

Blackstone / GSO Senior Floating Rate Term Fund

NYSE: BSL



ANNUAL REPORT

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To our Shareholders:

This is our first Annual Report and our second formal communication with you since the Fund commenced operations on May 26, 2010. Before getting into the performance of the Fund and our discussion of the leveraged finance market, we would like to take this opportunity to thank you for your investment in the Fund and the continued confidence which you have placed in us as the adviser to Blackstone / GSO Senior Floating Rate Term Fund (the "Fund", or "BSL").

We noted in our June 30, 2010 Semi-Annual Report that the Fund was well on its way to becoming fully invested, with the "ramp-up" proceeding at a slightly faster pace than we had anticipated. As of December 31, 2010, the Fund had an invested balance of \$421.4 million (this balance does not include short-term investments). Much of the portfolio was invested during the third and fourth quarters of 2010, when credit spreads were widening, due in large part to continued global concerns over the potential for multiple defaults in the European sovereign credit markets, which started with Greece late in the second quarter and plagued the markets through the summer. Prompt action by the European Central Bank, acting in concert with the Federal Reserve Bank, helped to avert a full-blown crisis with a second round of monetary easing across the globe. With those stabilizing forces in place, the leveraged finance markets quickly returned to a normalcy not seen in nearly four years, and by the fourth quarter of 2010, credit spreads stabilized and an active primary issuance market re-emerged.

Conditions in the Leveraged Finance Market

The past year proved to be a turning point for both the senior secured loan market and the high yield corporate bond market. The Credit Suisse Leveraged Loan Index[®] ("CSLLI") returned 9.97% for all of 2010, with a third of that gain coming during the fourth quarter, while US high yield bonds returned 14.42% according to Credit Suisse. New issue volume worked its way back up to \$233 billion for the year, which remains just below the long-term historic average of \$243 billion, but still a far cry from the record breaking \$535 billion mark set in 2007¹. Most importantly, fundamental credit quality improved as we saw the default rate plummet from a 10.81% peak in November 2009, to a more manageable 1.87%, on a 12-month lagging basis, by December 2010¹. The year also saw an increase in large leveraged buyout transactions, which were a significant source of new loan issuance. Average financial leverage associated with these transactions was well below the peak of 6.2-times earnings before interest, taxes and depreciation (a measure of the ability of a company to service its debts) set during 2007¹. We believe it is a positive for credit assets that financial leverage has fallen back to the more reasonable and comfortable levels of 2004/2005, averaging 5.2-times¹. In addition to lower leverage, corporate liquidity remains strong with an estimated \$4 trillion of global corporate balance sheet cash, an increase of 37% from 2007². With this as a backdrop, we believe that corporate balance sheets are generally in good shape going into 2011 and likely to continue to improve.

The fundamental improvements in corporate credit combined with prolonged and aggressively easy monetary policies by central banks, particularly the Federal Reserve, which continues to hold short-term interest rates at near zero, have been working in tandem to coax investors into higher yielding but riskier asset classes. During 2010 individual and institutional investors injected billions of new cash into the leveraged finance debt markets. This dramatic inflow of capital, along with low absolute interest rates, encouraged a surge in issuance with over \$298 billion in high yield bonds coming to the market over the course of the year. Investors' strong appetite for senior floating rate loans resulted in a 6.7 point increase in the CSLLI, which closed 2010 at 94.11 (up from 87.41 at December 31, 2009). This rally has accelerated during the early weeks of 2011, closing at 95.64 on January 31, a gain of nearly 2% on the month. We expect strong capital flows into the credit markets to continue throughout 2011 with a continued emphasis on loans as the economy extends its recovery and investors begin to refocus on the likelihood of rising interest rates.

¹ Standard & Poor's LCD Quarterly Review, Fourth quarter 2010

² Citigroup Corporate Advisory

Management Discussion of the Fund

Blackstone / GSO Senior Floating Rate Term Fund is a closed-end fund that trades on the New York Stock Exchange under the symbol "BSL". The Fund'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"). The Fund may also invest in second-lien loans and high yield bonds and employs leverage, which may increase risk.

The Fund outperformed the CSLLI during the three months ended December 31, 2010, and was approximately on par with the index for the period since inception of the Fund. One factor contributing to the Fund's outperformance during the fourth quarter was the use of leverage, which was fully deployed by early October. The average interest cost of the \$144 million aggregate senior notes and term preferred shares issued by the Fund is 1.78% over 3-month LIBOR. We believe that the portfolio of the Fund is well-positioned to take advantage of the new-issue and secondary market loan and bond opportunities.

Portfolio Positioning and Strategy

As we stated during the marketing of the Fund IPO last May, we continue to be optimistic that the U.S. economy will grow and credit fundamentals will continue to improve for the foreseeable future. The leveraged finance markets continue to enjoy price appreciation and improving credit fundamentals and while we remain cautious, we are optimistic that the U.S. economy will continue to grow and credit quality will continue to make strides throughout 2011. We have continued to favor floating rate loans over fixed-rate bonds, given that floating rates provide a natural hedge against the potential negative impact of rising interest rates. In constructing the portfolio, we have also focused on those senior loans and bonds that have been issued post-financial crisis as those assets tend to have terms and conditions that are more favorable to lenders.

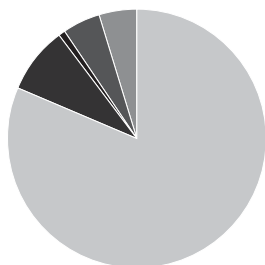
We thank you for your confidence in the Fund and look forward to future communications to keep you apprised of the progress of the Fund and conditions in the leveraged finance markets. Fund information is available on its website at www.blackstone-gso.com/bsl.

Best wishes for a happy, healthy, and prosperous new year,

GSO / Blackstone Debt Funds Management LLC



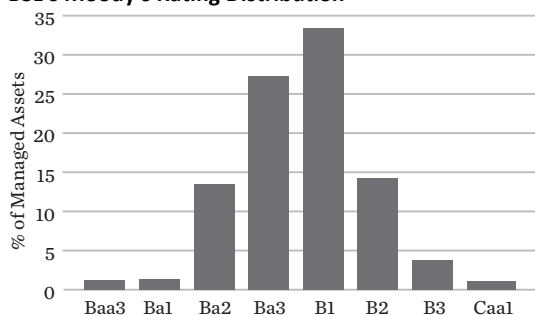
BSL's Portfolio Composition



Sector Breakdown

First Lien Secured Loans	81.59%
Second Lien Loans	8.39%
Senior Secured Bonds	0.60%
Sr. Unsecured and Sr. Subordinated (Loans and Bonds)	4.93%
Cash and Other Assets less liabilities	4.49%

