 1,302,534                         |                                  |                          |
| Deposit held with broker for swap contracts  |                                   | 1,751,117                        |                          |
| Total Assets   | 449,420,472                       | 286,363,887                      | 1,327,031,350            |
| <b>LIABILITIES:</b>  |                                   |                                  |                          |
| Payable for investment securities purchased  | 13,611,210                        | 11,063,105                       | 59,285,070               |
| Senior secured notes/leverage facility (Note<br>10)  | 96,000,000                        |                                  | 407,500,000              |
| Interest due on senior secured notes/leverage<br>facility (Note 10)  | 137,448                           |                                  | 232,670                  |
| Obligation to return collateral for securities<br>on loan (Note 9)   |                                   | 32,609,155                       |                          |
| Fees payable on swap contracts   |                                   | 11,212                           |                          |
| Accrued investment advisory fee payable  | 726,718                           | 485,457                          | 2,112,593                |
| Accrued trustees fees payable  | 31,420                            | 39,018                           | 36,456                   |
| Other payables and accrued expenses  | 534,980                           | 376,142                          | 638,812                  |
| Total Liabilities  | 111,041,776                       | 44,584,089                       | 469,805,601              |
|  | 338,378,696                       | 241,779,798                      | 857,225,749              |
| <b>TERM PREFERRED SHARES: (NOTE<br/>10)</b>  |                                   |                                  |                          |
| Term Preferred Shares, plus distributions<br>payable on preferred shares (\$1,000<br>liquidation value per share, 48,000 shares<br>issued and outstanding) | 48,095,791                        | N/A                              | N/A                      |
| Total Term Preferred Shares  | 48,095,791                        | N/A                              | N/A                      |
| Net Assets Applicable to Common<br>Shareholders  | \$ 290,282,905                    | \$ 241,779,798                   | \$ 857,225,749           |



**COMPOSITION OF NET ASSETS  
ATTRIBUTABLE TO COMMON  
SHARES:**

|  |                |                |                |
|--|----------------|----------------|----------------|
| Paid-in capital  | \$ 290,337,445 | \$ 239,269,611 | \$ 844,962,622 |
| Overdistributed net investment income  | (2,640,828)    | (1,866,349)    | (3,881,051)    |
| Accumulated net realized gain/(loss) on investment securities, swap contracts and short securities | (1,233,921)    | (447,001)      | 838,323        |
| Net unrealized appreciation on investment securities and swap contracts                            | 3,820,209      | 4,823,537      | 15,305,855     |
| Net Assets Applicable to Common Shareholders   | \$ 290,282,905 | \$ 241,779,798 | \$ 857,225,749 |

|  |            |            |            |
|--|------------|------------|------------|
| Common shares outstanding (unlimited shares authorized, par value \$0.001 per share) | 15,217,684 | 12,702,160 | 44,664,382 |
| Net asset value per common share   | \$ 19.08   | \$ 19.03   | \$ 19.19   |

<sup>(a)</sup> Securities on loan with values of \$0, \$31,994,949 and \$0, respectively. See Note 9.

See Notes to Financial Statements.

Blackstone / GSO Funds

Statements of Operations

For the Six Months Ended June 30, 2014 (Unaudited)

|  | <b>Senior Floating Rate<br/>Term Fund</b> | <b>Long-Short Credit<br/>Income Fund</b> | <b>Strategic Credit<br/>Fund</b> |
|--|---|--|----------------------------------|
| <b>INVESTMENT INCOME:</b>  |   |  |                                  |
| Interest   | \$ 11,078,007                             | \$ 7,963,266                             | \$ 34,625,863                    |
| Facility and other fees  | 220,231                                   | 36,071                                   | 488,387                          |
| Total Investment Income  | 11,298,238                                | 7,999,337                                | 35,114,250                       |
| <b>EXPENSES:</b>   |   |  |                                  |
| Investment advisory fee  | 2,162,630                                 | 1,443,404                                | 6,238,481                        |
| Fund accounting and administration fees                                | 324,394                                   | 216,511                                  | 935,772                          |
| Insurance expense  | 22,100                                    | 15,272                                   | 98,357                           |
| Legal and audit fees   | 90,991                                    | 62,919                                   | 125,453                          |
| Custodian fees   | 120,037                                   | 148,207                                  | 175,849                          |
| Trustees fees and expenses   | 70,710                                    | 68,187                                   | 68,105                           |
| Printing expense   | 18,983                                    | 10,798                                   | 44,330                           |
| Transfer agent fees  | 10,137                                    | 9,570                                    | 9,193                            |
| Securities lending agent fees  |   | 85,582                                   |                                  |
| Interest expense - Short Sale  |   | 19,261                                   |                                  |
| Interest on senior secured notes/leverage facility                     | 861,176                                   |  | 2,019,010                        |
| Amortization of deferred financing costs (Note 10)                     | 221,368                                   |  |                                  |
| Other expenses   | 57,767                                    | 46,600                                   | 70,245                           |
| Total Expenses   | 3,960,293                                 | 2,126,311                                | 9,784,795                        |
| <b>Net Investment Income</b>   | <b>7,337,945</b>                          | <b>5,873,026</b>                         | <b>25,329,455</b>                |
| <b>REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:</b>             |   |  |                                  |
| Net realized gain/(loss) on:   |   |  |                                  |
| Investment securities  | (2,264,853)                               | (1,467,568)                              | 855,435                          |
| Securities sold short  |   | 54,989                                   |                                  |
| Total return swap contracts  |   | 245,948                                  |                                  |
| Credit default swap contracts  |   | 13,139                                   |                                  |
| Foreign currency transactions  |   |  | (11,173)                         |
| Net realized gain/(loss):  | (2,264,853)                               | (1,153,492)                              | 844,262                          |
| Change in unrealized appreciation/(depreciation) on:                   |   |  |                                  |
| Investment securities  | 1,948,779                                 | 2,134,473                                | 6,090,085                        |
| Securities sold short  |   | (34,228)                                 |                                  |
| Total return swap contracts  |   | (16,462)                                 |                                  |
| Translation of assets and liabilities in foreign currency transactions |   |  | (85)                             |

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|  |           |           |           |
|--|-----------|-----------|-----------|
| Net unrealized gain:                                   | 1,948,779 | 2,083,783 | 6,090,000 |
| Net Realized and Unrealized Gain/(Loss) on Investments | (316,074) | 930,291   | 6,934,262 |

**DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:**

|   |              |              |               |
|---|--------------|--------------|---------------|
| From net investment income  | (599,522)    |              |               |
| From net realized gains   |              |              |               |
| Total Distributions to Preferred Shareholders                                   | (599,522)    | N/A          | N/A           |
| <b>Net Increase in Net Assets Attributable to Common Shares from Operations</b> | \$ 6,422,349 | \$ 6,803,317 | \$ 32,263,717 |

*See Notes to Financial Statements.*

Blackstone / GSO Funds

Statements of Changes in Net Assets

|   | Senior Floating Rate  |   | Long-Short Credit   |   | Strategic Credit  |   |
|---|---|---|---|---|---|---|
|   | Term Fund   |   | Income Fund   |   | Fund  |   |
|   | For the Six<br>Months Ended<br>June 30, 2014<br>(Unaudited) | For the<br>Year Ended<br>December 31,<br>2013 | For the Six<br>Months Ended<br>June 30, 2014<br>(Unaudited) | For the<br>Year Ended<br>December 31,<br>2013 | For the Six<br>Months Ended<br>June 30, 2014<br>(Unaudited) | For the<br>Year Ended<br>December 31,<br>2013 |
| <b>FROM OPERATIONS:</b>   |   |   |   |   |   |   |
| Net investment income   | \$ 7,337,945  | \$ 17,727,133                                 | \$ 5,873,026  | \$ 14,412,808                                 | \$ 25,329,455   | \$ 53,822,774                                 |
| Net realized gain/(loss) on investment securities, foreign currency transactions, swap contracts and short securities   | (2,264,853)   | 1,609,672                                     | (1,153,492)   | 2,561,813                                     | 844,262   | 6,376,627                                     |
| Change in unrealized appreciation/(depreciation) on investment securities, securities sold short, swap contracts and translation of assets and liabilities in foreign currency transactions | 1,948,779   | (329,316)                                     | 2,083,783   | 1,807,090                                     | 6,090,000   | (622,878)                                     |
| Distributions to preferred shareholders:  |   |   |   |   |   |   |
| From net investment income  | (599,522)   | (1,188,502)                                   |   |   |   |   |
| From net realized gains   |   | (41,300)                                      |   |   |   |   |
| <b>Net Increase in Net Assets Attributable to Common Shares from Operations</b>   | <b>6,422,349</b>  | <b>17,777,687</b>                             | <b>6,803,317</b>  | <b>18,781,711</b>                             | <b>32,263,717</b>   | <b>59,576,523</b>                             |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>  |   |   |   |   |   |   |
| From net investment income  | (9,434,348)   | (16,097,795)                                  | (7,722,913)   | (15,552,282)                                  | (29,210,506)  | (53,951,185)                                  |
| From net realized gains   |   | (2,301,792)                                   |   | (1,544,094)                                   |   | (6,249,009)                                   |
| From tax return of capital  |   |   |   |   |   | (2,486,188)                                   |
| <b>Net Decrease in Net Assets from Distributions to Common Shareholders</b>   | <b>(9,434,348)</b>  | <b>(18,399,587)</b>                           | <b>(7,722,913)</b>  | <b>(17,096,376)</b>                           | <b>(29,210,506)</b>   | <b>(62,686,382)</b>                           |

**CAPITAL SHARE TRANSACTIONS:**

|  |             |           |           |           |           |             |
|--|-------------|-----------|-----------|-----------|-----------|-------------|
| Net asset value of common shares issued to stockholders from reinvestment of dividends | 52,686      | 404,807   |           | 35,920    |           | 905,977     |
| <b>Net Increase from Capital Share Transactions</b>                                    | 52,686      | 404,807   |           | 35,920    |           | 905,977     |
| <b>Net Increase/(Decrease) in Net Assets Attributable to Common Shares</b>             | (2,959,313) | (217,093) | (919,596) | 1,721,255 | 3,053,211 | (2,203,882) |

**NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS:**

|                              |                |                |                |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Beginning of period          | 293,242,218    | 293,459,311    | 242,699,394    | 240,978,139    | 854,172,538    | 856,376,420    |
| End of period <sup>(a)</sup> | \$ 290,282,905 | \$ 293,242,218 | \$ 241,779,798 | \$ 242,699,394 | \$ 857,225,749 | \$ 854,172,538 |

<sup>(a)</sup> Including undistributed/  
(overdistributed) net

investment income of:      \$ (2,640,828)      \$ 55,097      \$ (1,866,349)      \$ (16,462)      \$ (3,881,051)      \$

*See Notes to Financial Statements.*

Blackstone / GSO Funds

Statements of Cash Flows

For the Six Months Ended June 30, 2014 (Unaudited)

|   | Senior Floating Rate<br>Term Fund | Long-Short Credit<br>Income Fund | Strategic Credit<br>Fund |
|---|-----------------------------------|----------------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                                   |                                  |                          |
| Net increase in net assets from operations  | \$ 7,021,871                      | \$ 6,803,317                     | \$ 32,263,717            |
| Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities: |                                   |                                  |                          |
| Purchases of investment securities  | (148,262,539)                     | (96,254,235)                     | (542,757,278)            |
| Proceeds from disposition of investment securities  | 135,973,267                       | 96,972,404                       | 499,668,084              |
| Proceeds from securities sold short transactions  |                                   | (1,748,750)                      |                          |
| Net payments received/(paid) on swap contracts  |                                   | 245,948                          |                          |
| Other cost adjustments  |                                   |                                  | 598,941                  |
| Discounts and premiums amortized  | (190,877)                         | (109,699)                        | (238,905)                |
| Net realized gain on:   |                                   |                                  |                          |
| Investment securities   | 2,264,853                         | 1,467,568                        | (855,435)                |
| Securities sold short   |                                   | (54,989)                         |                          |
| Total return swap contracts   |                                   | (245,948)                        |                          |
| Net change in unrealized (appreciation)/depreciation on:  |                                   |                                  |                          |
| Investment securities   | (1,948,779)                       | (2,134,473)                      | (6,090,085)              |
| Securities sold short   |                                   | 34,228                           |                          |
| Total return swap contracts   |                                   | 16,462                           |                          |
| Translation of assets and liabilities in foreign currency transactions  |                                   |                                  | 85                       |
| Decrease in interest receivable   | 284,854                           | 493,380                          | 662,985                  |
| Decrease in deferred financing costs  | 221,368                           |                                  |                          |
| Decrease in deposits held with broker for total return swap contracts   |                                   | 3,180,000                        |                          |
| Increase in swap payments receivable  |                                   | (20,015)                         |                          |
| Decrease in segregated cash held for short sales  |                                   | 1,748,713                        |                          |
| Decrease in prepaid expenses and other assets   | 30,546                            | 14,627                           | 78,793                   |
| Decrease in fees payable on swap contracts  |                                   | (52,019)                         |                          |
| Decrease in interest due on senior secured notes/loan facility  | (5,680)                           |                                  | (482,740)                |
| Decrease in interest payable - margin account   |                                   | (45,639)                         |                          |
| Increase in accrued investment advisory fees payable  | 355,274                           | 237,806                          | 1,055,620                |
| Increase in accrued trustees fees payable   | 14,837                            | 10,435                           | 8,873                    |
| Increase in other payables and accrued expenses   | 34,748                            | 19,453                           | 165,368                  |
| <b>Net Cash Provided by/(Used in) Operating Activities</b>  | <b>(4,206,257)</b>                | <b>10,578,574</b>                | <b>(15,921,977)</b>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                                   |                                  |                          |
| Increase in leverage facility   |                                   |                                  | 17,500,000               |

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|  |                      |                     |                      |                     |
|--|----------------------|---------------------|----------------------|---------------------|
| Decrease in collateral for securities on loan              |                      | (5,610,255)         |                      |                     |
| Distributions paid - common shareholders - net             | (9,381,662)          | (7,722,913)         |                      | (29,210,506)        |
| Distributions paid - term preferred shares - net           | (603,295)            |                     |                      |                     |
| <b>Net Cash Provided by/(Used in) Financing Activities</b> | <b>(9,984,957)</b>   | <b>(13,333,168)</b> |                      | <b>(11,710,506)</b> |
| Effect of exchange rates on cash                           |                      |                     |                      | (85)                |
| <b>Net Decrease in Cash</b>                                | <b>(14,191,214)</b>  | <b>(2,754,594)</b>  |                      | <b>(27,632,568)</b> |
| <b>Cash, beginning balance</b>                             | <b>\$ 31,631,302</b> | <b>\$ 8,316,784</b> | <b>\$ 66,902,740</b> |                     |
| <b>Cash, ending balance</b>                                | <b>\$ 17,440,088</b> | <b>\$ 5,562,190</b> | <b>\$ 39,270,172</b> |                     |

**Supplemental disclosure of cash flow information:**

|   |            |           |              |
|---|------------|-----------|--------------|
| Cash paid on interest on senior secured notes/leverage facility | \$ 866,856 | \$        | \$ 2,501,750 |
| Cash paid for interest on securities lending                    | \$         | \$ 85,582 | \$           |

**Supplemental schedule of non-cash financing activities:**

|  |        |
|--|--------|
| Common shares issued in reinvestment of distributions to common shareholders | 52,686 |
|--|--------|