BSL's Moody's Rating Distribution*



Portfolio Characteristics

Weighted Average Spread	5.00%
Current Dividend Yield	6.61%
Weighted Average Days to Reset	58
Average Position as % NAV	0.69%

Top 10 Holdings*

Vertafore, Inc., Senior Secured Original Term B-2 Loan	1.46%
John Henry Holdings Inc., Sen. Secured Effective Date Term Advance Loan	1.33%
Savvis, Inc., Senior Secured Term Loan	1.27%
PSC, LLC, Senior Secured Term Loan	1.24%
Dresser, Inc., Senior Secured Second Lien Loan	1.18%
Hughes Network Systems LLC, Senior Unsecured Bond	1.16%
Avaya, Inc., Senior Secured Term B-2 Loan	1.16%
Smurfit Stone Container Corp., Senior Secured Term Loan	1.15%
Brickman Group Holdings Inc., Senior Secured Term Loan	1.15%
Fairmount Minerals, Ltd., Senior Secured Term B Loan	1.15%
Top 10 Holdings	12.26%

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

** As a percentage of managed assets.*

Top 5 Industries*

Diversified/Conglomerate Service	12.24%
Telecommunications	9.65%
Electronics	8.25%
Healthcare, Education & Childcare	8.09%
Chemicals, Plastics & Rubber	5.15%

BSL Total Return

	1 Month	3 Month	Since Inception
NAV	1.19%	3.75%	6.37%
Market Price	2.74%	6.35%	3.29%
Credit Suisse Leveraged Loan Index	1.33%	3.30%	6.39%

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, if any, 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.

Performance data quoted represents past performance and does not guarantee future results.

Credit Suisse Leveraged Loan Index is an unmanaged market value-weighted index designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. New issues are added to the index on their effective date if they qualify according to the following criteria: loan facilities must be rated "BB" or lower; only fully-funded term loan facilities are included; and issuers must be domiciled in developed countries. An index does not show actual investment returns or reflect payment of management or brokerage fees, which would lower the index's performance. Indices are unmanaged and should not be considered an investment. It is not possible to invest directly in an index. The performance of the index does not represent generally the performance of any investment.

* As a percentage of managed assets.

	Moody's Rating (Unaudited)	Principal Amount	Market Value
FLOATING RATE LOAN INTERESTS^(a) - 134.18%			
Automobile - 0.51%			
CCC Information Services, Inc., Senior Secured Term Loan, 5.500%, 11/15/2015	B1	\$676,230	\$682,678
Remy International, Inc., Senior Secured Term B Loan, 4.500%, 12/17/2016	B1	833,333	839,583
			<u>1,522,261</u>
Banking - 0.25%			
Fifth Third Processing Solutions LLC, Senior Secured First Lien Term Loan, 5.500%, 11/03/2016	Ba3	746,269	753,731
Beverage, Food and Tobacco - 3.65%			
Burger King Corp., Senior Secured Term Loan, 6.250%, 10/06/2016	Ba3	3,529,412	3,587,965
Dunkin' Brands, Inc., Senior Secured Term B Loan, 5.750%, 01/23/2017	B1	1,785,714	1,809,777
Green Mountain Coffee Roasters, Inc., Senior Secured Term B Facility Loan, 5.500%, 12/16/2016	Ba3	877,193	878,473
Michael Foods, Inc., Senior Secured Term B Loan, 6.250%, 06/29/2016	B1	4,511,119	4,580,680
			<u>10,856,895</u>
Broadcasting and Entertainment - 2.50%			
Intelsat Jackson Holdings, Ltd., Senior Secured Term B Loan, 3.750%, 04/06/2018	B3	2,416,107	2,445,040
Knology, Inc., Senior Secured Term B Loan, 5.500%, 09/30/2016	B1	1,950,000	1,963,894

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Broadcasting and Entertainment (continued)			
SW Acquisitions Co., Inc., Senior Secured Term Loan, 5.750%, 06/01/2016	Ba2	\$2,984,925	<u>\$3,013,848</u> <u>7,422,782</u>
Buildings and Real Estate - 1.56%			
Custom Building Products, Inc., Senior Secured Term B Loan, 5.750%, 03/19/2015	B1	4,602,727	<u>4,637,271</u>
Cargo Transport - 2.64%			
Kenan Advantage Group, Inc., Senior Secured Term Loan, 5.500%, 07/19/2016	Ba3	3,333,333	3,343,750
Ozburn-Hessey Holdings Co., Senior Secured First Lien Term Loan, 7.500%, 04/08/2016	B1	1,989,975	2,017,337
Ozburn-Hessey Holdings Co., Senior Secured Second Lien Loan, 10.500%, 10/08/2016	B1	2,500,000	<u>2,493,750</u> <u>7,854,837</u>
Chemicals, Plastics and Rubber - 7.65%			
Brenntag Holding GmbH & Co., Senior Subordinate Second Lien Loan, 6.453%, 07/17/2015	Ba2	5,000,000	5,060,000
Gentek, Inc., Senior Secured Tranche B Term Loan, 6.752%, 10/06/2015	B1	2,539,930	2,576,975
Nalco Co., Senior Secured Term B-1 Loan, 4.500%, 10/05/2017	Ba1	1,822,433	1,841,796
Rockwood Specialties Group, Inc., Senior Secured Tranche H Term Loan, 6.000%, 05/15/2014	Ba2	2,243,275	2,262,623
Styron LLC, Senior Secured Term Loan, 7.500%, 06/14/2016	B2	4,366,304	4,438,349

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Chemicals, Plastics and Rubber (continued)			
Univar, Inc., Extended Tranche B Term Loan, 6.250%, 11/30/2016	B2	\$3,535,583	\$3,543,326
Univar, Inc., Senior Secured Term D Loan, 6.250%, 06/30/2017	B2	2,992,500	<u>2,999,981</u>
			<u>22,723,050</u>
Containers, Packaging and Glass - 7.34%			
Graham Packaging Co., Inc., Senior Secured Term C Loan, 6.750%, 04/05/2014	B1	3,969,697	4,023,864
John Henry Holdings, Inc., Senior Secured Effective Date Term Advance Loan, 7.000%, 05/13/2016	B2	5,850,000	5,879,250
Reynolds Consumer Products, Inc., Senior Secured Add- On Term Loan, 6.250%, 05/05/2016	Ba3	4,937,500	4,984,406
Reynolds Consumer Products, Inc., Senior Secured Term D Loan, 6.500%, 05/12/2016	Ba3	1,839,080	1,863,678
Smurfit Stone Container Corp., Senior Secured Term Loan, 6.750%, 02/10/2016	B2	4,987,500	<u>5,079,220</u>
			<u>21,830,418</u>
Diversified Natural Resources, Precious Metals and Minerals - 1.70%			
Fairmount Minerals, Ltd., Senior Secured Term B Loan, 6.750%, 08/05/2016	B1	4,969,643	<u>5,062,824</u>
Diversified/Conglomerate Manufacturing - 1.59%			
Lantiq Group, Senior Secured Term Loan, 9.000%, 11/12/2015	B2	2,873,492	2,880,676
Polymer Group, Inc., Senior Secured Tranche 2 Term Loan, 7.000%, 11/22/2012	Ba3	989,730	991,576

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Diversified/Conglomerate Manufacturing (continued)			
United Components, Inc., Senior Secured Term B Loan, 6.251%, 06/17/2020	Ba3	\$831,250	\$841,641
			<u>4,713,893</u>
Diversified/Conglomerate Service - 20.06%			
Allied Security Holding LLC, Senior Secured Term Loan, 7.750%, 02/20/2015	Ba3	1,729,025	1,745,779
Amscan Holdings, Inc., Senior Secured First Lien Term Loan, 7.350%, 12/02/2017	B2	3,876,295	3,886,781
Avis Budget Holdings LLC, Senior Secured Extended Term Loan, 5.750%, 04/19/2014	Ba2	2,983,037	2,996,446
Brickman Group Holdings, Inc., Senior Secured Term Loan, 7.250%, 10/14/2016	B1	5,000,000	5,070,000
Datatel, Inc., Senior Secured First Lien Term Loan, 6.545%, 12/10/2015	Ba3	384,403	386,325
Datatel, Inc., Senior Secured Second Lien Loan, 10.250%, 12/09/2016	Ba3	3,000,000	3,041,880
iHealth Technologies, Inc., Senior Secured Term B Loan, 6.000%, 12/28/2016	B2	1,454,545	1,447,273
infoGROUP, Inc., Senior Secured Term B Loan, 6.250%, 07/11/2016	B1	4,975,000	5,026,815
Johnson Diversey, Inc., Senior Secured Tranche B Dollar Term Loan, 5.250%, 11/24/2015	Ba2	4,332,020	4,365,853
Kronos, Inc., Senior Secured Second Lien Loan, 6.050%, 06/11/2015	Ba3	4,000,000	3,921,000
N.E.W. Customer Service Cos., Inc., Senior Secured Term Loan, 6.000%, 03/23/2016	Ba3	4,727,950	4,714,948
Savvis, Inc., Senior Secured Term Loan, 6.750%, 08/04/2016	B1	5,506,200	5,601,402

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Diversified/Conglomerate Service (continued)			
Sitel/Clientlogic Corp., Senior Secured Term Loan, 5.790%, 01/30/2014	B1	\$3,500,000	\$3,348,328
Smile Brands Group, Inc., Senior Secured Term Loan, 5.750%, 12/14/2017	Ba3	4,261,364	4,237,394
TNS, Inc., Senior Secured Term Loan, 6.000%, 11/18/2015	Ba3	4,979,839	5,008,871
US Investigation Services, Inc., Senior Secured Tranche D Incremental Term Loan, 7.750%, 02/21/2015	B1	4,761,786	4,821,308
			<u>59,620,403</u>
Ecological - 4.51%			
Advanced Disposal Services, Inc., Senior Secured Term B Loan, 6.000%, 01/14/2015	Ba3	4,974,874	5,037,060
Casella Waste Systems, Inc., Senior Secured Term B Loan, 7.000%, 04/09/2014	Ba2	2,860,376	2,887,193
PSC LLC, Senior Secured Term Loan, 7.250%, 07/27/2016	B1	5,440,000	5,480,800
			<u>13,405,053</u>
Electronics - 9.71%			
Airvana, Inc., Senior Secured Term Loan, 11.000%, 08/24/2014	B2	2,366,667	2,378,500
Aspect Software, Inc., Senior Secured Term B Loan, 6.250%, 05/07/2016	Ba3	4,364,937	4,397,674
Hyland Software, Inc., Senior Secured Term Loan, 6.750%, 12/17/2016	B2	1,333,333	1,338,333
L-1 Identity Solutions, Inc., Senior Secured Tranche B-1 Term Loan, 6.750%, 08/05/2013	B1	3,333,449	3,335,532

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Electronics (continued)			
L-1 Identity Solutions, Inc., Senior Secured Tranche B-2 Term Loan, 7.250%, 08/05/2013	B1	\$2,859,176	\$2,862,750
MedAssets, Inc., Senior Secured Term B Loan, 5.250%, 11/15/2016	Ba3	1,666,667	1,678,125
RBS WorldPay, Senior Secured Term B-2-A Loan, 4.500%, 10/15/2017	Ba2	1,538,462	1,551,208
Spansion, Inc., Senior Secured Term Loan, 6.500%, 02/09/2015	B2	2,791,593	2,833,481
Vertafone, Inc., Senior Secured Term Loan, 9.750%, 10/27/2017	B1	2,000,000	2,026,260
Vertafore, Inc., Senior Secured Term Loan, 6.750%, 07/29/2016	B1	6,412,222	6,457,973
			<u>28,859,836</u>
Farming and Agriculture - 2.69%			
Bolthouse Farms, Inc., Senior Secured First Lien Term Loan, 5.501%, 02/08/2016	B1	1,935,455	1,957,838
Bolthouse Farms, Inc., Senior Secured Second Lien Loan, 9.500%, 08/11/2016	B1	3,000,000	3,040,305
Butler Animal Health, Senior Secured Term Loan, 5.500%, 12/31/2015	B1	2,984,925	2,997,372
			<u>7,995,515</u>
Finance - 6.53%			
Fidelity National Information Services, Inc., Senior Secured Term B Loan, 5.250%, 07/12/2014	Ba1	3,990,000	4,044,843
HarbourVest Partners LP, Senior Secured Term Loan, 6.250%, 12/10/2016	Ba3	4,850,746	4,862,873