*See Notes to Financial Statements.*

Blackstone / GSO Senior Floating Rate  
Term Fund

Financial Highlights

For a Share Outstanding Throughout the Periods Indicated

|  | <b>For the<br/>Six<br/>Months Ended<br/>June 30,<br/>2014<br/>(Unaudited)</b> | <b>For the<br/>Year Ended<br/>December 31, 2013</b> | <b>For the<br/>Year Ended<br/>December 31, 2012</b> | <b>For the<br/>Year Ended<br/>December 31, 2011</b> | <b>For the<br/>Period<br/>May 26,<br/>2010<br/>(Commencement of<br/>Operations)<br/>to<br/>December<br/>31, 2010</b> |
|--|---|---|---|---|--|
| <b>PER COMMON SHARE</b>                                |   |   |   |   |  |
| <b>OPERATING PERFORMANCE:</b>                          |   |   |   |   |  |
| Net asset value - beginning of period                  | \$ 19.27  | \$ 19.31  | \$ 18.81  | \$ 19.63  | \$ 19.10   |
| <b>INCOME/(LOSS) FROM INVESTMENT OPERATIONS:</b>       |   |   |   |   |  |
| Net investment income <sup>(a)</sup>                   | 0.48  | 1.17  | 1.36  | 1.34  | 0.62   |
| Net realized and unrealized gain/(loss) on investments | (0.01)  | 0.08  | 0.65  | (0.70)  | 0.64   |
| <b>DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:</b>        |   |   |   |   |  |
| From net investment income <sup>(a)</sup>              | (0.04)  | (0.08)  | (0.08)  | (0.08)  | (0.03)   |
| From net realized gains                                |   | 0.00  | (0.01)  |   |  |
| <b>Total Income from Investment Operations</b>         | <b>0.43</b>   | <b>1.17</b>   | <b>1.92</b>   | <b>0.56</b>   | <b>1.23</b>  |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>           |   |   |   |   |  |
| From net investment income                             | (0.62)  | (1.06)  | (1.23)  | (1.23)  | (0.66)   |
| From net realized gains                                |   | (0.15)  | (0.19)  | (0.15)  |  |
| <b>Total Distributions to Common Shareholders</b>      | <b>(0.62)</b>   | <b>(1.21)</b>                                       | <b>(1.42)</b>                                       | <b>(1.38)</b>                                       | <b>(0.66)</b>  |
| <b>CAPITAL SHARE TRANSACTIONS:</b>                     |   |   |   |   |  |
| Common share offering costs charged to paid-in capital |   |   |   |   | (0.04)   |
| <b>Total Capital Share Transactions</b>                |   |   |   |   | <b>(0.04)</b>  |
| Net asset value per common share - end of period       | \$ 19.08  | \$ 19.27  | \$ 19.31  | \$ 18.81  | \$ 19.63   |



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|   |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|
| Market price per common share - end of period | \$ 17.91 | \$ 18.85 | \$ 20.33 | \$ 18.36 | \$ 19.96 |
|---|----------|----------|----------|----------|----------|

|  |       |       |        |       |       |
|--|-------|-------|--------|-------|-------|
| <b>Total Investment Return - Net Asset Value<sup>(b)</sup></b> | 2.39% | 6.27% | 10.51% | 3.05% | 6.37% |
|--|-------|-------|--------|-------|-------|

|   |         |         |        |         |       |
|---|---------|---------|--------|---------|-------|
| <b>Total Investment Return - Market Price<sup>(b)</sup></b> | (1.75%) | (1.26%) | 19.20% | (1.08%) | 3.29% |
|---|---------|---------|--------|---------|-------|

**RATIOS AND SUPPLEMENTAL DATA:**

|  |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|
| Net assets attributable to common shares, end of period (000s) | \$ 290,283 | \$ 293,242 | \$ 293,459 | \$ 285,298 | \$ 297,206 |
|--|------------|------------|------------|------------|------------|

|  |                      |       |       |       |                      |
|--|----------------------|-------|-------|-------|----------------------|
| Ratio of expenses to average net assets attributable to common shares <sup>(c)</sup> | 2.73% <sup>(d)</sup> | 2.73% | 2.78% | 2.79% | 2.41% <sup>(d)</sup> |
|--|----------------------|-------|-------|-------|----------------------|

|   |                      |       |       |       |                      |
|---|----------------------|-------|-------|-------|----------------------|
| Ratio of net investment income to average net assets attributable to common shares <sup>(c)</sup> | 5.07% <sup>(d)</sup> | 6.02% | 7.04% | 6.91% | 5.37% <sup>(d)</sup> |
|---|----------------------|-------|-------|-------|----------------------|

|   |                      |       |       |       |                      |
|---|----------------------|-------|-------|-------|----------------------|
| Ratio of expenses to average managed assets <sup>(c)(e)</sup> | 1.83% <sup>(d)</sup> | 1.83% | 1.87% | 1.87% | 1.83% <sup>(d)</sup> |
|---|----------------------|-------|-------|-------|----------------------|

|                         |     |     |     |     |     |
|-------------------------|-----|-----|-----|-----|-----|
| Portfolio turnover rate | 32% | 85% | 73% | 94% | 55% |
|-------------------------|-----|-----|-----|-----|-----|

**TERM PREFERRED SHARES:**

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| Liquidation value, end of period, including dividends payable on Term Preferred Shares (000s) | \$ 48,096 | \$ 48,100 | \$ 48,109 | \$ 48,118 | \$ 48,109 |
|---|-----------|-----------|-----------|-----------|-----------|

|                                 |    |    |    |    |    |
|---------------------------------|----|----|----|----|----|
| Total shares outstanding (000s) | 48 | 48 | 48 | 48 | 48 |
|---------------------------------|----|----|----|----|----|

|                          |                         |                         |                         |                         |                         |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Asset coverage per share | \$ 3,015 <sup>(f)</sup> | \$ 3,035 <sup>(f)</sup> | \$ 7,116 <sup>(g)</sup> | \$ 6,946 <sup>(g)</sup> | \$ 7,194 <sup>(g)</sup> |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|

|                                  |          |          |          |          |          |
|----------------------------------|----------|----------|----------|----------|----------|
| Liquidation preference per share | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
|----------------------------------|----------|----------|----------|----------|----------|

**BORROWINGS:**

|  |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
| Aggregate principal amount, end of period (000s) | \$ 96,000 | \$ 96,000 | \$ 96,000 | \$ 96,000 | \$ 96,000 |
|--|-----------|-----------|-----------|-----------|-----------|

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| Average borrowings outstanding during the period (000s) | \$ 96,000 | \$ 96,000 | \$ 96,000 | \$ 96,000 | \$ 61,527 |
|---|-----------|-----------|-----------|-----------|-----------|

|   |                         |                         |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Asset coverage, end of period per \$1,000 | \$ 4,525 <sup>(h)</sup> | \$ 4,556 <sup>(h)</sup> | \$ 4,057 <sup>(i)</sup> | \$ 3,972 <sup>(i)</sup> | \$ 4,096 <sup>(i)</sup> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|

For a Share Outstanding Throughout the Periods Indicated

- (a) *Calculated using average common shares outstanding.*
- (b) *Total investment return is calculated assuming a purchase of common share at the opening on the first day and a sale at closing on the last day of each period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions, if any, and are not annualized.*
- (c) *Ratios do not reflect dividend payments to preferred shareholders.*
- (d) *Annualized.*
- (e) *Average managed assets represent net assets applicable to common shares plus liquidation value of Term Preferred Shares and principal value of senior secured notes payable.*
- (f) *Calculated by subtracting the Fund's total liabilities (excluding Term Preferred Shares and Senior Secured Notes) from the Fund's total assets and dividing by the sum of the Term Preferred Shares and the Senior Secured Notes and then multiplying by \$1,000.*
- (g) *Calculated by subtracting the Fund's total liabilities (excluding Term Preferred Shares) from the Fund's total assets and dividing by the number of Term Preferred Shares outstanding.*
- (h) *Calculated by subtracting the Fund's total liabilities (excluding Term Preferred Shares and Senior Secured Notes) from the Fund's total assets and dividing by the principal amount of Senior Secured Notes and then multiplying by \$1,000.*
- (i) *Calculated by subtracting the Fund's total liabilities (including Term Preferred Shares but excluding Senior Secured Notes) from the Fund's total assets and dividing by the principal amount of Senior Secured Notes and then multiplying by \$1,000.*

*See Notes to Financial Statements.*

Blackstone / GSO Long-Short Credit Income Fund

Financial Highlights

For a Share Outstanding Throughout the Periods Indicated

|  | For the Six<br>Months Ended<br>June 30,<br>2014<br>(Unaudited) | For the<br>Year Ended<br>December 31, 2013 | For the<br>Year Ended<br>December 31, 2012 | For the<br>Period<br>January 27,<br>2011<br>(Commencement of<br>Operations)<br>to<br>December<br>31, 2011 |
|--|--|--|--|---|
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                 |  |  |  |   |
| Net asset value - beginning of period                          | \$ 19.11   | \$ 18.97                                   | \$ 18.10                                   | \$ 19.10  |
| <b>INCOME/(LOSS) FROM INVESTMENT OPERATIONS:</b>               |  |  |  |   |
| Net investment income <sup>(a)</sup>                           | 0.46   | 1.13                                       | 1.22                                       | 0.86  |
| Net realized and unrealized gain/(loss) on investments         | 0.07   | 0.36                                       | 0.95                                       | (0.74)  |
| <b>Total Income from Investment Operations</b>                 | <b>0.53</b>  | <b>1.49</b>                                | <b>2.17</b>                                | <b>0.12</b>   |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>                   |  |  |  |   |
| From net investment income                                     | (0.61)   | (1.23)                                     | (1.30)                                     | (0.84)  |
| From net realized gains  |  | (0.12)                                     |  |   |
| From tax return of capital                                     |  |  |  | (0.24)  |
| <b>Total Distributions to Common Shareholders</b>              | <b>(0.61)</b>  | <b>(1.35)</b>                              | <b>(1.30)</b>                              | <b>(1.08)</b>   |
| <b>CAPITAL SHARE TRANSACTIONS:</b>                             |  |  |  |   |
| Common share offering costs charged to paid-in capital         |  |  |  | (0.04)  |
| <b>Total Capital Share Transactions</b>                        |  |  |  | <b>(0.04)</b>   |
| Net asset value per common share - end of period               | \$ 19.03   | \$ 19.11                                   | \$ 18.97                                   | \$ 18.10  |
| Market price per common share - end of period                  | \$ 17.73   | \$ 17.87                                   | \$ 18.75                                   | \$ 17.06  |
| <b>Total Investment Return - Net Asset Value<sup>(b)</sup></b> | <b>3.01%</b>   | <b>8.34%</b>                               | <b>12.45%</b>                              | <b>0.56%</b>  |
| <b>Total Investment Return - Market Price<sup>(b)</sup></b>    | <b>2.64%</b>   | <b>2.50%</b>                               | <b>17.92%</b>                              | <b>(9.48%)</b>  |
| <b>RATIOS AND SUPPLEMENTAL DATA:</b>                           |  |  |  |   |
|  | \$ 241,780   | \$ 242,699                                 | \$ 240,978                                 | \$ 229,732  |

Net assets attributable to common shares, end  
of period (000s)

|   |                      |       |       |                      |
|---|----------------------|-------|-------|----------------------|
| Ratio of expenses to average net assets<br>attributable to common shares  | 1.77% <sup>(c)</sup> | 1.85% | 1.82% | 1.78% <sup>(c)</sup> |
| Ratio of expenses to average net assets<br>excluding interest expense on short sales<br>attributable to common shares | 1.75% <sup>(c)</sup> | 1.83% | 1.82% | 1.78% <sup>(c)</sup> |
| Ratio of net investment income to average net<br>assets attributable to common shares                                 | 4.88% <sup>(c)</sup> | 5.94% | 6.54% | 5.00% <sup>(c)</sup> |
| Portfolio turnover rate   | 33%                  | 80%   | 77%   | 104%                 |

*(a) Calculated using average common shares outstanding.*

*(b) Total investment return is calculated assuming a purchase of common share at the opening on the first day and a sale at closing on the last day of each period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions, if any, and are not annualized.*

*(c) Annualized.*

*See Notes to Financial Statements.*

For a Share Outstanding Throughout the Periods Indicated

|  | <b>For the Six<br/>Months Ended<br/>June 30,<br/>2014<br/>(Unaudited)</b> | <b>For the<br/>Year Ended<br/>December 31, 2013</b> | <b>For the<br/>Period<br/>September 26, 2012<br/>(Commencement<br/>of<br/>Operations)<br/>to<br/>December 31,<br/>2012</b> |
|--|---|---|--|
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                                     |   |   |  |
| Net asset value - beginning of period  | \$ 19.12  | \$ 19.19  | \$ 19.10   |
| <b>INCOME/(LOSS) FROM INVESTMENT OPERATIONS:</b>                                   |   |   |  |
| Net investment income <sup>(a)</sup>   | 0.57  | 1.21  | 0.14   |
| Net realized and unrealized gain on investments                                    | 0.15  | 0.12  | 0.22   |
| <b>Total Income from Investment Operations</b>                                     | <b>0.72</b>   | <b>1.33</b>   | <b>0.36</b>  |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>                                       |   |   |  |
| From net investment income   | (0.65)  | (1.21)  | (0.13)   |
| From net realized gains  |   | (0.14)  | (0.01)   |
| From tax return of capital   |   | (0.05)  | (0.09)   |
| <b>Total Distributions to Common Shareholders</b>                                  | <b>(0.65)</b>   | <b>(1.40)</b>                                       | <b>(0.23)</b>  |
| <b>CAPITAL SHARE TRANSACTIONS:</b>   |   |   |  |
| Common share offering costs charged to paid-in capital                             |   |   | (0.04)   |
| <b>Total Capital Share Transactions</b>  |   |   | <b>(0.04)</b>  |
| Net asset value per common share - end of period                                   | \$ 19.19  | \$ 19.12  | \$ 19.19   |
| Market price per common share - end of period                                      | \$ 17.77  | \$ 17.80  | \$ 18.55   |
| <b>Total Investment Return - Net Asset Value<sup>(b)</sup></b>                     | <b>4.09%</b>  | <b>7.48%</b>  | <b>1.73%</b>   |
| <b>Total Investment Return - Market Price<sup>(b)</sup></b>                        | <b>3.53%</b>  | <b>3.51%</b>  | <b>(6.09%)</b>   |
| <b>RATIOS AND SUPPLEMENTAL DATA:</b>   |   |   |  |
| Net assets attributable to common shares, end of period (000s)                     | \$ 857,226  | \$ 854,173  | \$ 856,376   |
| Ratio of expenses to average net assets attributable to common shares              | 2.30% <sup>(c)</sup>  | 2.21%   | 1.33% <sup>(c)</sup>   |
| Ratio of net investment income to average net assets attributable to common shares | 5.96% <sup>(c)</sup>  | 6.26%   | 2.79% <sup>(c)</sup>   |
| Ratio of expenses to average managed assets <sup>(d)</sup>                         | 1.57% <sup>(c)</sup>  | 1.57%   | 1.32% <sup>(c)</sup>   |
| Portfolio turnover rate  | 42%   | 73%   | 11%  |

**BORROWINGS:**

|   |            |            |                           |
|---|------------|------------|---------------------------|
| Aggregate principal amount, end of period (000s)        | \$ 407,500 | \$ 390,000 | \$ 125,000                |
| Average borrowings outstanding during the period (000s) | \$ 401,250 | \$ 357,342 | \$ 125,000 <sup>(e)</sup> |
| Asset coverage, end of period per \$1,000               | \$ 3,104   | \$ 3,190   | \$ 7,851                  |

*(a) Calculated using average common shares outstanding.*

*(b) Total investment return is calculated assuming a purchase of common share at the opening on the first day and a sale at closing on the last day of each period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions, if any, and are not annualized.*

*(c) Annualized.*

*(d) Average managed assets represent net assets applicable to common shares plus principal value of leverage facility.*

*(e) Since first borrowing was made on December 27, 2012.*

*See Notes to Financial Statements.*

June 30, 2014 (Unaudited)

**NOTE 1. ORGANIZATION**

Blackstone / GSO Senior Floating Rate Term Fund ( BSL ), is a diversified, closed-end management investment company. BSL was organized as a Delaware statutory trust on March 4, 2010. BSL was registered under the Investment Company Act of 1940, as amended (the 1940 Act ), on March 5, 2010. BSL commenced operations on May 26, 2010. Prior to that date, BSL had no operations other than matters relating to its organization and the sale and issuance of 5,236 common shares of beneficial interest in BSL to GSO / Blackstone Debt Funds Management LLC (the Adviser ) at a price of \$19.10 per share. The Adviser serves as BSL 's investment adviser. BSL 's common shares are listed on the New York Stock Exchange (the Exchange ) and trade under the ticker symbol BSL.