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Finance (continued)			
Interactive Data Corp., Senior Secured Term Loan, 6.750%, 01/29/2017	Ba3	\$4,975,000	\$5,046,938
NCO Group, Inc., Senior Secured B Advance Term Loan, 7.500%, 05/15/2013	B1	1,880,025	1,861,225
Sungard Data Systems, Inc., Senior Secured Incremental Term Loan, 6.750%, 02/28/2014	Ba3	3,545,677	3,578,173
			<u>19,394,052</u>
Grocery - 1.35%			
Roundy's, Inc., Senior Secured Second Lien Loan, 10.000%, 12/03/2014	B1	1,000,000	1,016,880
Roundy's, Inc., Senior Secured Tranche B Term Loan, 3.760%, 11/03/2013	B1	2,976,744	2,985,570
			<u>4,002,450</u>
Healthcare, Education and Childcare - 10.99%			
1-800 Contacts, Inc., Senior Secured Term Loan, 7.700%, 03/04/2015	Ba2	4,431,166	4,420,088
Alliance Healthcare Services, Inc., Senior Secured Term B Loan, 5.500%, 06/02/2016	Ba3	2,977,444	2,983,652
Ardent Medical Services, Inc., Senior Secured Term Loan, 6.500%, 09/15/2015	B1	5,015,234	5,027,797
Aurora Diagnostics LLC, Senior Secured Term B Loan, 6.250%, 05/21/2016	Ba2	2,543,056	2,544,124
CHG Cos., Inc., Senior Secured First Lien Term Facility Loan, 7.250%, 10/05/2016	Ba3	2,221,875	2,238,539
Cidron Healthcare, Ltd., Senior Secured Term B Loan, 5.750%, 12/22/2016	Ba3	1,322,314	1,338,149

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Healthcare, Education and Childcare (continued)			
Davita, Inc., Senior Secured Term B Loan, 4.500%, 10/20/2016	Ba2	\$2,472,527	\$2,498,996
Hanger Orthopedic Group, Inc., Senior Secured Term B Loan, 5.250%, 12/01/2016	Ba3	833,333	840,754
Res-Care, Inc., Senior Secured Term B Loan, 4.750%, 12/22/2013	Ba2	2,000,000	1,970,000
RuralMetro Corp., Senior Secured Term B Loan, 6.000%, 11/24/2016	B3	842,105	851,747
Universal Health Services, Inc., Senior Secured Term B Loan, 5.500%, 07/28/2016	Ba2	4,000,000	4,063,140
Warner Chilcott PLC, Senior Secured Term A Loan, 6.000%, 10/30/2014	Ba3	1,428,501	1,434,750
Warner Chilcott PLC, Senior Secured Term B-1 Loan, 6.250%, 04/30/2015	Ba3	706,924	713,071
Warner Chilcott PLC, Senior Secured Term B-2 Loan, 6.250%, 04/30/2015	Ba3	1,177,157	1,187,392
Warner Chilcott PLC, Senior Secured Term B-3 Loan, 6.250%, 04/30/2015	Ba3	549,973	554,755
			<u>32,666,954</u>

**Home And Office Furnishings, Housewares and Durable Consumer
Products - 4.11%**

Advantage Sales & Marketing LLC, Senior Secured Second Lien Term Loan, 9.250%, 06/17/2017	Ba3	5,000,000	5,041,575
Chill Intermediate Holdings, Inc., Senior Secured First Lien Term Loan, 5.750%, 10/27/2016	Ba3	3,022,727	3,043,992

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Home and Office Furnishings, Housewares and Durable Consumer Products (continued)			
Clopay Ames True Temper Holding Corp., Senior Secured Term Facility Loan, 7.750%, 09/28/2016	B1	\$4,114,583	\$4,145,443
			<u>12,231,010</u>
Insurance - 1.48%			
Alliant Holdings, Inc., Senior Secured Tranche C Incremental Term Loan, 8.000%, 08/21/2014	B2	3,162,261	3,225,506
AmWINS Group, Inc., Senior Secured Second Lien Loan, 5.810%, 06/08/2014	B2	1,377,865	1,183,820
			<u>4,409,326</u>
Leisure, Amusement and Entertainment - 4.66%			
Cedar Fair LP, Senior Secured Term B Loan, 5.500%, 12/15/2016	Ba2	4,825,197	4,881,507
FoxCo Acquisition Sub LLC, Senior Secured Term Loan, 7.500%, 07/14/2015	B2	4,964,454	4,942,114
Universal City Development Partners, Ltd., Senior Secured Term B Loan, 5.500%, 11/06/2014	Ba2	3,969,925	4,012,919
			<u>13,836,540</u>
Machinery (Non Agricultural; Non Construction; Non Electronic) - 2.02%			
Dresser, Inc., Senior Secured Second Lien Loan, 6.034%, 05/04/2015	B2	5,200,000	5,203,900
Sensus Metering Systems, Inc., Senior Secured Term B-3 Loan, 7.000%, 06/03/2013	Ba2	790,221	796,641
			<u>6,000,541</u>

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Oil and Gas - 5.22%			
CITGO Petroleum Corp., Senior Secured Term B Loan, 8.000%, 06/24/2015	Ba2	\$1,950,000	\$2,022,725
CITGO Petroleum Corp., Senior Secured Term C Loan, 9.000%, 06/24/2017	Ba2	1,990,000	2,082,455
First Reserve Crestwood Holdings Corp., Senior Secured Term Loan, 10.500%, 10/01/2016	Caa1	4,500,000	4,595,625
FR Brand Acquisition, Senior Secured Second Lien B-2 Loan, 7.313%, 02/07/2015	B1	2,000,000	1,805,000
Sheridan Production Co., Senior Secured Term Loan, 7.500%, 04/20/2017	B3	331,499	334,556
7.500%, 04/20/2017	B3	542,724	547,728
7.500%, 04/20/2017	B3	4,095,777	4,133,540
			<u>15,521,629</u>
Personal and Nondurable Consumer Products - 2.12%			
Revlon Consumer Products Corp., Senior Secured New Term Loan, 6.001%, 03/11/2015	Ba3	4,967,475	4,995,417
Viking Acquisition, Inc., Senior Secured Term Loan, 6.000%, 11/05/2016	Ba3	1,295,455	1,300,319
			<u>6,295,736</u>
Personal, Food and Miscellaneous Services - 7.90%			
AdvancePierre Foods, Inc., Senior Secured First Lien Term Loan, 7.001%, 09/29/2016	B1	4,924,243	4,934,510
Denny's Corp., Senior Secured Term Loan, 6.500%, 09/30/2016	B1	3,840,000	3,894,413
DineEquity, Inc., Senior Secured Term Loan, 6.000%, 10/07/2017	Ba2	2,435,786	2,476,501