Absent shareholder approval to extend the term of BSL, BSL will dissolve on or about May 31, 2020. Upon dissolution, BSL will distribute substantially all of its net assets to shareholders, after making appropriate provision for any liabilities. Pursuant to BSL 's Amended and Restated Agreement and Declaration of Trust (the Declaration of Trust ), prior to the date of dissolution a majority of the Board of Trustees, with the approval of a majority of the shareholders entitled to vote (as defined in the 1940 Act) may extend the life of BSL. If approved, the dissolution date of BSL may be extended by a period of two years or such shorter time as may be determined. However, the dissolution date of BSL may be extended an unlimited number of times.

Blackstone / GSO Long-Short Credit Income Fund ( BGX ) is a diversified closed-end management investment company. BGX was organized as a Delaware statutory trust on October 22, 2010. BGX was registered under the 1940 Act on October 26, 2010. BGX commenced operations on January 27, 2011. Prior to that, BGX had no operations other than matters relating to its organization and the sale and issuance of 5,236 common shares of beneficial interest in BGX to the Adviser at a price of \$19.10 per share. The Adviser serves as the investment adviser for BGX. BGX 's common shares are listed on the Exchange and trade under the ticker symbol BGX.

BGX and BSL were previously classified as non-diversified investment companies for purposes of the 1940 Act. As a result of ongoing operations, BGX and BSL are now classified as diversified companies, which means that with respect to 75% of those funds ' total assets, no more than 5% of those funds ' total assets may be invested in any one issuer, excepting cash and cash items, U.S. government securities and securities of other investment companies. BGX and BSL may not resume operating in a non-diversified manner without first obtaining shareholder approval in accordance with the 1940 Act.

Blackstone / GSO Strategic Credit Fund ( BGB and collectively with BSL and BGX, the Funds ) is a non-diversified closed-end management investment company. BGB was organized as a Delaware statutory trust on March 28, 2012. BGB was registered under the 1940 Act on April 6, 2012. BGB commenced operations on September 26, 2012. Prior to that, BGB had no operations other than matters relating to its organization and the sale and issuance of 5,236 common shares of beneficial interest in BGB to the Adviser at a price of \$19.10 per share. The Adviser serves as the investment adviser for BGB. BGB 's common shares are listed on the Exchange and trade under the ticker symbol BGB.

BGB will dissolve on or about September 15, 2027, absent shareholder approval to extend such term. Upon dissolution, BGB will distribute substantially all of its net assets to shareholders, after making appropriate provision

for any liabilities of the Fund. Pursuant to BGB's Agreement and Declaration of Trust, prior to the date of dissolution a majority of the Board of Trustees, with the approval of a majority of the outstanding voting securities entitled to vote (as defined in the 1940 Act), may extend the life of BGB. If approved, the dissolution date of the Fund may be extended by a period of two years or such shorter time as may be determined. However, the dissolution date of the Fund may be extended an unlimited number of times.

BSL's primary investment objective is to seek high current income, with a secondary objective to seek preservation of capital, consistent with its primary goal of high current income. Under normal market conditions, at least 80% of BSL's assets will be invested in senior secured, floating rate loans ( Senior Loans ).

BGX's primary investment objective is to provide current income, with a secondary objective of capital appreciation. BGX seeks to achieve its investment objectives by employing a dynamic long-short strategy in a diversified portfolio of loans and fixed-income instruments of predominantly U.S. corporate issuers, including first- and second-lien secured loans ( Secured Loans ) and high-yield corporate debt securities of varying maturities. BGX's long positions in loans and fixed-income instruments will typically be rated below investment grade at the time of purchase. BGX's long positions, either directly or through the use of derivatives, may total up to 130% of BGX's net assets. BGX's short positions, either directly or through the use of derivatives, may total up to 30% of BGX's net assets.

BGB's primary investment objective is to seek high current income, with a secondary objective to seek preservation of capital, consistent with its primary goal of high current income. The Fund will seek to achieve its investment objectives by investing primarily in a diversified portfolio of loans and other fixed income instruments of predominantly U.S. corporate issuers, including first- and second-lien secured loans ( Senior Secured Loans ) and high yield corporate bonds of varying maturities. Under normal market conditions, at least 80% of BGB's assets will be invested in credit investments comprised of corporate fixed income instruments and other investments (including derivatives) with similar economic characteristics.



June 30, 2014 (Unaudited)

Senior Loans, Secured Loans and Senior Secured Loans are referred to collectively as Loans throughout the Notes to Financial Statements.

BGB is classified as non-diversified under the 1940 Act. As a result, BGB can invest a greater portion of its assets in obligations of a single issuer than a diversified fund. BGB may therefore be more susceptible than a diversified fund to being adversely affected by any single corporate, economic, political, or regulatory occurrence.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements. The preparation of their financial statements is in accordance with accounting principles generally accepted in the United States of America ( GAAP ), which requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Each Fund is considered an investment company for financial reporting purposes under GAAP. Actual results could differ from those estimates and these differences could be material.

**Portfolio Valuation:** Each Fund's net asset value ( NAV ) is determined daily on each day that the Exchange is open for business, as of the close of the regular trading session on the Exchange. Each Fund calculates NAV per share by subtracting liabilities (including accrued expenses or dividends) from the total assets of such Fund (the value of the securities plus cash or other assets, including interest accrued but not yet received) and dividing the result by the total number of outstanding common shares of such Fund.

Loans are primarily valued by using a composite loan price from a nationally recognized loan pricing service. The methodology used by the Funds' nationally recognized loan pricing provider for composite loan prices is to value loans at the mean of the bid and ask prices from one or more brokers or dealers. Collateralized Loan Obligations ( CLOs ) are valued at the price provided by a nationally recognized pricing service. The prices provided by the nationally recognized pricing service are typically based on the evaluated mid-price of each of the CLOs. Corporate bonds, other than short-term investments, are valued at the price provided by a nationally recognized pricing service. The prices provided by the nationally recognized pricing service are typically based on the mean of bid and ask prices for each corporate bond security. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments. Short-term debt investments, if any, having a remaining maturity of 60 days or less when purchased would be valued at cost adjusted for amortization of premiums and accretion of discounts. Total return swaps are marked to market daily using prices of the underlying floating rate loans, which are then applied to the corresponding swap. Prices for the underlying floating rate loans are provided by the same nationally recognized loan pricing service. Any investments and other assets for which such current market quotations are not readily available are valued at fair value ( Fair Valued Assets ) as determined in good faith by a committee of the Adviser under procedures established by, and under the general supervision and responsibility of, the Funds' Boards of Trustees.

Various inputs are used to determine the value of the Funds' investments. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

Level 1 Unadjusted quoted prices in active markets for identical investments at the measurement date.

Level 2 Significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

Level 3 Significant unobservable inputs (including the Funds' own assumptions in determining the fair value of investments).

The valuation techniques used by the Funds to measure fair value during the six months ended June 30, 2014 maximized the use of observable inputs and minimized the use of unobservable inputs. The categorization of a value determined for investments and other financial instruments is based on the pricing transparency of the investment and other financial instrument and does not necessarily correspond to the Funds' perceived risk of investing in those securities.

Blackstone / GSO Funds

Notes to Financial Statements

June 30, 2014 (Unaudited)

The following tables summarize the valuation of the Funds' investments under the fair value hierarchy levels as of June 30, 2014:

**Blackstone / GSO Senior Floating Rate Term Fund**

| Investments in Securities at Value* | Level 2 - Significant   |                   | Level 3 - Significant | Total          |
|-------------------------------------|-------------------------|-------------------|-----------------------|----------------|
|                                     | Level 1 - Quoted Prices | Observable Inputs | Unobservable Inputs   |                |
| Floating Rate Loan Interests        |                         |                   |                       |                |
| Chemicals, Plastics and Rubber      | \$                      | \$ 8,057,217      | \$ 7,016,728          | \$ 15,073,945  |
| Consumer Goods Durable              |                         | 12,301,361        | 428,048               | 12,729,409     |
| Containers, Packaging and Glass     |                         | 12,391,323        | 2,042,500             | 14,433,823     |
| Energy, Oil and Gas                 |                         | 20,961,771        | 4,702,484             | 25,664,255     |
| Healthcare and Pharmaceuticals      |                         | 33,802,309        | 4,713,308             | 38,515,617     |
| High Tech Industries                |                         | 46,933,878        | 2,327,885             | 49,261,763     |
| Services - Business                 |                         | 34,510,759        | 2,399,750             | 36,910,509     |
| Services - Consumer                 |                         | 9,800,361         | 1,507,407             | 11,307,768     |
| Utilities Electric                  |                         | 7,209,960         | 3,040,632             | 10,250,592     |
| Other                               |                         | 189,961,170       |                       | 189,961,170    |
| Corporate Bonds                     |                         | 18,352,338        |                       | 18,352,338     |
| Total                               | \$                      | \$ 394,282,447    | \$ 28,178,742         | \$ 422,461,189 |

**Blackstone /GSO Long-Short Credit Income Fund**

| Investments in Securities at Value* | Level 2 - Significant   |                   | Level 3 - Significant | Total        |
|-------------------------------------|-------------------------|-------------------|-----------------------|--------------|
|                                     | Level 1 - Quoted Prices | Observable Inputs | Unobservable Inputs   |              |
| Floating Rate Loan Interests        |                         |                   |                       |              |
| Beverage, Food and Tobacco          | \$                      | \$ 8,129,048      | \$ 810,309            | \$ 8,939,357 |
| Chemicals, Plastics and Rubber      |                         | 2,016,476         | 3,487,237             | 5,503,713    |
| Containers, Packaging and Glass     |                         | 3,661,811         | 570,937               | 4,232,748    |
| Energy, Oil and Gas                 |                         | 3,332,156         | 5,246,005             | 8,578,161    |

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|                                |             |             |             |
|--------------------------------|-------------|-------------|-------------|
| Healthcare and Pharmaceuticals | 15,961,714  | 1,725,701   | 17,687,415  |
| High Tech Industries           | 23,721,475  | 3,090,820   | 26,812,295  |
| Services - Business            | 17,901,148  | 1,599,833   | 19,500,981  |
| Utilities Electric             | 3,752,790   | 2,277,669   | 6,030,459   |
| Other                          | 115,747,014 |             | 115,747,014 |
| Collateralized Loan Obligation |             | 1,098,310   | 1,098,310   |
| Corporate Bonds                | 57,885,971  |             | 57,885,971  |
| <b>Total</b>                   | <b>\$</b>   | <b>\$</b>   | <b>\$</b>   |
|                                |             | 252,109,603 | 19,906,821  |
|                                |             |             | 272,016,424 |

**Blackstone /GSO Strategic Credit Fund**

| Investments in Securities at Value* | Level 2 - Significant   |                   | Level 3 - Significant |           | Total         |
|-------------------------------------|-------------------------|-------------------|-----------------------|-----------|---------------|
|                                     | Level 1 - Quoted Prices | Observable Inputs | Unobservable Inputs   |           |               |
| Floating Rate Loan Interests        |                         |                   |                       |           |               |
| Beverage, Food and Tobacco          | \$                      | \$                | 33,631,717            | \$        | 9,746,232     |
| Chemicals, Plastics and Rubber      |                         |                   | 24,282,245            |           | 12,634,700    |
| Consumer Goods Non Durable          |                         |                   | 13,784,179            |           | 1,940,351     |
| Containers, Packaging and Glass     |                         |                   | 38,679,188            |           | 6,421,448     |
| Energy, Oil and Gas                 |                         |                   | 44,859,100            |           | 11,551,133    |
| Healthcare and Pharmaceuticals      |                         |                   | 65,205,903            |           | 9,948,960     |
| High Tech Industries                |                         |                   | 136,995,936           |           | 9,183,835     |
| Services - Business                 |                         |                   | 65,514,137            |           | 12,889,551    |
| Transportation Consumer             |                         |                   | 12,875,128            |           | 6,574,088     |
| Utilities Electric                  |                         |                   | 16,248,604            |           | 10,444,468    |
| Other                               |                         |                   | 402,607,311           |           |               |
| Corporate Bonds                     |                         |                   | 294,617,228           |           |               |
| <b>Total</b>                        | <b>\$</b>               | <b>\$</b>         | <b>\$</b>             | <b>\$</b> | <b>\$</b>     |
|                                     |                         |                   | 1,149,300,676         |           | 91,334,766    |
|                                     |                         |                   |                       |           | 1,240,635,442 |

\* Refer to each Fund's Portfolio of Investments for a listing of securities by type.