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Personal, Food and Miscellaneous Services (continued)			
NBTY, Inc., Senior Secured Term B Loan, 6.250%, 09/21/2016	Ba3	\$2,212,389	\$2,247,787
Protection One Alarm Monitoring, Inc., Senior Secured Term B Loan, 6.000%, 06/04/2016	B1	4,894,557	4,919,030
Sedgwick CMS, Inc., Senior Secured Second Lien Loan, 9.000%, 05/28/2017	B1	5,000,000	<u>5,000,000</u>
			<u>23,472,241</u>
Printing and Publishing - 3.71%			
Cenveo Corp., Senior Secured Term Loan, 6.250%, 12/21/2016	Ba3	4,761,905	4,805,547
CW Acquisition LP, Senior Secured Term B Loan, 9.000%, 07/01/2010	Ba3	4,391,578	4,465,708
Getty Images, Inc., Senior Secured Term Loan, 5.250%, 11/04/2016	Ba2	1,743,881	<u>1,761,102</u>
			<u>11,032,357</u>
Retail Stores - 6.06%			
Gymboree Corp., Senior Secured Term Loan, 5.500%, 11/16/2017	B1	1,222,222	1,230,912
Harbor Freight Tools, Senior Secured Term Facility Loan, 6.500%, 12/22/2017	Ba3	3,985,816	3,986,633
PETCO Animal Supplies, Inc., Senior Secured First Lien Term Loan, 6.000%, 11/24/2017	Ba3	2,093,023	2,098,476
Sagittarius Brands, Inc., Senior Secured Term Loan, 7.501%, 12/30/2040	B1	2,643,750	2,648,707
Sports Authority, Inc., Senior Secured Term Loan, 7.500%, 11/25/2017	B3	5,000,000	5,012,500

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Retail Stores (continued)			
Toys "R" Us, Inc., Senior Secured Term Loan, 6.000%, 09/01/2016	B1	\$2,992,500	<u>\$3,025,118</u> <u>18,002,346</u>
Telecommunications - 9.10%			
Alaska Communication Systems Holdings, Inc., Senior Secured Term Loan, 6.250%, 10/15/2016	Ba3	3,683,036	3,701,451
Avaya, Inc., Senior Secured Term B-2 Loan, 10.500%, 10/24/2014	B1	4,952,569	5,104,241
Fibertech Networks LLC, Senior Secured Term Loan, 6.750%, 11/30/2016	B2	3,214,286	3,274,553
Global Tel Link, Senior Secured First Lien Term Loan, 7.250%, 11/10/2016	B1	4,506,777	4,453,259
MidContinent Communications Investor LLC, Senior Secured Term B Loan, 6.250%, 12/31/2016	B1	4,987,500	5,048,597
Syniverse Technologies, Inc., Senior Secured Term Loan, 3.750%, 12/21/2017	Ba2	1,449,275	1,467,848
Telcordia Technologies, Inc., Senior Secured Term Loan, 6.750%, 04/30/2016	B1	3,980,000	<u>3,986,627</u> <u>27,036,576</u>
Utilities - 2.57%			
Aquilex Holdings LLC, Senior Secured Term Loan, 5.500%, 04/01/2016	Ba3	2,969,409	2,970,641

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Utilities (continued)			
New Development Holdings LLC (Calpine), Senior Secured Term B Loan, 7.000%, 05/22/2012	Ba3	\$4,571,150	\$4,656,036
			<u>7,626,677</u>
TOTAL FLOATING RATE LOAN INTERESTS (Cost \$391,959,795)			<u>398,787,204</u>
CORPORATE BONDS - 7.60%			
Beverage, Food and Tobacco - 1.61%			
Logan's Roadhouse, Inc., Senior Secured Bond, 10.750%, 10/15/2017 ^(b)	B2	3,000,000	3,255,000
Michael Foods, Inc., Senior Unsecured Bond, 9.750%, 07/15/2018 ^(b)	B1	1,400,000	1,536,500
			<u>4,791,500</u>
Healthcare, Education and Childcare - 1.02%			
Aurora Diagnostics LLC, Senior Unsecured Bond, 10.750%, 01/15/2018 ^(b)	B3	3,000,000	3,022,500
Leisure, Amusement and Entertainment - 0.74%			
Universal City Development Partners, Ltd., Senior Subordinated Unsecured Bond, 10.875%, 11/15/2016	Ba2	2,000,000	2,195,000
Software - 0.89%			
Allen Systems Group, Inc., Senior Secured Bond, 10.500%, 11/15/2016 ^(b)	Ba3	2,608,000	2,640,600
Telecommunications - 3.34%			
Cincinnati Bell, Inc., Senior Unsecured Bond, 8.375%, 10/15/2020	B2	5,000,000	4,812,500

	Moody's Rating (Unaudited)	Principal Amount	Market Value
Telecommunications (continued)			
Hughes Network Systems LLC, Senior Unsecured Bond, 9.500%, 04/15/2014	Baa3	\$4,955,000	<u>\$5,134,619</u> <u>9,947,119</u>
TOTAL CORPORATE BONDS (Cost \$22,094,828)			<u>22,596,719</u>
SHORT TERM INVESTMENT - 11.69% BONY Cash Reserve (0.05% 7-Day Yield)		34,732,199	<u>34,732,199</u>
TOTAL SHORT TERM INVESTMENT (Cost \$34,732,199)			<u>34,732,199</u>
Total Investments - 153.47% (Cost \$448,786,822)			456,116,122
Liabilities in Excess of Other Assets - (4.98)%			<u>(14,801,861)</u>
Term Preferred Shares - (16.19)% [*] (plus distributions payable on term preferred shares)			<u>(48,108,627)</u>
Senior Secured Notes - (32.30)%			<u>(96,000,000)</u>
Net Assets - 100.00%			<u>\$297,205,634</u>

Amounts above are shown as a percentage of net assets as of December 31, 2010.

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

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

(b) Security exempt from registration under Rule 144A of the Securities Act of 1933. Total market value of Rule 144A securities amounts to \$10,454,600, which represents approximately 3.52% of net assets as of December 31, 2010.

See Notes to Financial Statements.

ASSETS:

Investments, at value (Cost \$448,786,822)	\$ 456,116,122
Receivable for investment securities sold	6,777,833
Interest receivable	2,637,681
Deferred financing costs (Note 7)	2,864,343
Prepaid expenses and other assets	133,404
Total Assets	468,529,383

LIABILITIES:

Payable for investment securities purchased	24,065,473
Distributions payable to common shareholders	1,620,803
Senior secured notes (Note 7)	96,000,000
Interest due on senior secured notes (Note 7)	157,520
Accrued investment advisory fee payable	738,098
Accrued trustees' fees payable	24,736
Other payables and accrued expenses	608,492
Total Liabilities	123,215,122
	\$ 345,314,261

TERM PREFERRED SHARES: (NOTE 7)

Term Preferred Shares, plus distributions payable on preferred shares (\$1,000 liquidation value per share, 48,000 shares issued and outstanding)	48,108,627
Total Term Preferred Shares	48,108,627
Net Assets Applicable to Common Shareholders	\$ 297,205,634

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

Paid-in capital	\$ 288,566,160
Accumulated net realized gain on investments	1,310,174
Net unrealized appreciation on investment securities	7,329,300
Net Assets Applicable to Common Shareholders	\$ 297,205,634
Common shares outstanding (unlimited shares authorized, par value \$0.001 per share)	15,139,833
Net asset value per common share	\$ 19.63