Blackstone / GSO Funds

Notes to Financial Statements

June 30, 2014 (Unaudited)

The changes of the fair value of investments for which the Funds have used Level 3 inputs to determine the fair value are as follows:

**Floating Rate Term Fund**

| Balance as of<br>December 31,<br>2013 | Accrued<br>discount/<br>premium | Return<br>of<br>Capital | Realized<br>Gain/(Loss) | Change in<br>Unrealized<br>Appreciation/<br>(Depreciation) | Purchases    | Sales<br>Proceeds | Transfer<br>into<br>Level 3 | Transfer<br>out of<br>Level 3 | Balance<br>June 30, 2014 |
|---------------------------------------|---------------------------------|-------------------------|-------------------------|--|--------------|-------------------|-----------------------------|-------------------------------|--------------------------|
| \$45,333,886                          | \$13,584                        | \$                      | \$(798,299)             | \$1,366,281  | \$13,065,564 | \$(8,853,997)     | \$428,048                   | \$(22,376,325)                | \$28,907,461             |
| \$45,333,886                          | \$13,584                        | \$                      | \$(798,299)             | \$1,366,281  | \$13,065,564 | \$(8,853,997)     | \$428,048                   | \$(22,376,325)                | \$28,907,461             |

**Short Credit Income Fund**

| Balance as of<br>December 31,<br>2013 | Accrued<br>discount/<br>premium | Return<br>of<br>Capital | Realized<br>Gain/(Loss) | Change in<br>Unrealized<br>Appreciation/<br>(Depreciation) | Purchases | Sales<br>Proceeds | Transfer<br>into<br>Level 3 | Transfer<br>out of<br>Level 3 | Balance<br>June 30, 2014 |
|---------------------------------------|---------------------------------|-------------------------|-------------------------|--|-----------|-------------------|-----------------------------|-------------------------------|--------------------------|
|---------------------------------------|---------------------------------|-------------------------|-------------------------|--|-----------|-------------------|-----------------------------|-------------------------------|--------------------------|

|              |          |    |               |             |             |               |    |               |    |
|--------------|----------|----|---------------|-------------|-------------|---------------|----|---------------|----|
| \$26,070,812 | \$12,430 | \$ | \$(1,139,500) | \$1,979,152 | \$7,327,179 | \$(6,388,280) | \$ | \$(9,053,282) | \$ |
| 1,096,278    | 2,955    |    |               | (923)       |             |               |    |               |    |
| 9,950        |          |    |               | (9,950)     |             |               |    |               |    |
| \$27,177,040 | \$15,385 | \$ | \$(1,139,500) | \$1,968,279 | \$7,327,179 | \$(6,388,280) | \$ | \$(9,053,282) | \$ |

**Strategic Credit Fund**

| Balance as of<br>December 31,<br>2013 | Accrued<br>discount/<br>premium | Return<br>of<br>Capital | Realized<br>Gain/(Loss) | Change in<br>Unrealized<br>Appreciation/<br>(Depreciation) | Purchases    | Sales<br>Proceeds | Transfer<br>into<br>Level 3 | Transfer<br>out of<br>Level 3 | Balance<br>at<br>Year<br>End |
|---------------------------------------|---------------------------------|-------------------------|-------------------------|--|--------------|-------------------|-----------------------------|-------------------------------|------------------------------|
| \$136,814,197                         | \$18,052                        | \$                      | \$246,274               | \$(572,933)  | \$15,590,533 | \$(23,513,661)    | \$8,010,681                 | \$(45,258,377)                | \$90,816,654                 |
| \$136,814,197                         | \$18,052                        | \$                      | \$246,274               | \$(572,933)  | \$15,590,533 | \$(23,513,661)    | \$8,010,681                 | \$(45,258,377)                | \$90,816,654                 |



June 30, 2014 (Unaudited)

Information about Level 3 fair value measurements as of June 30, 2014:

**Blackstone / GSO Senior Floating**

| <b>Rate Term Fund</b>        | <b>Fair Value</b> | <b>Valuation Technique(s)</b>      | <b>Unobservable Input(s)</b> |
|------------------------------|-------------------|------------------------------------|------------------------------|
| <b>Assets</b>                |                   |                                    |                              |
| Floating Rate Loan Interests | \$ 28,178,742     | Third-party vendor pricing service | Vendor quotes                |

**Blackstone / GSO Long-Short Credit**

| <b>Income Fund</b>              | <b>Fair Value</b> | <b>Valuation Technique(s)</b>      | <b>Unobservable Input(s)</b> |
|---------------------------------|-------------------|------------------------------------|------------------------------|
| <b>Assets</b>                   |                   |                                    |                              |
| Collateralized Loan Obligations | \$ 1,098,310      | Third-party vendor pricing service | Vendor quotes                |
| Floating Rate Loan Interests    | \$ 18,808,511     | Third-party vendor pricing service | Vendor quotes                |

**Blackstone / GSO Strategic Credit**

| <b>Fund</b>                  | <b>Fair Value</b> | <b>Valuation Technique(s)</b>      | <b>Unobservable Input(s)</b> |
|------------------------------|-------------------|------------------------------------|------------------------------|
| <b>Assets</b>                |                   |                                    |                              |
| Floating Rate Loan Interests | \$ 91,334,766     | Third-party vendor pricing service | Vendor quotes                |

The Funds evaluate transfers into or out of Level 1, 2 and 3 as of the end of the reporting period. There were no transfers between Level 1 and 2 during the period. Securities were transferred from Level 2 to Level 3 because of a lack of observable market data due to decrease in market activity and information for these securities. Other securities were moved from Level 3 to Level 2 as observable inputs were available for purposes of valuing those assets.

**Securities Transactions and Investment Income:** Securities transactions are recorded on trade date for financial reporting purposes and amounts payable or receivable for trades not settled at the time of period end are reflected as liabilities and assets, respectively. Interest income, including accretion of discount and amortization of premium, is recorded on the accrual basis. Realized gains and losses from securities transactions and foreign currency transactions, if any, are recorded on the basis of identified cost and stated separately in the Statement of Operations.

When the Funds sell a floating rate loan interest they may pay an agency fee. The Funds earn facility and other fees on floating rate loan interests, and facility fees are typically amortized to income over the term of the loan. Consent and amendment fees are also recorded to income as earned. All of these fees are shown on the Statement of Operations under Facility and other fees.

**Federal Income Taxes:** It is the policy of the Funds to continue to qualify as regulated investment companies by complying with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of their earnings to their shareholders. While no federal income tax provision is required, in early 2014 BSL paid an excise tax liability of \$19,095 relating to the tax year 2013. No federal income or excise tax provision is required for BGX or BGB.



Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Funds, timing differences and differing characterization of distributions made by the Funds as a whole.

As of and during the six months ended June 30, 2014, the Funds did not have a liability for any unrecognized tax benefits. The Funds file U.S. federal, state, and local tax returns as required. The Funds' tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations which is generally three years after the filing of the tax return for federal purposes and four years for most state returns. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

**Distributions to Shareholders:** The Funds make monthly cash distributions of all or a portion of their net investment income to common shareholders. The Funds will distribute to common shareholders at least annually all or substantially all of their net investment income after the payment of dividends and interest, if any, owed with respect to outstanding preferred shares and/or borrowings, if applicable. The Funds intend to pay any capital gains distributions at least annually. If BSL realizes a long-term capital gain, it will be required to allocate such gain between the common shares and term preferred shares issued by BSL in proportion to the total dividends paid to each class for the year in which the income is realized.

### **NOTE 3. MANAGEMENT FEES, ADMINISTRATION FEES, AND OTHER AGREEMENTS**

The Adviser, a wholly-owned subsidiary of GSO Capital Partners LP (collectively with its affiliates, GSO), is a registered investment adviser and is responsible for the day-to-day management of, and providing administrative and compliance oversight services to, the Funds. GSO is an affiliate of The Blackstone Group L.P.

For BSL, the Adviser receives a monthly fee at the annual rate of 1.00% of the average daily value of BSL's total assets (including any assets attributable to any leverage used) minus the sum of the BSL's accrued liabilities (other than Fund liabilities incurred for any leverage) (Managed Assets). For BGX, the Adviser receives a monthly fee at the annual rate of 1.20% of the average daily value of BGX's net assets (total assets of BGX

June 30, 2014 (Unaudited)

minus liabilities, including accrued expenses or dividends). For BGB, the Adviser receives a monthly fee at the annual rate of 1.00% of the average daily value of BGB's Managed Assets.

Each Fund pays every Trustee who is not a director, officer, employee, or affiliate of GSO or ALPS (as defined below), a fee of \$16,667 per annum, plus \$2,500 per regular in-person joint meeting of the Board of Trustees. If such in-person regular board meeting is not held jointly, the respective Fund will pay each Trustee \$3,000 for each such meeting attended. For each in-person special meeting of the Board of Trustees, each Fund will pay each Trustee \$2,000 if held jointly, and \$2,500 per applicable Fund if not held jointly. If a meeting is held telephonically the Funds will pay each Trustee \$750 if held jointly, and \$1,000 per applicable Fund if not held jointly. The Chairman of the Audit Committee and the Chairman of the Nominating and Governance Committee also each receive \$2,500 per annum from each fund. The Lead Independent Trustee receives \$2,667 from each Fund. In addition, for each joint meeting of a committee of the Board of Trustees that does not occur on a regular meeting or special meeting of the Funds, the Funds will each pay every committee member \$750 for each such committee meeting attended. If such committee meeting is not held jointly, the respective Fund will pay each committee member \$1,000 for each such meeting attended. The Funds will also reimburse independent Trustees for travel and out-of-pocket expenses incurred in connection with such meetings.

ALPS Fund Services, Inc. (ALPS) serves as administrator to the Funds. Under the administration agreement, ALPS is responsible for calculating the net asset value of the common shares and generally managing the administrative affairs of the Funds. For each of BSL and BGB, ALPS receives a monthly fee at the annual rate of 0.15% of the average daily value of such Funds' respective Managed Assets, subject to, in each case, a minimum annual fee of \$350,000, plus out-of-pocket expenses. For BGX, ALPS receives a monthly fee at the annual rate of 0.18% of the average daily value of BGX's net assets, also subject to a minimum annual fee of \$350,000, plus out-of-pocket expenses. ALPS is not considered an affiliate of the Funds, as defined under the 1940 Act.

The Bank of New York Mellon serves as BSL's and BGB's custodian and JP Morgan Chase Bank, National Association (JP Morgan Chase) serves as BGX's custodian. Computershare Shareowner Services, LLC, serves as the Funds' transfer agent. The Bank of New York Mellon, Computershare Shareowner Services, LLC, and JP Morgan Chase are not considered affiliates of the Funds as defined under the 1940 Act.

#### NOTE 4. SECURITIES TRANSACTIONS

Investment transactions for the six months ended June 30, 2014, excluding temporary short-term investments, were as follows:

| Fund  | Cost of Investments<br>Purchased | Proceeds from<br>Investments Sold |
|---|----------------------------------|-----------------------------------|
| Blackstone / GSO Senior Floating Rate Term Fund | \$ 145,208,798                   | \$ 135,013,015                    |
| Blackstone / GSO Long-Short Credit Income Fund  | 94,942,996                       | 92,162,199                        |

|  |             |             |
|--|-------------|-------------|
| Blackstone / GSO Strategic Credit Fund | 551,983,454 | 509,783,032 |
|--|-------------|-------------|

**NOTE 5. CAPITAL**

The Funds have authorized an unlimited number of \$0.001 par value common shares.

Transactions in shares were as follows:

| <b>Blackstone / GSO Senior Floating Rate Term Fund</b> | <b>For the Six</b>                   |   |
|--|--------------------------------------|---|
|  | <b>Months Ended</b>                  | <b>For the</b>                          |
|  | <b>June 30, 2014<br/>(Unaudited)</b> | <b>Year Ended<br/>December 31, 2013</b> |
| Common shares outstanding - beginning of period        | 15,214,886                           | 15,193,991                              |
| Common shares issued as reinvestment of dividends      | 2,798                                | 20,895                                  |
| Common shares outstanding - end of period              | 15,217,684                           | 15,214,886                              |

| <b>Blackstone / GSO Long-Short Credit Income Fund</b> | <b>For the Six</b>                   |   |
|---|--------------------------------------|---|
|   | <b>Months Ended</b>                  | <b>For the</b>                              |
|   | <b>June 30, 2014<br/>(Unaudited)</b> | <b>Year Ended<br/>December 31,<br/>2013</b> |
| Common shares outstanding - beginning of period       | 12,702,160                           | 12,700,248                                  |
| Common shares issued as reinvestment of dividends     |                                      | 1,912                                       |
| Common shares outstanding - end of period             | 12,702,160                           | 12,702,160                                  |

**Blackstone / GSO Strategic Credit Fund**

|   | <b>For the Six</b>   |                          |
|---|----------------------|--------------------------|
|   | <b>Months Ended</b>  | <b>For the</b>           |
|   | <b>June 30, 2014</b> | <b>Year Ended</b>        |
|   | <b>(Unaudited)</b>   | <b>December 31, 2013</b> |
| Common shares outstanding - beginning of period   | 44,664,382           | 44,616,577               |
| Common shares issued as reinvestment of dividends |                      | 47,805                   |
| Common shares outstanding - end of period         | 44,664,382           | 44,664,382               |

**NOTE 6. SENIOR AND SECURED FLOATING RATE LOANS**

BSL defines Senior Loans as first lien senior secured, floating rate loans that are made to U.S. and, to a limited extent, non-U.S. corporations, partnerships and other business entities ( Borrowers ), which operate in various industries and geographical regions. BGX includes first and second lien secured, floating rate loans in its definition of Secured Loans. Under normal market conditions, at least 80% of BSL's Managed Assets will be invested in Senior Loans and 70% of BGX's managed assets will be invested in Secured Loans. Under normal market conditions, at least 80% of BGB's Managed Assets will be invested in credit investments comprised of corporate fixed income instruments and other investments (including derivatives) with similar economic characteristics. BGX defines its managed assets as net assets plus effective leverage obtained through securities lending, swap contract arrangements, and short selling or other derivative transactions ( BGX Managed Assets ). At June 30, 2014, 87.56% of BSL's Managed Assets were held in Senior Loans, 81.20% of BGX's Managed Assets were held in Secured Loans, and 98.25% of BGB's Managed Assets were held in corporate fixed income instruments including Loans.

Loans hold a senior position in the capital structure of a business entity, are secured with specific collateral and have a claim on the assets and/or stock of the Borrower that is senior to that held by unsecured creditors, subordinated debt holders and stockholders of the Borrower.

Loans often require prepayments from Borrowers' excess cash flows or permit the Borrowers to repay at their election. The degree to which Borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturities shown. However, floating rate loans typically have an expected average life of two to four years. Floating rate loans typically have rates of interest which are re-determined periodically, either daily, monthly, quarterly or semi-annually by reference to a floating base lending rate, primarily the London Interbank Offered Rate (LIBOR), plus a premium or credit spread.

Loans are subject to the risk of payment defaults of scheduled interest or principal. Such non-payment could result in a reduction of income, a reduction in the value of the investment and a potential decrease in the net asset value of any of the Funds. Risk of loss of income is generally higher for subordinated unsecured loans or debt, which are not backed by a security interest in any specific collateral. There can be no assurance that the liquidation of any collateral securing a Loan would satisfy the Borrower's obligation to the applicable Fund in the event of non-payment of

scheduled interest or principal payments, or that such collateral could be readily liquidated.

Second lien loans generally are subject to similar risks as those associated with investments in first lien loans except that such loans are subordinated in payment and/or lower in lien priority to first lien holders. In the event of default on a second lien loan, the first priority lien holder has first claim to the underlying collateral of the loan. Second lien loans are subject to the additional risk that the cash flow of the Borrower and property securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior obligations of the Borrower. At June 30, 2014, BSL, BGX and BGB had invested \$23,732,932, \$14,215,267 and \$106,349,472, respectively, in second lien secured loans. Second lien secured loans are considered Secured Loans for BGX and Senior Secured Loans for BGB, but are not considered Senior Loans for BSL.

Loans can be rated below investment grade or may also be unrated. As a result, the risks associated with Loans may be similar to the risks of other below investment grade securities, although they are senior and secured in contrast to other below investment grade securities, which are often subordinated or unsecured. BSL, BGX and BGB typically invest in Loans rated below investment grade, which are considered speculative because of the credit risk of the Borrowers. Such companies are more likely than investment grade issuers to default on their payments of interest and principal owed to BSL, BGX and BGB, and such defaults could reduce net asset value and income distributions. The amount of public information available with respect to below investment grade loans will generally be less extensive than that available for registered or exchange-listed securities. In evaluating the creditworthiness of Borrowers, the Adviser will consider, and may rely in part on, analyses performed by others. The Adviser's established best execution procedures and guidelines require trades to be placed for execution only with broker-dealer counterparties approved by the Counterparty and Liquidity Sub-Committee of the Adviser. The factors considered by the Counterparty and Liquidity Sub-Committee when selecting and approving brokers and dealers include, but are not limited to: (i) quality, accuracy, and timeliness of execution, (ii) review of the reputation, financial strength and stability of the financial institution, (iii) willingness and ability of the counterparty to commit capital, (iv) ongoing reliability and (v) access to underwritten offerings and secondary markets. The Counterparty and Liquidity Sub-Committee regularly reviews each broker-dealer counterparty based on the foregoing factors.

BSL, BGX and BGB may acquire Loans through assignments or participations. BSL, BGX and BGB typically acquire these Loans through assignment, and if a Fund acquires a Loan through participation, it will seek to elevate a participation interest into an assignment as soon as practicably possible.

June 30, 2014 (Unaudited)

The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser's rights can be more restricted than those of the assigning institution, and BSL, BGX or BGB may not be able to unilaterally enforce all rights and remedies under the Loan and with regard to any associated collateral. A participation typically results in a contractual relationship only with the institution participating out the interest, not with the Borrower. Sellers of participations typically include banks, broker-dealers, other financial institutions and lending institutions. The Adviser has adopted best execution procedures and guidelines to mitigate credit and counterparty risk in a typical situation when BSL, BGX or BGB must acquire a Loan through a participation. None of the Funds had outstanding participations as of June 30, 2014.

#### **NOTE 7. TOTAL RETURN AND CREDIT DEFAULT SWAPS**

BGX has entered into total return swaps and credit default swaps during the six month period ended June 30, 2014.

In a total return swap, BGX pays another party a fixed or floating short-term fee and receives in exchange the total return of underlying loans or debt securities. If the other party to a total return swap defaults, BGX's risk of loss consists of the net amount of total return payments that BGX is contractually entitled to receive. BGX bears the risk of default on the underlying loans or debt securities, based on the notional amount of the swap. BGX is required to post collateral to cover this potential obligation. BGX may use total return swaps for financing, hedging or investment purposes (see further information in Note 10 - Leverage). For the purposes of Managed Assets, BGX will treat the value of a total return swap as the notional amount of the swap.

BGX may also use credit default swaps to express a negative credit view on a loan or other investment. If BGX purchases protection under a credit default swap and no credit event occurs on the reference obligation, BGX will have made a series of periodic payments and recover nothing of monetary value. However, if a credit event occurs on the reference obligation, BGX (if the buyer of protection) will receive the full notional value of the reference obligation through a cash payment in exchange for the reference obligation or alternatively, a cash payment representing the difference between the expected recovery rate and the full notional value.

The periodic swap payments received or made by BGX are recorded in the Statements of Operations as realized gains or losses, respectively. Any upfront fees paid are recorded as assets and any upfront fees received are recorded as liabilities and amortized over the term of the swap. Swaps are marked-to-market daily and changes in value, including the accrual of periodic amounts of interest, are recorded as unrealized appreciation (depreciation) and shown on BGX's Statement of Operations. When the swap is terminated, BGX will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and BGX's basis in the contract, if any. Generally, the basis of the contracts is the unamortized premium received or paid.

International Swaps and Derivatives Association, Inc. Master Agreements ( ISDA Master Agreements ) govern OTC financial derivative transactions entered into by a Fund and those counterparties. The ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral and events of default or termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all outstanding transactions under the applicable ISDA Master Agreement. Any election to

terminate early could be material to the financial statements.

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions. The Adviser selects only those counterparties that it believes are credit-worthy. BGX segregates sufficient assets as collateral to satisfy the current obligations with respect to total return and credit default swaps, and this is reflected as Deposit held with broker for swap contracts on BGX's Statement of Assets and Liabilities.

June 30, 2014 (Unaudited)

The effect of derivative instruments on the Statements of Operations as of June 30, 2014 is as follows:

### Blackstone / GSO Long-Short Credit Income Fund

| Risk Exposure                                       | Statements of Operations Location   | Net Realized Gain/(Loss) | Net Change in Unrealized Appreciation/(Depreciation) |
|---|---|--------------------------|--|
| Credit Contracts<br>(Total Return Swap Contracts)   | Net realized gain/(loss) on Total return swap contracts / change in unrealized appreciation/(depreciation) on Total return swap contracts | \$ 245,948               | \$ (16,462)  |
| Credit Contracts<br>(Credit Default Swap Contracts) | Net realized gain/(loss) on Credit default swap contracts   | 13,139                   |  |
| <b>Total</b>  |   | <b>\$ 259,087</b>        | <b>\$ (16,462)</b>                                   |

### NOTE 8. COLLATERALIZED LOAN OBLIGATIONS

BGX has invested in Collateralized Loan Obligations ( CLOs ). A CLO is a financing company (generally called a Special Purpose Vehicle ( SPV )), created to reappportion the risk and return characteristics of a pool of assets. While the assets underlying CLOs are typically Secured Loans, the assets may also include (i) unsecured loans, (ii) debt securities that are rated below investment grade, (iii) debt tranches of other CLOs and (iv) equity securities incidental to investments in Secured Loans. When investing in CLOs, BGX will not invest in equity tranches, which are the lowest tranche. However, BGX may invest in lower tranches of CLOs, which typically experience a lower recovery, greater risk of loss or deferral or non-payment of interest than more senior tranches of the CLO. In addition, BGX intends to invest in CLOs consisting primarily of individual Secured Loans of Borrowers and not repackaged CLO obligations from other high risk pools. The underlying Secured Loans purchased by CLOs are generally performing at the time of purchase but may become non-performing, distressed or defaulted. CLOs with underlying assets of non-performing, distressed or defaulted loans are not contemplated to comprise a significant portion of the BGX's investments in CLOs. The key feature of the CLO structure is the prioritization of the cash flows from a pool of debt securities among the several classes of the CLO. The SPV is a company founded solely for the purpose of securitizing payment claims arising out of this diversified asset pool. On this basis, marketable securities are issued by the SPV which, due to the diversification of the underlying risk, generally represent a lower level of risk than the original assets. The redemption of the securities issued by the SPV typically takes place at maturity out of the cash flow generated by the collected claims.

### NOTE 9. SECURITIES LENDING

BGX may make secured loans of its marginable securities to brokers, dealers and other financial institutions amounting to no more than 30% of its net assets. The risks in lending portfolio securities, as with other extensions of credit, consist of possible delay in recovery of the securities or possible loss of rights in the collateral should the



borrower fail financially. However, such loans will be made only to broker-dealers and other financial institutions that are believed by the Adviser to be of relatively high credit standing.

Loans of securities are made to broker-dealers pursuant to agreements requiring that loans be continuously secured by collateral consisting of U.S. Government securities, cash or cash equivalents (negotiable certificates of deposit, bankers' acceptances or letters of credit) maintained on a daily mark-to-market basis in an amount at least equal at all times to the market value of the securities lent. The borrower pays to BGX, as the lender, an amount equal to any dividends or interest received on the securities lent. The collateral must have a market value at least equal to 100% of the market value of the loaned securities at all times during the duration of the loan.

BGX invests the cash collateral received in accordance with its investment objectives, subject to BGX's agreement with the borrower of the securities. In the case of cash collateral, BGX typically pays a rebate to the borrower. The reinvestment of cash collateral will result in a form of effective leverage for BGX.

Although voting rights or rights to consent with respect to the loaned securities pass to the borrower, BGX, as the lender, retains the right to call the loans and obtain the return of the securities loaned at any time on reasonable notice, and it will do so in order that the securities may be voted by BGX if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. BGX may also call such loans in order to sell the securities involved. When engaged in securities lending, BGX's performance will continue to reflect changes in the value of the securities loaned and will also reflect the receipt of interest through investment of cash collateral by BGX in permissible investments.

As of June 30, 2014, BGX had securities on loan valued at \$31,994,949 and received cash collateral with a value of \$32,609,155 representing 13.23% and 13.49% of net assets, respectively.

June 30, 2014 (Unaudited)

**NOTE 10. LEVERAGE**

On August 13, 2010, BSL issued \$96 million in aggregate principal amount of senior secured notes and 48,000 term preferred shares with an aggregate liquidation preference of \$48 million, both rated AAA by Fitch Ratings. The senior secured notes and term preferred shares in combination represent total leverage of approximately 33% of BSL's Managed Assets. BSL used the proceeds of the offerings to purchase additional assets for BSL's portfolio. The final maturity date of the senior secured notes and the final redemption date of the term preferred shares is May 31, 2020, which coincides with the scheduled dissolution date of BSL.

Both the senior secured notes and the term preferred shares may be prepaid or redeemed at the option of BSL commencing on the second anniversary of issuance. In addition, both the senior secured notes and the term preferred shares are subject to mandatory prepayment or redemption a) if BSL fails to meet certain overcollateralization tests, b) after the expiration of the BSL's reinvestment period, which ends on May 31, 2017, c) if the senior secured notes and term preferred shares have not been fully prepaid/redeemed six months prior to the final maturity date (May 31, 2020), or d) if BSL fails to pay dividends on the term preferred shares for six consecutive months. Should either the senior secured notes or the term preferred shares be prepaid/redeemed, either through an optional or mandatory prepayment/redemption, the remainder of the term preferred shares or the senior secured notes shall also become payable/redeemable on a pro-rata basis.

In connection with BSL's issuance of senior secured notes and term preferred shares, certain costs were incurred by BSL and have been recorded as a deferred asset. These costs are being amortized over the period beginning August 13, 2010 (day of issuance) through May 31, 2017, the date on which mandatory prepayments commence. The deferred asset balance as of June 30, 2014 is shown on BSL's Statement of Assets and Liabilities under Deferred financing costs. The amount of expense amortized during the six months ended June 30, 2014 is shown on BSL's Statement of Operations under Amortization of deferred financing costs.

The weighted average interest rate of the \$144 million aggregate amount of senior secured notes and term preferred shares is 1.78% over 3 month LIBOR. On a quarterly basis, BSL pays a floating rate interest of 1.55% over 3 month LIBOR on the senior secured notes and a floating rate dividend of 2.25% over 3 month LIBOR on the term preferred shares. Due to the short term nature of the floating rate payments on the senior secured notes and term preferred shares, face value approximates fair value at June 30, 2014. This fair value is based on Level 2 inputs under the three-tier fair valuation hierarchy (see Note 2).

BSL may prepay the senior secured notes or term preferred shares in whole or in part at any time on or after the second anniversary of the issuance date at an optional prepayment price. The redemption price per share of the term preferred shares and secured notes, respectively, is at a premium to the issuance price. The redemption price is equal to (a) 102% of the issuance price from the second anniversary date of the issuance date to but excluding the third anniversary date of the issuance date, (b) 101% of the issuance price from the third anniversary date of the issuance date to but excluding the fourth anniversary date of the issuance date and (c) 100% of the issuance price on or after the fourth anniversary date of the issuance date, plus, in each case, an amount equal to accrued, accumulated and unpaid dividends thereon, to, but not including, the applicable redemption date.

According to the governing documents for the senior secured notes and term preferred shares, BSL must adhere to certain limitations and restrictions while the leverage is outstanding. These compliance tests are performed by BSL's custodian, The Bank of New York Mellon. These tests are in addition to any requirements outlined in BSL's registration statement and the 1940 Act. As of June 30, 2014, BSL was in compliance with all required limitations and restrictions related to its leverage.

The holders of the term preferred shares are entitled to one vote per share and will vote with holders of common stock as a single class, except that the term preferred shares will vote separately as a class on certain matters, as required by law or BSL's Declaration of Trust. The holders of term preferred shares, voting as a separate class, are entitled at all times to elect two Trustees of BSL.

BGB entered into a Credit Agreement dated December 21, 2012, as amended at December 20, 2013 (as amended or restated from time to time, the Agreement), with a bank to borrow up to a limit of \$425 million pursuant to a 364 day revolving line of credit (Leverage Facility). Borrowings under the Agreement are secured by the assets of BGB. Interest is charged at a rate of 0.825% above LIBOR, the period commencing on the date of the making of such LIBOR Loan (or the last date upon which any other Loan was converted to, or continued as, such LIBOR Loan) and ending on the numerically corresponding day in the calendar month that is one (1) week or one (1), two (2), three (3), six (6) or nine (9) months thereafter, as BGB may elect, or such other period as the lender may agree in its sole and absolute discretion. Under the terms of the Agreement, BGB must pay a commitment fee on any undrawn amounts. The commitment fee payable is 0.15% on the undrawn amounts when drawn amounts exceed 50% of the borrowing limit and 0.25% on the undrawn amounts at any other time. Interest and fees are payable quarterly. The Fund may elect to extend the Agreement for a further 364-day period with the consent of the lending bank. At June 30, 2014, BGB had borrowings outstanding under the Leverage Facility of \$407.5 million at an interest rate of 0.98%. Due to the short term nature of the Agreement, face value approximates fair value at June 30, 2014. This fair value is based on Level 2 inputs under the three-tier fair valuation hierarchy (see Note 2). For the six months ended June 30, 2014, the average borrowings under the Leverage Facility and the average interest rate were \$401,250,000 and 1.00%, respectively.

June 30, 2014 (Unaudited)

Under the Agreement, BGB has agreed to certain covenants and additional investment limitations while the leverage is outstanding. The Fund agrees to maintain asset coverage of three times over borrowings. Compliance with the investment restrictions and calculations are performed by BGB's custodian, The Bank of New York Mellon. As of June 30, 2014, BGB was in compliance with all required investment limitations and asset coverage requirements related to its leverage.

The use of borrowings to leverage the common shares can create risks. Changes in the value of BSL's and BGB's portfolio, including securities bought with the proceeds of leverage, are borne entirely by the holders of common shares. All costs and expenses related to any form of leverage used by BSL and BGB are borne entirely by common shareholders. If there is a net decrease or increase in the value of BSL's or BGB's investment portfolio, the leverage may decrease or increase, as the case may be, the net asset value per common share to a greater extent than if BSL or BGB did not utilize leverage. During periods when BSL or BGB is using leverage, the fees paid to the Adviser for advisory services and to ALPS for administrative services are higher than if BSL or BGB did not use leverage because the fees paid are calculated on the basis of BSL's or BGB's Managed Assets, which include the assets purchased through leverage. As of June 30, 2014, BSL's and BGB's leverage represented 33.21% and 32.24% of such Fund's Managed Assets, respectively.

BGX currently employs leverage through securities lending arrangements (see Note 9 Securities Lending), swap arrangements (see Note 7 Total Return Swaps), and short selling. All costs and expenses related to any form of leverage used by BGX are borne entirely by holders of common shares. BGX's leverage consists of (i) the amount of securities lending cash collateral held less proforma cash (which includes the net difference between receivables and payables for investments sold/purchased), (ii) the fair market value of the reference securities of total return swaps less cash pledged and (iii) the fair market value of securities sold short less any segregated cash or offsetting securities. BGX's use of these forms of effective leverage will not exceed 30% of its net assets. As of June 30, 2014, BGX's effective leverage represented 12.19% of net assets. BGX's total leverage and short sale exposure, through securities lending, total return and credit default swap arrangements, other derivative transactions or short selling (including the market value of securities BGX is obligated to repay through short sales even in transactions that do not result in leverage), will not exceed 67% of BGX's net assets.

Leverage creates risk for the common shareholders, including the likelihood of greater volatility of NAV and market price of the common shares, and may affect the return to the common shareholders or result in fluctuations in the dividends paid on the common shares. To the extent total returns exceeds the cost of leverage, the Funds' returns will be greater than if leverage had not been used. Conversely, if the total return derived from the use of leverage is less than the cost of leverage, the Funds' returns will be less than if leverage had not been used, and therefore the amounts available for distribution to common shareholders as dividends and other distributions will be reduced. In the latter case, the Adviser in its best judgment nevertheless may determine to maintain the Funds' leveraged positions if it expects that the benefits to the Funds' common shareholders of maintaining the leveraged positions will outweigh the current reduced returns.