See Notes to Financial Statements

Blackstone / GSO Senior Floating Rate Term Fund

Statement of Operations *For the period May 26, 2010 (Commencement of Operations) to
December 31, 2010*

INVESTMENT INCOME:

Interest	\$	13,210,834
Facility and other fees		350,833
Total Investment Income		13,561,667

EXPENSES:

Investment advisory fee		2,294,480
Fund accounting and administration fees		344,172
Insurance expense		180,258
Legal and audit fees		221,187
Trustees' fees and expenses		90,236
Printing expense		25,251
Interest on senior secured notes		734,924
Amortization of deferred financing costs (Note 7)		172,447
Other expenses		135,688
Total Expenses		4,198,643
Net Investment Income		9,363,024

REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS

Net realized gain on investment securities		2,434,110
Change in net unrealized appreciation on investment securities		7,329,300
Net Realized and Unrealized Gain on Investments		9,763,410

DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:

From net investment income		(497,178)
Total Distributions to Preferred Shareholders		(497,178)

Net Increase in Net Assets Attributable to Common Shares from Operations

\$ 18,629,256

See Notes to Financial Statements.

Blackstone / GSO Senior Floating Rate Term Fund

Statement of Changes in Net Assets

	For the Period May 26, 2010 (Commencement of Operations) to December 31, 2010
FROM OPERATIONS:	
Net investment income	\$ 9,363,024
Net realized gain on investment securities	2,434,110
Change in net unrealized appreciation on investment securities	7,329,300
Distributions to preferred shareholders:	
From net investment income	(497,178)
Net Increase in Net Assets Attributable to Common Shares from Operations	18,629,256
DISTRIBUTIONS TO COMMON SHAREHOLDERS:	
From net investment income	(9,989,782)
Net Decrease in Net Assets from Distributions to Common Shareholders	(9,989,782)
CAPITAL SHARE TRANSACTIONS:	
Proceeds from sale of common shares, net of offering costs of \$605,200	288,377,800
Net asset value of common shares issued to stockholders from reinvestment of dividends	88,360
Net Increase from Capital Share Transactions	288,466,160
Net Increase in Net Assets Attributable to Common Shares	297,105,634
NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS:	
Beginning of period	100,000
End of period	\$ 297,205,634

See Notes to Financial Statements.

Blackstone / GSO Senior Floating Rate Term Fund

Statement of Cash Flows *For the period May 26, 2010 (Commencement of Operations) to
December 31, 2010*

CASH FLOWS FROM OPERATING ACTIVITIES:

Net increase in net assets from operations excluding distributions to preferred shareholders	\$ 19,126,434
Adjustments to reconcile net increase/(decrease) in net assets from operations to net cash used in operating activities:	
Net realized gain on investment securities	(2,434,110)
Net change in unrealized appreciation on investment securities	(7,329,300)
Premium amortization	22,615
Discount accretion	(6,874)
Amortization of deferred financing costs	172,447
Increase in interest receivable	(2,637,681)
Increase in prepaid expenses and other assets	(133,404)
Increase in interest due on senior secured notes	157,520
Increase in accrued investment advisory fees payable	738,098
Increase in accrued trustee fees payable	24,736
Increase in other payables and accrued expenses	608,492
Purchases of long-term investment securities	(572,414,282)
Proceeds from disposition of long-term investment securities	178,065,668
Net purchases of short term investment securities	(34,732,199)
Net cash used in operating activities	(420,771,840)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from sale of common shares	288,983,000
Offering cost paid for sale of common shares	(605,200)
Proceeds from senior secured notes	96,000,000
Distributions paid - common shareholders-net	(8,280,619)
Distributions paid - term preferred shares-net	(388,551)
Proceeds from issuance of term preferred shares	48,000,000
Deferred financing costs	(3,036,790)
Net cash used in financing activities	420,671,840

Net Decrease in Cash	\$ (100,000)
Cash beginning of period	\$ 100,000
Cash end of period	\$ -

Supplemental disclosure of cash flow information:

Cash paid for interest on senior secured notes	\$ 577,404
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Supplemental schedule of non-cash financing activities:

Common shares issued in reinvestment of distributions to common shareholders	\$ 88,360
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See Notes to Financial Statements.

	For the Period May 26, 2010 (Commencement of Operations) to December 31, 2010
PER COMMON SHARE OPERATING PERFORMANCE:	
Net asset value - beginning of period	\$ 19.10
INCOME/(LOSS) FROM INVESTMENT OPERATIONS:	
Net investment income ^(a)	0.62
Net realized and unrealized gain on investments	0.64
Distributions to preferred shareholders:	
From net investment income ^(a)	(0.03)
Total Income from Investment Operations	1.23
DISTRIBUTIONS TO COMMON SHAREHOLDERS:	
From net investment income	(0.66)
Total Distributions to Common Shareholders	(0.66)
CAPITAL SHARE TRANSACTIONS	
Common share offering costs charged to paid-in capital	(0.04)
Total Capital Share Transactions	(0.04)
Net asset value per common share - end of period	\$ 19.63
Market price per common share - end of period	\$ 19.96
Total Investment Return - Net Asset Value^(b)	6.37%
Total Investment Return - Market Price^(b)	3.29%
RATIOS AND SUPPLEMENTAL DATA:	
Net assets attributable to common shares, end of period (000s)	\$ 297,206
Ratio of expenses to average net assets attributable to common shares ^(c)	2.41% ^(d)
Ratio of net investment income to average net assets attributable to common shares ^(c)	5.37% ^(d)
Ratio of expenses to average managed assets ^{(c)(e)}	1.83% ^(d)
Portfolio turnover rate	55%
TERM PREFERRED SHARES	
Liquidation value, end of period, including dividends payable on Term Preferred Shares (000s)	\$ 48,109
Total shares outstanding (000s)	48
Asset coverage per share ^(f)	\$ 7,194
Liquidation preference per share	\$ 1,000

Financial Highlights

For the Period
May 26, 2010
(Commencement of
Operations) to
December 31, 2010

SENIOR SECURED NOTES

Aggregate principal amount, end of period (000s)	\$	96,000
Average borrowings outstanding during the period (000s)	\$	61,527
Asset coverage, end of period per \$1,000	\$	4,096

^(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, if any, 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) from the Fund's total assets and dividing by the number of Term Preferred Shares outstanding.

See Notes to Financial Statements.

NOTE 1. ORGANIZATION

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

The Fund'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 the Fund's assets will be invested in senior secured, floating rate loans ("Senior Loans"). Senior Loans 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.