#### **NOTE 11. TAX BASIS DISTRIBUTIONS**

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The amounts and characteristics of tax basis distributions and composition of distributable earnings/(accumulated losses) are finalized at fiscal year end: accordingly, tax basis balances have not been determined as of June 30, 2014.

Ordinary income (inclusive of short-term capital gains) and long-term capital gains are allocated to common stockholders after payment of the available amounts on any outstanding term preferred shares. To the extent that the amount distributed to common stockholders exceeds the amount of available ordinary income and long-term capital gains after allocation to any outstanding term preferred shares, these distributions are treated as a tax return of capital. Additionally, to the extent that the amount distributed on any outstanding term preferred shares exceeds the amount of available ordinary income and long-term capital gains, these distributions are treated as a tax return of capital.

As determined on December 31, 2013, certain permanent differences between financial and tax accounting were reclassified. These differences were primarily due to the differing tax treatment of certain investments. The amounts reclassified did not affect net assets. The reclassifications were as follows:

| <b>Fund</b>                                     | <b>Increase<br/>Paid-in capital</b> | <b>Increase/(Decrease)<br/>Accumulated net investment<br/>income/(loss)</b> | <b>Increase/(Decrease)<br/>Accumulated net realized<br/>gain/(loss) on investments</b> |
|---|-------------------------------------|---|--|
| Blackstone / GSO Senior Floating Rate Term Fund | \$ 305,766                          | \$ (762,352)  | \$ 456,586   |
| Blackstone / GSO Long-Short Credit Income Fund  | \$ 253,930                          | \$ (126,736)  | \$ (127,194)   |
| Blackstone / GSO Strategic Credit Fund          | \$ 5,146                            | \$ 128,411  | \$ (133,557)   |

Blackstone / GSO Funds

Notes to Financial Statements

June 30, 2014 (Unaudited)

The tax character of distributions paid by the Funds during the fiscal year ended December 31, 2013 was as follows:

| 2013                     | Blackstone / GSO Strategic<br>Floating Rate Term Fund | Blackstone / GSO Long-Short<br>Credit Income Fund | Blackstone / GSO Strategic<br>Credit Fund |
|--------------------------|---|---|---|
| Distributions Paid From: |   |   |   |
| Ordinary Income          | \$ 19,405,572   | \$ 16,461,268                                     | \$ 60,018,885                             |
| Long-Term Capital Gain   | 223,817   | 635,108   | 181,309                                   |
| Return of Capital        |   |   | 2,486,188                                 |
| Total                    | \$ 19,629,389   | \$ 17,096,376                                     | \$ 62,686,382                             |

At December 31, 2013, the Funds did not have available for federal tax purposes unused capital loss carryforwards.

Capital loss carryovers used by BGX during the year ended December 31, 2013 were \$51,405.

At December 31, 2013, the components of distributable earnings on a tax basis for the Funds were as follows:

|   | Blackstone / GSO Strategic<br>Floating Rate Term Fund | Blackstone / GSO Long-Short<br>Credit Income Fund | Blackstone / GSO Strategic<br>Credit Fund |
|---|---|---|---|
| Undistributed ordinary income                 | \$ 436,695  | \$ 523,185  | \$  |
| Accumulated capital gains/losses              | 594,237   | 183,372   |   |
| Unrealized appreciation                       | 1,871,430   | 2,739,688   | 9,209,916                                 |
| Other Cumulative effect of timing differences | 55,097  | (16,462)  |   |
| Total   | \$ 2,957,459  | \$ 3,429,783                                      | \$ 9,209,916                              |

The amount of net unrealized appreciation (depreciation) and the cost of investment securities for tax purposes, including short-term securities at June 30, 2014, were as follows:

|  | Blackstone / GSO Strategic<br>Floating Rate Term Fund | Blackstone / GSO Long-Short<br>Credit Income Fund | Blackstone / GSO Strategic<br>Credit Fund |
|--|---|---|---|
| Cost of investments for income tax purposes        | \$ 418,640,980  | \$ 267,192,887                                    | \$ 1,225,337,704                          |
| Gross appreciation (excess of value over tax cost) | \$ 5,030,893  | \$ 5,580,500                                      | \$ 20,383,962                             |
| Gross depreciation (excess of tax cost over value) | (1,210,684)   | (756,963)   | (5,086,224)                               |

|                             |    |           |    |           |    |            |
|-----------------------------|----|-----------|----|-----------|----|------------|
| Net unrealized appreciation | \$ | 3,820,209 | \$ | 4,823,537 | \$ | 15,297,738 |
|-----------------------------|----|-----------|----|-----------|----|------------|

**NOTE 12. OFFSETTING AGREEMENTS**

The Funds may manage counterparty risk by entering into enforceable collateral arrangements with counterparties to securities lending agreements. These agreements mitigate counterparty credit risk by providing for a single net settlement with a counterparty of all financial transactions covered by the agreement in an event of default as defined under such agreement.

The following table presents securities lending arrangements that are subject to enforceable netting arrangements, collateral arrangements or other similar agreements as of June 30, 2014.

| Description  | Gross<br>Amounts of<br>Recognized<br>Assets | Gross<br>Amounts<br>Offset In The<br>Statements of<br>Assets And<br>Liabilities | Net Amounts<br>Presented In The<br>Statements of<br>Assets And<br>Liabilities | Gross Amounts Not Offset in<br>The Statement of Financial<br>Position |                              | Net Amount<br>Receivable |
|--|---|---|---|---|------------------------------|--------------------------|
|  |   |   |   | Financial<br>Instruments  | Cash Collateral<br>Received* |                          |
| <b>Blackstone / GSO<br/>Long-Short Credit<br/>Income Fund Assets</b> |   |   |   |   |                              |                          |
| Securities Loaned, at<br>Value                                       | \$ 31,994,949                               | \$  | \$ 31,994,949   | \$  | \$(31,994,949)               | \$                       |
| <b>Total</b>   | <b>\$ 31,994,949</b>                        | <b>\$</b>   | <b>\$ 31,994,949</b>  | <b>\$</b>   | <b>\$(31,994,949)</b>        | <b>\$</b>                |

\* These amounts do not include the excess collateral received/pledged.

June 30, 2014 (Unaudited)

**NOTE 13. SUBSEQUENT EVENTS**

**Shareholder Distributions for BSL:** On July 31, 2014 and August 29, 2014, BSL paid regularly scheduled distributions in the amount of \$0.10 per share to shareholders of record as of July 24, 2014 and August 22, 2014, respectively.

**Shareholder Distributions for BGX:** On July 31, 2014 and August 29, 2014, BGX paid regularly scheduled distributions in the amount of \$0.098 per share to shareholders of record as of July 24, 2014 and August 22, 2014, respectively.

**Shareholder Distributions for BGB:** On July 31, 2014 and August 29, 2014, BGB paid regularly scheduled distributions in the amount of \$0.105 per share to shareholders of record as of July 24, 2014 and August 22, 2014, respectively.

**BGX Change in Custodian:** On July 29, 2014, BGX's custodian changed to the Bank of New York Mellon.

**BGX Leverage:** On July 29, 2014 BGX entered into a credit agreement with a bank to borrow up to \$73 million pursuant to a 364 day revolving line of credit. Borrowings under the Agreement are secured by the assets of BGX. Interest is charged at a rate of 0.70% above LIBOR, the period commencing on the date of the making of such LIBOR Loan (or the last date upon which any other Loan was converted to, or continued as, such LIBOR Loan) and ending on the numerically corresponding day in the calendar month that is one (1) week or one (1), two (2), three (3), six (6) or nine (9) months thereafter, as BGX may elect, or such other period as the lender may agree in its sole and absolute discretion. Under the terms of the Agreement, BGX must pay a commitment fee on any undrawn amounts. The commitment fee payable is 0.20% on the undrawn amounts. Interest and fees are payable quarterly. The Fund may elect to extend the Agreement for a further 364-day period with the consent of the lending bank. The Fund may elect to extend the Agreement for a further period of 180 days without the consent of the lending bank.



June 30, 2014 (Unaudited)

Pursuant to the Funds' Dividend Reinvestment Plan (the "DRIP"), shareholders whose shares are registered in their own name may opt-in to the plan and elect to reinvest all or a portion of their distributions in common shares by providing the required enrollment notice to Computershare, the DRIP administrator. Shareholders whose shares are held in the name of a broker or other nominee may have distributions reinvested only if such a service is provided by the broker or the nominee or if the broker or the nominee permits participation in the DRIP. Shareholders whose shares are held in the name of a broker or other nominee should contact the broker or nominee for details. A shareholder may terminate participation in the DRIP at any time by notifying the DRIP administrator before the record date of the next distribution through the Internet, by telephone or in writing. All distributions to shareholders who do not participate in the DRIP, or have elected to terminate their participation in the DRIP, will be paid by check mailed directly to the record holder by or under the direction of the DRIP administrator when the Funds' Board of Trustees declares a distribution.

When the Funds declare a distribution, shareholders who are participants in the applicable DRIP receive the equivalent of the amount of the distribution in common shares. If you participate in the DRIP, the number of common shares of the Funds that you will receive will be determined as follows:

(1) If the market price of the common shares plus any brokerage commissions on the payable date (or, if the payable date is not a New York Stock Exchange trading day, the immediately preceding trading day) for determining shareholders eligible to receive the relevant distribution (the "determination date") is equal to or exceeds 98% of the net asset value per common share, the Fund will issue new common shares at a price equal to the greater of:

(a) 98% of the net asset value per share at the close of trading on the New York Stock Exchange on the determination date or

(b) 95% of the market price per common share on the determination date.

(2) If 98% of the net asset value per common share exceeds the market price of the common shares plus any brokerage commissions on the determination date, the DRIP administrator will receive the distribution in cash and will buy common shares in the open market, on the New York Stock Exchange or elsewhere, for your account as soon as practicable commencing on the trading day following the determination date and terminating no later than the earlier of (a) 30 days after the distribution payment date, or (b) the record date for the next succeeding distribution to be made to the shareholders; except when necessary to comply with applicable provisions of the federal securities laws. If during this period: (i) the market price plus any brokerage commissions rises so that it equals or exceeds 98% of the net asset value per common share at the close of trading on the New York Stock Exchange on the determination date before the DRIP administrator has completed the open market purchases or (ii) the DRIP administrator is unable to invest the full amount eligible to be reinvested in open market purchases, the DRIP administrator will cease purchasing common shares in the open market and the Fund will issue the remaining common shares at a price per share equal to the greater of (a) 98% of the net asset value per share at the close of trading on the New York Stock Exchange on the determination date or (b) 95% of the then current market price per share.

The DRIP administrator maintains all shareholder accounts in the dividend reinvestment plan and furnishes written confirmations of all transactions in the account, including information needed by shareholders for personal and tax records. Common shares in the account of each DRIP participant are held by the DRIP administrator in non-certificated form in the name of the participant, and each shareholder's proxy includes shares purchased pursuant

to the DRIP.

There is no charge to participants for reinvesting regular distributions and capital gains distributions. The fees of the DRIP administrator for handling the reinvestment of regular distributions and capital gains distributions are included in the fee to be paid by us to our transfer agent. There are no brokerage charges with respect to shares issued directly by us as a result of regular distributions or capital gains distributions payable either in shares or in cash. However, each participant bears a pro rata share of brokerage commissions incurred with respect to the DRIP administrator's open market purchases in connection with the reinvestment of such distributions. Shareholders that opt-in to the DRIP will add to their investment through dollar cost averaging. Because all dividends and distributions paid to such shareholder will be automatically reinvested in additional common shares, the average cost of such shareholder's common shares will decrease over time. Dollar cost averaging is a technique for lowering the average cost per share over time if the Fund's net asset value declines. While dollar cost averaging has definite advantages, it cannot assure profit or protect against loss in declining markets.

The automatic reinvestment of such dividends or distributions does not relieve participants of any income tax that may be payable on such dividends or distributions.

You may obtain additional information by contacting the DRIP administrator at the following address: Computershare, Attn: Sales Dept., P.O. Box 358035, Pittsburgh, PA 15252.

June 30, 2014 (Unaudited)

**Portfolio Information.** The Funds file their complete schedules of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q will be available (1) on the Funds' website located at <http://www.blackstone-gso.com>; (2) on the SEC's website at <http://www.sec.gov>; or (3) for review and copying at the SEC's Public Reference Room (the PRR) in Washington, DC. Information regarding the operation of the PRR may be obtained by calling 1-800-SEC-0330.

**Proxy Information.** The policies and procedures used to determine how to vote proxies relating to securities held by the Funds are available (1) without charge, upon request, by calling 1-877-876-1121, or (2) on the Funds' website located at <http://www.blackstone-gso.com>, and (3) on the SEC's website at <http://www.sec.gov>. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available on Form N-PX by August 31 of each year (1) without charge, upon request, by calling 1-877-876-1121, or (2) on the Funds' website located at <http://www.blackstone-gso.com>, and (3) on the SEC's website at <http://www.sec.gov>.

**Senior Officer Code of Ethics.** The Funds file a copy of their code of ethics that applies to the Funds' principal executive officer, principal financial officer or controller, or persons performing similar functions, with the SEC as an exhibit to each annual report on Form N-CSR. This will be available on the SEC's website at <http://www.sec.gov>.

**Privacy Procedures.** Privacy is very important to the Funds. To ensure our shareholders' privacy the Funds have developed policies that are designed to protect confidentiality while allowing their shareholders' needs to be served. In the course of providing their shareholders with products and services, the Funds may obtain non-public personal information, such as address, social security number, assets and/or income information: (i) in the subscription document and related support documents; (ii) in correspondence and conversations with the Funds or their representatives; and (iii) through transactions in and relating to the investment with the Funds.

The Funds do not disclose any of this personal information about shareholders to anyone other than to their affiliates, except as required for everyday purposes or as permitted by law, such as to their attorneys, auditors, brokers, bankers, regulators, administrators and certain service providers, in each such case, only as necessary to facilitate the acceptance of the shareholder's investment or the management of the Funds. The Funds will also release information about a shareholder if such shareholder directs the Funds to do so, if compelled to do so by law, or in connection with any government or self-regulatory organization request or investigation.

The Funds seek to carefully safeguard private information and, to that end, restrict access to non-public personal information about the shareholders to those employees and other persons who need to know the information to enable the Funds to provide services to the shareholders. The Funds maintain physical, electronic and procedural safeguards to protect each shareholder's non-public personal information.

**Tax Information.** Of the ordinary income (including short-term capital gains) distributions made by BSL during the fiscal period ended December 31, 2013, 0% qualifies for the dividend received deduction available to stockholders. The amount of long-term capital gains paid for the fiscal period ended December 31, 2013 was \$223,817. For the fiscal period ended December 31, 2013, 0% of the taxable investment income qualifies for the 15% dividend tax rate.

Of the ordinary income (including short-term capital gain) distributions made by BGX during the fiscal period ended December 31, 2013, 0% qualifies for the dividend received deduction available to stockholders. The amount of

long-term capital gains paid for the fiscal period ended December 31, 2013 was \$635,108. For the fiscal period ended December 31, 2013, 0% of the taxable investment income qualifies for the 15% dividend tax rate.

Of the ordinary income (including short-term capital gain) distributions made by BGB during the fiscal period ended December 31, 2013, 0% qualifies for the dividend received deduction available to stockholders. The amount of long-term capital gains paid for the fiscal period ended December 31, 2013 was \$181,309. For the fiscal period ended December 31, 2013, 0% of the taxable investment income qualifies for the 15% dividend tax rate.

Blackstone / GSO Funds

Additional Information

June 30, 2014 (Unaudited)

**BSL Meeting of Shareholders Voting Results**

On April 23, 2014, BSL held its Annual Meeting of Shareholders to consider the proposal set forth below. The following votes were recorded:

Proposal 1: The election of one (1) Trustee of BSL, to hold office for the term indicated and until his successor shall have been elected and qualified.

Election of Edward H. D Alelio as Class III Trustee of BSL, term to expire at 2017 Annual Meeting (both common and preferred shareholders vote)

|              | Number of Shares  | % of Shares Voted |
|--------------|-------------------|-------------------|
| Affirmative  | 58,853,866        | 99.66%            |
| Withheld     | 199,103           | 0.34%             |
| <b>TOTAL</b> | <b>59,052,969</b> | <b>100.00%</b>    |

**BGX Meeting of Shareholders Voting Results**

On April 23, 2014, BGX held its Annual Meeting of Shareholders to consider the proposal set forth below. The following votes were recorded:

Proposal 1: The election of one (1) Trustee of BGX, to hold office for the term indicated and until his successor shall have been elected and qualified.

Election of Edward H. D Alelio as Class II Trustee of BGX, term to expire at 2017 Annual Meeting

|              | Number of Shares | % of Shares Voted |
|--------------|------------------|-------------------|
| Affirmative  | 9,394,116        | 98.46%            |
| Withheld     | 146,554          | 1.54%             |
| <b>TOTAL</b> | <b>9,540,670</b> | <b>100.00%</b>    |

**BGB Meeting of Shareholders Voting Results**

On April 23, 2014, BGB held its Annual Meeting of Shareholders to consider the proposal set forth below. The following votes were recorded:

Proposal 1: The election of one (1) Trustee of BGB, to hold office for the term indicated and until his successor shall have been elected and qualified.

Election of Edward H. D Alelio as Class I Trustee of BGB, term to expire at 2017 Annual Meeting

|              | <b>Number of Shares</b> | <b>% of Shares Voted</b> |
|--------------|-------------------------|--------------------------|
| Affirmative  | 36,967,970              | 99.04%                   |
| Withheld     | 357,705                 | 0.96%                    |
| <b>TOTAL</b> | <b>37,325,675</b>       | <b>100.00%</b>           |

June 30, 2014 (Unaudited)

The Investment Company Act of 1940, as amended (the 1940 Act ), requires that the Board of Trustees (collectively, the Board ) of each of Blackstone / GSO Senior Floating Rate Term Fund ( BSL ), Blackstone / GSO Long-Short Credit Income Fund ( BGX ), and Blackstone / GSO Strategic Credit Fund ( BGB, and together with BSL and BGX, the Funds and each a Fund ), including a majority of its members who are not considered to be interested persons under the 1940 Act (the Independent Trustees ) voting separately, approve on an annual basis the continuation of the Fund s investment advisory agreement (each an Agreement and, collectively, the Agreements ) with the Fund s investment adviser, GSO / Blackstone Debt Funds Management LLC (the Adviser ). At a joint meeting (the Contract Renewal Meeting ) held in person on May 22, 2014, the Board of each Fund, including the Independent Trustees, considered and approved the continuation of each Agreement for an additional one-year term. To assist in its consideration of the renewal of each of the Agreements, the Board requested, received and considered a variety of information (together with the information provided at the Contract Renewal Meeting, the Contract Renewal Information ) about the Adviser, as well as the advisory arrangements for the Funds, certain portions of which are discussed below. The presentation made by the Adviser to the Board at the Contract Renewal Meeting in connection with its evaluation of the Agreements encompassed all of the Funds. In addition to the Contract Renewal Information, the Board received performance and other information since each Fund s inception related to the services rendered by the Adviser to such Fund. The Board s evaluation took into account the information received since each Fund s inception and also reflected the knowledge and familiarity gained as members of the Board with respect to the investment advisory and other services provided to each Fund by the Adviser under the Fund s Agreement.

### **Board Approval of the Continuation of the Agreements**

In its deliberations regarding renewal of each Agreement, the Board, including the Independent Trustees, considered various factors, including those set forth below.

### **Nature, Extent and Quality of the Services Provided to each Fund under its Agreement**

The Board received and considered Contract Renewal Information regarding the nature, extent and quality of services provided to the Funds by the Adviser under the Agreements. The Board also reviewed Contract Renewal Information regarding the Funds compliance policies and procedures established pursuant to the 1940 Act and considered each Fund s compliance record since its inception.

The Board reviewed the qualifications, backgrounds and responsibilities of the Funds senior personnel and the portfolio management team primarily responsible for the day-to-day portfolio management of each Fund. The Board also considered, based on its knowledge of the Adviser and its affiliates, the Contract Renewal Information and the Board s discussions with the Adviser at the Contract Renewal Meeting, the general reputation and investment performance records of the Adviser and its affiliates and the financial resources of the corporate parent of the Adviser, The Blackstone Group L.P., available to support its activities in respect of the Funds.

The Board considered the responsibilities of the Adviser under each Fund s Agreement, including the Adviser s coordination and oversight of the services provided to the Fund by other unaffiliated parties.

In reaching its determinations regarding continuation of each Fund s Agreement, the Board took into account that such Fund s shareholders, in pursuing their investment goals and objectives, likely considered the reputation and the investment style, philosophy and strategy of the Adviser, as well as the resources available to the Adviser, in

purchasing their shares.

### **Fund Performance**

The Board received and considered performance information and analyses (the Lipper Performance Information ) for each Fund, as well as for a group of funds identified by Lipper, Inc. ( Lipper ), an independent provider of investment company data, with input from the Adviser, as comparable to the Fund in their objectives and strategies regardless of asset size (the Performance Peer Universe ), prepared by Lipper. The Performance Peer Universe consisted of all leveraged closed-end loan participation funds, as classified by Lipper, regardless of asset size. In the case of BSL, the Performance Peer Universe for the 1-year period ended March 31, 2014 consisted of 31 funds (including BSL, BGX, and BGB) and of 29 funds (including BSL and BGX) for the 3-year period ended such date. In the case of both BGX and BGB, the Performance Peer Universe consisted of 33 funds (including BSL, BGX, and BGB) for the 1-year period ended March 31, 2014 and, in the case of BGX only, 29 funds for the 3-year period ended such date. BGB commenced operations in 2012. The Board noted that it had received and discussed with the Adviser information at periodic intervals since each Fund 's inception comparing such Fund 's performance against its benchmarks and its peer funds.

#### *BSL*

The Lipper Performance Information comparing BSL 's performance to that of the Performance Peer Universe based on net asset value per share showed, among other things, that BSL 's performance for the 1- and 3-year periods ended March 31, 2014 was in the fifth quintile of its Performance Peer Universe. In these rankings, the first quintile represents the funds with the best performance in the Performance Peer Universe and the fifth quintile represents funds with poorest performance among the funds in the Performance Peer Universe. The Board also considered BSL 's performance relative to its benchmark and in absolute terms and noted that BSL outperformed its benchmark for the 1- and 3-year periods and the period since inception. Moreover, the Adviser noted that on a gross return basis for the 1- and 3-year periods ended March 31, 2014, BSL ranked 22 out of 31 and 11 out of 29 funds, respectively, or in line with the median returns of the Performance Peer Universe. The Adviser also noted that BSL also demonstrated lower return volatility than its Performance Peer Universe for the 3-year period ended March 31, 2014.



June 30, 2014 (Unaudited)

*BGX*

The Lipper Performance Information comparing BGX's performance to that of the Performance Peer Universe based on net asset value per share showed, among other things, that BGX's performance for the 1- and 3-year periods ended March 31, 2014 was in the third quintile of its Performance Peer Universe. The Board also considered BGX's performance relative to its benchmark and in absolute terms and noted that BGX outperformed its benchmark for the 1- and 3-year periods and the period since inception. Moreover, the Adviser noted that on a gross return basis for the 1- and 3-year periods ended March 31, 2014, BGX ranked 24 out of 33 and 17 out of 29 funds, respectively, or below the median returns of the Performance Peer Universe. The Adviser also noted that BGX demonstrated average return volatility among its Performance Peer Universe for the 3-year period ended March 31, 2014.

*BGB*

The Lipper Performance Information comparing BGB's performance to that of the Performance Peer Universe based on net asset value per share showed, among other things, that BGB's performance for the 1-year period ended March 31, 2014 was in the fourth quintile of its Performance Peer Universe. The Board also considered BGB's performance relative to its benchmark and in absolute terms and noted that BGB outperformed its benchmark for the 1-year period and the period since inception. Moreover, the Adviser noted that on a gross return basis for the 1-year period ended March 31, 2014, BGB ranked 19 out of 33 funds, or below the median returns of the Performance Peer Universe. The Adviser also noted that BGB's returns exhibited greater volatility than its peers with similar returns and lower returns and volatility than its peers with higher returns for the 1-year period ended March 31, 2014.

In assessing Fund performance, the Board also considered the Adviser's efforts to maintain each Fund's level of distributions to shareholders at a competitive level in light of the prevailing low interest rate environment and credit market conditions. The Board noted, however, that there could be no assurance that each Fund's past levels of distribution will continue in light of the prevailing low interest rate environment. The Board also noted the comprehensive and rigorous credit review and other processes employed by the Adviser in managing the Funds' investment portfolios as well as the Adviser's arranging and management of the Funds' leverage. Based on its review, the Board concluded that, under the circumstances, each Fund's performance supported continuation of its Agreement for an additional period of one year.

**Management Fees and Expenses**

The Board reviewed and considered the investment advisory fee (the *Advisory Fee*) payable under each Fund's Agreement by each Fund to the Adviser in light of the nature, extent and overall quality of the investment advisory and other services provided by the Adviser to the Fund.

Additionally, the Board received and considered information and analyses (the *Lipper Expense Information*) prepared by Lipper, comparing, among other things, the *Advisory Fee* for each Fund and each Fund's overall expenses with those of funds in an expense group (the *Expense Group*) selected and provided by Lipper, with the input of the Adviser. The comparison was based upon the constituent funds' latest fiscal years.

*BSL*

The Expense Group for BSL consisted of nine leveraged loan closed-end funds, as classified by Lipper, including BSL. The Expense Group funds had net common share assets ranging from \$259.9 million to \$900.8 million. Seven of the other funds in the Expense Group were larger than BSL and one was smaller. The Lipper Expense Information, comparing BSL's actual total expenses to the Expense Group, showed, among other things, that the Fund's actual Advisory Fee (i.e., including the administrator's fee and giving effect to any voluntary fee waivers implemented by the Adviser with respect to the Fund and by the managers of the other Expense Group funds), whether compared on the basis of common share assets only or on the basis of common share and leveraged assets, was ranked ninth (i.e., highest) among the nine funds in the Expense Group and was higher than the Expense Group median for that expense component. The Fund's actual total expenses whether compared on the basis of common share assets or on the basis of common share and leveraged assets were ranked eighth among the funds in the Expense Group and were higher than the Expense Group median.

#### *BGX*

The Expense Group for BGX consisted of BGX, three other loan participation funds, and two general bond funds, as classified by Lipper. The Expense Group funds had average net common share assets ranging from \$130.1 million to \$939.4 million. Three of the other funds in the Expense Group were larger than BGX and two were smaller. The Adviser noted that the Lipper Expense Information did not consider BGX's leverage, consisting of total return swaps and securities lending, as a form of leverage and, therefore, the Lipper Expense Information did not compare BGX's Advisory Fee or overall expenses with the Expense Group on the basis of common share and leveraged assets. The Lipper Expense Information, comparing BGX's actual total expenses to the Fund's Expense Group, showed, among other things, that the Fund's actual Advisory Fee (i.e., including the administrator's fee and giving effect to any voluntary fee waivers implemented by the Adviser with respect to the Fund and by the managers of the other Expense Group funds) compared on the basis of common share assets only was ranked fourth (i.e., third highest) among the six funds in BGX's Expense Group and was at the Expense Group median for that expense component. BGX's actual total expenses compared on the basis of common share assets only were ranked second lowest among the funds in the Expense Group and were lower than the Expense Group median.

June 30, 2014 (Unaudited)

*BGB*

The Expense Group for BGB consisted of BGB, three other loan participation funds, and two general bond funds, as classified by Lipper. The Expense Group funds had average net common share assets ranging from \$130.1 million to \$939.4 million. One of the other funds in the Expense Group was larger than BGB and four were smaller. The Lipper Expense Information, comparing BGB's actual total expenses to the Fund's Expense Group, showed, among other things, that the Fund's actual Advisory Fee (i.e., including the administrator's fee and giving effect to any voluntary fee waivers implemented by the Adviser with respect to the Fund and by the managers of the other Expense Group funds) compared on the basis of common share assets only was ranked sixth (i.e., highest) among the six funds in the Expense Group and was higher than the Expense Group median for that expense component. The Lipper Expense Information also showed that BGB's actual Advisory Fee was ranked fifth among the Expense Group funds when compared on the basis of common share and leveraged assets and was higher than the Expense Group median for that expense component. BGB's actual total expenses compared on the basis of common share assets only were ranked fifth among the funds in the Expense Group and were higher than the Expense Group median, but were ranked third among the Expense Group funds when compared on the basis of common share and leveraged assets and were lower than the Expense Group median.

In addition, in its evaluation of the Advisory Fee and Lipper Expense Information for each Fund, the Board took into account the complexity of such Fund's investment program and the comprehensive and rigorous credit review and other processes employed by the Adviser in managing the Funds' investment portfolios. The Board further noted that the small number, varying sizes and, in the case of BGX and BGB, varying types of funds in the Funds' Expense Groups made meaningful expense comparisons difficult. The Board also considered information provided by the Adviser showing that other Expense Group funds are parts of larger fund complexes than the Funds' fund complex, which contributes to reduced cost opportunities for those funds owing to economies of scale. The Board further considered information provided by the Adviser showing BSL's cost of leverage compared to the cost of leverage of other peer funds and noted that newer funds such as BSL tended to have higher costs of leverage than funds of earlier vintage, several of which used low-cost auction rate preferred share leverage, which under current market conditions would not be available to BSL.

The Board also considered Contract Renewal Information regarding fees (including sub-advisory fees) charged by the Adviser to other U.S. clients investing primarily in an asset class similar to that of the Funds, including, where applicable, institutional and separate accounts and exchange-traded funds. The Board was advised that the base fees paid by such institutional, separate account and other clients generally are lower, and may be significantly lower, than the Advisory Fee. The Contract Renewal Information discussed the significant differences in scope of services provided to the Funds and to these other clients, noting that the Funds were subject to heightened regulatory requirements relative to institutional clients; that the Funds were provided with administrative services, office facilities and Fund officers (including each Fund's chief executive, chief financial and chief compliance officers); and that the Adviser coordinates and oversees the provision of services to the Funds by other fund service providers. In addition, the Board was advised that several institutional clients pay performance fees, which the Funds do not pay. The Board considered the fee comparisons in light of the different services provided in managing these other types of clients and funds.

Taking all of the above into consideration, the Board determined that the Advisory Fee for each Fund was reasonable in light of the nature, extent and overall quality of the investment advisory and other services provided to such Fund

under its Agreement.