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

Absent shareholder approval to extend the term of the Fund, the Fund will dissolve on or about May 31, 2020. Upon dissolution, the Fund will distribute substantially all of its net assets to shareholders, after making appropriate provision for any liabilities of the Fund. Pursuant to the Fund'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 the Fund. 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The preparation of 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. Actual results could differ from those estimates and these differences could be material.

Portfolio Valuation: Net asset value per common share (the "NAV") will be determined daily on each day that the Exchange is open for business, as of the close of the regular trading session on the Exchange. The Fund calculates the NAV by subtracting liabilities (including accrued expenses or dividends) from the total assets of the 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 the Fund.

The Fund values its Senior Loans primarily by using the mid-price of market quotations from a nationally recognized loan pricing service. The methodology used by the Fund's nationally recognized loan pricing provider, for composite loan prices, are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. Corporate Bonds, other than short-term

investments, are valued at the price provided by an independent pricing service. The prices provided by the independent service are 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 matrixes, 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. 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 under procedures established by, and under the general supervision and responsibility of, the Fund's Board of Trustees.

Various inputs are used to determine the value of the Fund's 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 Fund's own assumption in determining the fair value of investments).

The valuation techniques used by the Fund to measure fair value during the period ended December 31, 2010 maximized the use of observable inputs and minimized the use of unobservable inputs.

The following is a summary of the inputs used as of December 31, 2010 in valuing the Fund's investments:

Investments in Securities at Value*	Level 1 - Quoted Prices	Level 2 - Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Floating Rate Loan Interests	\$ -	\$ 398,787,204	\$ -	\$ 398,787,204
Corporate Bonds	-	22,596,719	-	22,596,719
Short Term Investment	-	34,732,199	-	34,732,199
Total	\$ -	\$ 456,116,122	\$ -	\$ 456,116,122

All securities of the Fund were valued using Level 2 inputs during the year ended December 31, 2010. Thus a reconciliation of assets in which significant unobservable inputs (Level 3) were used is not applicable for the Fund.

There were no significant transfers in or out of Levels 1 and 2 during the current period presented.

**For detailed descriptions of classifications, see the accompanying Portfolio of Investments.*

New Accounting Pronouncement: The FASB has issued Accounting Standards Update "Improving Disclosures about Fair Value Measurement" ("ASU"), which will require enhanced disclosures about purchases, sales, issuances, and settlement on a gross basis relating to Level 3 measurements. This enhanced disclosure will become effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years.

Securities Transactions and Investment Income: Securities transactions are recorded on trade date for financial reporting purposes. Interest income, including accretion of original issue discount, where applicable, and accretion of discount on short-term investments, if any, 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 Fund buys a floating rate loan interest it may receive a facility fee and when it sells a floating rate loan interest it may pay a facility fee. The Fund earns and/or pays facility and other fees on floating rate loan interests, which are shown as facility and other fees in the Statements of Operations. Facility fees are typically amortized to income over the term of the loan. Consent and amendment fees are also recorded to income as earned.

Federal Income Taxes: It is the policy of the Fund to continue to qualify as a regulated investment company by complying with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its earnings to its shareholders. Therefore, no federal income or excise tax provision is required.

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 Fund, timing differences and differing characterization of distributions made by the Fund as a whole.

As of, and during the period ended December 31, 2010, management has concluded that the Fund has taken no uncertain tax positions that require adjustment to the financial statements. The Fund will file income tax returns in the U.S. federal jurisdiction and New York. As of December 31, 2010, the tax year ended December 31, 2010 remains subject to examination by the Fund's major tax jurisdictions.

Distributions to Shareholders: The Fund makes monthly cash distributions of all or a portion of its net investment income to common shareholders. The Fund will distribute to common shareholders at least annually all or substantially all of its net investment income after the payment of dividends and interest, if any, owed with respect to outstanding term preferred shares and/or senior secured notes. The Fund intends to pay any capital gains distributions at least annually. If the Fund realizes a long-term capital gain, it will be required to allocate such gain between the common shares and term preferred shares issued by the Fund 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 TRANSACTIONS WITH AFFILIATES

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 administrative and compliance oversight services to the Fund. GSO is a wholly-owned subsidiary of The Blackstone Group L.P. (collectively with its affiliates, "Blackstone").

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

The Fund pays each Trustee who is not a director, officer, employee, or affiliate of GSO or ALPS, a fee of \$12,000 per annum, plus \$2,000 per meeting of the Board of Trustees. In addition, the Chairman of the Audit Committee and the Chairman of the Nominating Committee each receive \$3,000 per annum. In addition, for each meeting of a committee of the Board of Trustees that does not occur on a regular meeting or special meeting of the Fund, the Fund will pay each committee member \$1,000 for each such committee meeting attended. The Fund 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 Fund. 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 Fund. ALPS receives a monthly fee at the annual rate of 0.15% of the average daily value of the Fund's Managed Assets, subject to a minimum annual fee of \$350,000, plus out-of-pocket expenses. ALPS is not considered an affiliate of the Fund, as defined under the 1940 Act.

The Bank of New York Mellon serves as the Fund's custodian. Mellon Investor Services LLC, an affiliate of The Bank of New York Mellon, serves as the Fund's transfer agent. The Bank of New York Mellon and Mellon Investor Services, LLC, are not considered affiliates as defined under the 1940 Act.

NOTE 4. SECURITIES TRANSACTIONS

During the period ended December 31, 2010, there were purchase and sale transactions (excluding short term securities) of \$596,479,755 and \$184,843,501, respectively.

NOTE 5. CAPITAL

The Fund has authorized an unlimited number of \$0.001 par value common shares. At December 31, 2010, 15,139,833 common shares were outstanding.

	For the Period May 26, 2010 (Commencement of Operations) to December 31, 2010
Common shares outstanding - beginning of period	5,236
Common shares issued in connection with initial public offering	15,130,000
Common shares issued as reinvestment of dividends	4,597
Common shares outstanding - end of period	15,139,833

NOTE 6. SENIOR LOANS

Senior Loans hold the most 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. Senior Loans often require prepayments from 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 London Interbank Offered Rate (LIBOR), plus a premium.

Senior Loans can be rated below investment grade or may also be unrated. As a result, the risks associated with Senior Loans are similar to the risks of below investment grade securities, although Senior Loans are senior and secured in contrast to other below investment grade securities, which are often subordinated or unsecured. Nevertheless, if a borrower under a Senior Loan defaults or goes into bankruptcy, the Fund may recover only a fraction of what is owed on the Senior Loan or nothing at all.