### **Profitability**

The Board, as part of the Contract Renewal Information, received an analysis of the profitability to the Adviser and its affiliates in providing services to each Fund for the past year and since such Fund's inception. In addition, the Board received Contract Renewal Information with respect to the Adviser's revenue and cost allocation methodologies used in preparing such profitability data. The profitability analysis, among other things, indicated that the profitability to the Adviser in providing investment advisory and other services to each Fund was at a level which was not considered excessive by the Board in light of the nature, extent and overall high quality of such services.

### **Economies of Scale**

The Board received and discussed Contract Renewal Information concerning whether the Adviser would realize economies of scale if either the Funds' assets grow. The Board noted that because each Fund is a closed-end fund with no current plans to seek additional assets beyond maintaining its dividend reinvestment plan, any significant growth in its assets generally will occur through appreciation in the value of each Fund's investment portfolio, rather than sales of additional shares in the Fund. The Board determined that the Advisory Fee structure was appropriate under present circumstances.

### **Other Benefits to the Adviser**

The Board considered other benefits received by the Adviser and its affiliates as a result of the Adviser's relationship with each of the Funds and did not regard such benefits as excessive.

\* \* \* \*

June 30, 2014 (Unaudited)

In light of all of the foregoing and other relevant factors, the Board determined that, under the circumstances, continuation of each Fund's Agreement would be in the interests of the Fund and its shareholders and unanimously voted to continue the Agreement for a period of one additional year.

No single factor reviewed by the Board was identified by the Board as the principal factor in determining whether to approve continuation of each Agreement for the next year, and each Board member attributed different weights to the various factors. The Independent Trustees were advised by separate independent legal counsel throughout the process. Prior to the Contract Renewal Meeting, the Board received a memorandum prepared by counsel to the Funds discussing its responsibilities in connection with the proposed continuation of the Agreement as part of the Contract Renewal Information. Prior to voting, the Independent Trustees discussed the proposed continuation of each Agreement in light of their responsibilities in a private session with their independent legal counsel at which no representatives of the Adviser or Fund management were present.

Blackstone / GSO Funds

Trustees & Officers  
June 30, 2014 (Unaudited)

The oversight of the business and affairs of the Funds is vested in the Board of Trustees. The Board of Trustees is classified into three classes Class I, Class II and Class III as nearly equal in number as reasonably possible, with the Trustees in each class to hold office until their successors are elected and qualified. At each annual meeting of shareholders, the successors to the class of Trustees whose terms expire at that meeting shall be elected to hold office for terms expiring at the later of the annual meeting of shareholders held in the third year following the year of their election or the election and qualification of their successors. The Funds' executive officers were appointed by the Board of Trustees to hold office until removed or replaced by the Board of Trustees or until their respective successors are duly elected and qualified.

Below is a list of the Trustees and officers of the Funds and their present positions and principal occupations during the past five years. The business address of the Funds, the Trustees, the Funds' officers, and the Adviser is 345 Park Avenue, 31<sup>st</sup> Floor, New York, NY 10154, unless specified otherwise below.

**NON-INTERESTED TRUSTEES**

| <b>Name, Address and<br/>Year of Birth</b> | <b>Position(s) Held<br/>with the Funds</b>   | <b>Term of Office<br/>and Length of<br/>Time Served</b>  | <b>Principal Occupation(s)<br/>During Past 5 Years</b>  | <b>Number of<br/>Portfolios in Fund<br/>Complex Overseen<br/>by Trustee<sup>(1)</sup></b> | <b>Other Directorships<br/>Held by Trustee</b>   |
|--|--|--|---|---|--|
| Edward H. D Alelio<br>Birth Year: 1952     | Lead Independent<br>Trustee and<br>member of Audit<br>and Nominating<br>and Governance<br>Committees | Trustee Since:<br>BSL: April 2010<br>BGX: November 2010<br>BGB: May 2012<br><br>Term Expires:<br>BSL: 2017<br><br>BGX: 2017<br><br>BGB: 2017 | Mr. D Alelio was<br>formerly a<br><br>Managing Director and<br>CIO for Fixed Income at<br>Putnam Investments,<br>Boston where he retired<br>in 2002. He currently is<br>an Executive in<br>Residence with the<br>School of Management,<br>Univ. of Mass Boston. | 3   | Blackstone Real<br>Estate Income Funds   |
| Michael Holland<br>Birth Year: 1944        | Trustee and<br>member of Audit<br>and<br>Nominating and<br>Governance<br>Committees                  | Trustee Since:<br>BSL: April 2010<br>BGX: November 2010<br>BGB: May 2012   | Mr. Holland is the<br>Chairman of Holland &<br>Company, a private<br>investment firm he<br>founded in 1995. He is<br>also President and<br>Founder of the Holland<br>Balanced Fund.   | 3   | The China Fund,<br>Inc.; The Taiwan<br>Fund, Inc.; State<br>Street Master Funds;<br>Reaves Utility<br>Income Fund; |

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|                  |  |  |   |   |                                     |
|------------------|--|--|---|---|-------------------------------------|
|                  |  | Term Expires:  |   |   | Blackstone Real Estate              |
|                  |  | BSL: 2016  |   |   |                                     |
|                  |  | BGX: 2016  |   |   | Income Funds                        |
|                  |  | BGB: 2016  |   |   |                                     |
| Thomas W. Jasper | Trustee, Chairman of Audit Committee and member of Nominating and Governance Committee | Trustee Since:<br>BSL: April 2010<br>BGX: November 2010<br>BGB: May 2012 | Mr. Jasper is the Managing Partner of Manursing Partners LLC. He was Chief Executive Officer of Primus Guaranty, Ltd. from 2001-2010.   | 3 | Blackstone Real Estate Income Funds |
| Birth Year: 1948 |  | Term Expires:  |   |   |                                     |
|                  |  | BSL: 2015  |   |   |                                     |
|                  |  | BGX: 2015  |   |   |                                     |
|                  |  | BGB: 2015  |   |   |                                     |
| Gary S. Schpero  | Trustee, member of Audit Committee and Chairman of Nominating and Governance Committee | Trustee Since:<br>BSL: May 2012<br>BGX: May 2012<br>BGB: May 2012        | Retired. Prior to January 2000, Mr. Schpero was a partner at the law firm of Simpson Thacher & Bartlett LLP where he served as managing partner of the Investment Management and Investment Company Practice Group. | 3 | EQ Advisors Trust; 1290 Funds       |
| Birth Year: 1953 |  | Term Expires:  |   |   |                                     |
|                  |  | BSL: 2015  |   |   |                                     |
|                  |  | BGX: 2015  |   |   |                                     |
|                  |  | BGB: 2015  |   |   |                                     |

Blackstone / GSO Funds

Trustees &amp; Officers

June 30, 2014 (Unaudited)

**INTERESTED TRUSTEE<sup>(2)</sup>**

| Name, Address and<br>Year of Birth          | Position(s) Held<br>with the Funds  | Term of Office<br>and Length of<br>Time Served   | Principal Occupation(s)<br>During Past 5 Years  | Number of<br>Portfolios in<br>Fund Complex |                                       |
|---|---|--|---|--|---------------------------------------|
|   |   |  |   | Overseen by<br>Trustee <sup>(1)</sup>      | Other Directorship<br>Held by Trustee |
| Daniel H. Smith, Jr.<br>Year of Birth: 1963 | Chairman of the<br>Board, President,<br>Chief Executive<br>Officer, Trustee and<br>member of<br>Pricing Committee | Trustee Since:<br>BSL: April 2010<br>BGX: November 2010<br>BGB: May 2012<br><br>Term Expires:<br>BSL: 2016<br>BGX: 2016<br>BGB: 2016 | Mr. Smith is a Senior<br>Managing Director of<br>GSO and is Head of<br>GSO /Blackstone Debt<br>Funds Management<br>LLC. Mr. Smith joined<br>GSO from the Royal<br>Bank of Canada in July<br>2005 where he was a<br>Managing Partner and<br>Co-head of RBC Capital<br>Markets Alternative<br>Investments Unit. | 3  | None                                  |

**OFFICERS**

| Name, Address and<br>Year of Birth | Position(s) Held<br>with the Funds | Term of Office and<br>Length of Time Served | Principal Occupation During the Past Five Years |
|------------------------------------|------------------------------------|---|---|
|                                    |                                    |   |   |



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|                  |                      |                    |  |
|------------------|----------------------|--------------------|--|
|                  |                      | Term of Office:    |  |
|                  |                      | Indefinite         |  |
| Eric Rosenberg   | Chief Financial      | Officer Since:     | Mr. Rosenberg is a Managing Director and Chief Financial Officer of GSO. He joined GSO in 2008. Prior to that time he spent over 10 years in the prime brokerage business of Goldman, Sachs & Co.  |
| Birth Year: 1968 | Officer and          | BSL: April 2010    |  |
|                  | Treasurer            | BGX: November 2010 |  |
|                  |                      | BGB: May 2012      |  |
|                  |                      | Term of Office:    |  |
|                  |                      | Indefinite         |  |
| Lee M. Shaiman   | Executive Vice       | Officer Since:     | Mr. Shaiman is a Managing Director of GSO and is the Senior Portfolio Manager of the Fund Complex. Mr. Shaiman joined GSO from Royal Bank of Canada in July 2005 where he was a Managing Partner and Head of Portfolio Management and Credit Research in the Debt Investments group. |
| Birth Year: 1956 | President and        | BSL: April 2010    |  |
|                  | Assistant Secretary  | BGX: November 2010 |  |
|                  |                      | BGB: May 2012      |  |
|                  |                      | Term of Office:    |  |
|                  |                      | Indefinite         |  |
| Marisa Beeney    | Chief Compliance     | Officer Since:     | Ms. Beeney is a Managing Director, Chief Legal Officer and Chief Compliance Officer of GSO. From March 2007 to December 2008, she served as Counsel and Director of GSO. Prior to that time she was with the finance group of DLA Piper since 2005.                                  |
| Birth Year: 1970 | Officer, Chief Legal | BSL: April 2010    |  |
|                  | Counsel and          | BGX: November 2010 |  |
|                  | Secretary            | BGB: May 2012      |  |
|                  |                      | Term of Office:    |  |
|                  |                      | Indefinite         |  |

Blackstone / GSO Funds

Trustees &amp; Officers

June 30, 2014 (Unaudited)

**OFFICERS (continued)**

| <b>Name, Address and<br/>Year of Birth</b> | <b>Position(s) Held<br/>with the Funds</b> | <b>Term of Office and<br/>Length of Time Served</b>  | <b>Principal Occupation During the Past Five Years</b>  |
|--|--|--|---|
| Jane Lee<br>Birth Year: 1972               | Public Relations<br>Officer                | Officer Since:<br>BSL: November 2010<br>BGX: November 2010<br>BGB: May 2012<br><br>Term of Office:<br>Indefinite | Ms. Lee is a Managing Director of GSO. Ms. Lee joined GSO from Royal Bank of Canada in July 2005, where she was most recently a partner in the Debt Investments Group and was responsible for origination of new CLO transactions and investor relations. |

(1) *The Fund Complex consists of the Funds, Blackstone / GSO Senior Floating Rate Term Fund, Blackstone / GSO Long-Short Credit Income Fund and Blackstone / GSO Strategic Credit Fund.*

(2) *Interested person of the Funds as defined in Section 2(a)(19) of the 1940 Act. Mr. Smith is an interested person due to his employment with the Adviser.*

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Blackstone / GSO

**Trustees**

Daniel H. Smith, Jr.

Chairman of the Board of Trustees

Thomas W. Jasper

Michael Holland

Edward H. D Alelio

Gary S. Schpero

**Investment Manager**

GSO / Blackstone Debt Funds

Management LLC

345 Park Avenue, 31st Floor

New York, New York 10154

**Administrator**

ALPS Fund Services, Inc.

1290 Broadway, 11th Floor

Denver, Colorado 80203

**Custodian**

The Bank of New York Mellon, N.A.

2 Hanson Place, 8th Floor

**Fund Officers**

Daniel H. Smith, Jr.

President and Chief Executive Officer

Eric Rosenberg

Chief Financial Officer

Lee M. Shaiman

Executive Vice President

and Assistant Secretary

Marisa Beeney

Chief Compliance Officer,

Chief Legal Officer and Secretary

Jane Lee

Public Relations Officer

**DRIP Administrator**

Computershare

P.O. Box 358035

Pittsburgh, Pennsylvania 15252

**Independent Registered Public**

**Accounting Firm**

Deloitte & Touche LLP

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Brooklyn, New York 11217

555 17th Street, Ste 3600

Denver, Colorado 80202

**Transfer Agent**

Computershare

480 Washington Blvd.

Jersey City, New Jersey 07310

**Legal Counsel**

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, New York 10017

*This report, including the financial information herein, is transmitted to the shareholders of Blackstone / GSO Senior Floating Rate Income Fund, Blackstone / GSO Long-Short Credit Income Fund and Blackstone / GSO Strategic Credit Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.*

*Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Funds may purchase their common shares in the open market.*

*Information on the Funds is available at [www.blackstone-gso.com](http://www.blackstone-gso.com).*

1.877.876.1121 | WWW.BLACKSTONE GSO.COM

**Item 2. Code of Ethics.**

Not applicable to this Report.

**Item 3. Audit Committee Financial Expert.**

Not applicable to this Report.

**Item 4. Principal Accounting Fees and Services.**

Not applicable to this Report.

**Item 5. Audit Committee of Listed Registrant.**

Not applicable to this Report.

**Item 6. Schedule of Investments.**

(a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the Report to Stockholders filed under Item 1 of this Form N-CSR.

(b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Not applicable to this Report.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

Not applicable to this Report.

Item 9. **Purchases of Equity Securities by Closed-End Management Investment Companies and Affiliated Purchasers.**

None.

Item 10. **Submission of Matters to Vote of Security Holders.**

There have been no material changes to the procedures by which shareholders may recommend nominees to the Registrant's Board of Trustees, where those changes were implemented after the Registrant last provided disclosure in response to the requirements of Item 407(c)(2) of Regulation S-K, or this Item.

Item 11. **Controls and Procedures.**

- (a) The registrant's principal executive officer and principal financial officer have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.
- (b) There was no change in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 12. **Exhibits.**

(a)(1) Not applicable to this Report.

(a)(2) The certifications required by Rule 30a-2(a) of the Investment Company Act of 1940, as amended, and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto as Ex-99.Cert.

(a)(3) Not applicable.

(b) A certification for the Registrant's Principal Executive Officer and Principal Financial Officer, as required by Rule 30a-2(b) of the Investment Company Act of 1940, as amended, and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto as Ex-99.906Cert.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Blackstone / GSO Strategic Credit Fund

By: /s/ Daniel H. Smith, Jr.  
Daniel H. Smith, Jr. (Principal Executive Officer)

Chairman, Chief Executive Officer and President

Date: September 8, 2014

By: /s/ Eric Rosenberg  
Eric Rosenberg (Principal Financial Officer)

Treasurer and Chief Financial Officer

Date: September 8, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Blackstone / GSO Strategic Credit Fund

By: /s/ Daniel H. Smith, Jr.  
Daniel H. Smith, Jr. (Principal Executive Officer)

Chairman, Chief Executive Officer and President

Date: September 8, 2014

By: /s/ Eric Rosenberg  
Eric Rosenberg (Principal Financial Officer)

Treasurer and Chief Financial Officer

Date: September 8, 2014