The Fund typically invests in Senior Loans rated below investment grade, which are considered speculative because of the credit risk of their issuers. Such companies are more likely than investment grade issuers to default on their payments of interest and principal owed to the Fund, and such defaults could reduce the Fund's net asset value and income distributions. An economic downturn would generally lead to a higher non-payment rate, and a Senior Loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a Senior Loan may decline in value or become illiquid, which would adversely affect the Senior Loan's value.

In general, the secondary trading market for Senior Loans is not well developed. No active trading market may exist for certain Senior Loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Fund may not be able to sell Senior Loans quickly or at a fair price. To the extent that a secondary market does exist for certain Senior Loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

Senior Loans and other variable rate debt instruments are subject to the risk of payment defaults of scheduled interest or principal. Such payment defaults would result in a reduction of income to the Fund, a reduction in the value of the investment and a potential decrease in the net asset value of the Fund.

Although the Senior Loans in which the Fund invests are secured by collateral, there can be no assurance that such collateral could be readily liquidated or that the liquidation of such collateral would satisfy the Borrower's obligation in the event of non-payment of scheduled interest or principal. In the event of the bankruptcy or insolvency of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Senior Loan. In the event of a decline in the value of the already pledged collateral, if the terms of a Senior Loan do not require the Borrower to pledge additional collateral, the Fund is exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower's obligations under the Senior Loans. To the extent that a Senior Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose some or all of its value in the event of the bankruptcy or insolvency of the Borrower. Those Senior Loans that are under-collateralized involve a greater risk of loss.

The Fund may acquire Senior Loans through assignments or participations. The Fund typically acquires Senior Loans through assignment or participation, and if a participation, will elevate a participation interest into an assignment as soon as practicably possible. 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 the Fund 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 the atypical situation when the Fund must acquire a Senior Loan through a participation. The Adviser has established a risk and valuation committee that regularly reviews each broker-dealer counterparty for, among other things, its quality and the quality of its execution.

At December 31, 2010, the Fund has invested \$21,761,119 in subordinated loans. Subordinated loans generally are subject to similar risks as those associated with investments in Senior 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 subordinated loan, the first priority lien holder has first claim to the underlying collateral of the loan. Subordinated 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 unsecured or senior secured obligations of the Borrower. This risk is generally higher for subordinated unsecured loans or debt, which are not backed by a security interest in any specific collateral. Subordinated loans generally have greater price volatility than Senior Loans and may be less liquid.

NOTE 7. LEVERAGE

On August 13, 2010, the Fund 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 the Fund's Managed Assets. The Fund has used the proceeds of the offerings to purchase additional assets for the Fund'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 termination date of the Fund.

Both the senior secured notes and the term preferred shares may be prepaid or redeemed at the option of the Fund commencing the second anniversary of issuance. In addition, both the senior secured notes and the term preferred shares are subject to mandatory redemption, a) if the Fund fails to meet certain overcollateralization tests, b) after the expiration of the Fund'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 the Fund fails to pay dividends on the preference shares for six consecutive months. Should the senior secured notes or the term preferred shares be prepaid/redeemed, either through an optional or mandatory prepayment/redemption, the remaining term preferred shares or the senior secured notes shall also become payable/redeemable on a pro-rata basis.

In connection with the Fund's issuance of senior secured notes and term preferred shares, certain costs were incurred by the Fund 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 December 31, 2010 is shown on the Statement of Assets and Liabilities under deferred financing

costs. The amount of expense amortized during the period ended December 31, 2010 is shown on the Statement of Operations under amortization of deferred financing costs.

The average cost of the \$144 million aggregate senior secured notes and term preferred shares is 1.78% over 3 month LIBOR (London interbank market borrowing rate). The Fund pays quarterly, 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.

According to the governing documents for the senior secured notes and term preferred shares, the Fund must adhere to certain limitations and restrictions while the leverage is outstanding. These compliance tests are performed by the Fund's custodian, The Bank of New York Mellon Trust Company. These tests are in addition to any requirements outlined in the Fund's registration statement and the 1940 Act. As of December 31, 2010, the Fund 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 the Fund'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 the Fund.

The use of borrowings to leverage the common shares can create risks. Changes in the value of the Fund's portfolio, including securities bought with the proceeds of leverage, will be borne entirely by the holders of common shares. All costs and expenses related to any form of leverage used by the Fund are borne entirely by common shareholders. If there is a net decrease or increase in the value of the Fund'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 the Fund did not utilize leverage. During periods when the Fund is using leverage, the fees paid to the Adviser for advisory services and to ALPS for administrative services are higher than if the Fund did not use leverage because the fees paid are calculated on the basis of the Fund's Managed Assets, which includes the assets purchased through leverage.

NOTE 8. TAX BASIS DISTRIBUTIONS

As determined on December 31, 2010, permanent differences resulting primarily from different book and tax accounting for distributions paid by the Fund were reclassified at fiscal year-end. These reclassifications had no effect on net increase in net assets resulting from operations, net assets applicable to common stockholders or net asset value per common share outstanding.

Ordinary income 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.

Permanent book and tax basis differences of \$1,123,936, (\$1,123,936) and \$0 were reclassified at December 31, 2010 among undistributed net investment income, accumulated net realized losses on investments and paid-in-capital, respectively, for the Fund.

The character of distributions paid on a tax basis during the year ending December 31, 2010 is as follows:

	Year Ended December 31, 2010
Distributions paid from:	
Ordinary Income	\$ 10,486,960
Tax Return of Capital	0
Total	\$ 10,486,960

As of December 31, 2010, the Fund had available for tax purposes unused capital loss carryovers totaling \$0.

As of December 31, 2010, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	\$ 1,310,174
Accumulated Capital Gains/(losses)	0
Unrealized Appreciation	7,329,300
Total	\$ 8,639,474

For federal income tax purposes, the following amounts apply as of December 31, 2010:

Gross unrealized appreciation (excess of value over tax cost)	\$ 7,679,274
Gross unrealized depreciation (excess of tax cost over value)	(349,974)
Net unrealized appreciation/(depreciation)	7,329,300
Cost of Investments	\$ 448,786,822

Blackstone / GSO Senior Floating Rate Term Fund

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
Blackstone / GSO Senior Floating Rate Term Fund:

We have audited the accompanying statement of assets and liabilities of Blackstone / GSO Senior Floating Rate Term Fund (the "Fund"), including the portfolio of investments, as of December 31, 2010, and the related statements of operations, cash flows, and changes in net assets, and the financial highlights for the period May 26, 2010 (commencement of operations) to December 31, 2010. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2010, by correspondence with the custodian, brokers and agent banks; where replies were not received from brokers or agent banks, we performed other auditing procedures. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Blackstone / GSO Senior Floating Rate Term Fund as of December 31, 2010, the results of its operations, its cash flows, the changes in its net assets, and the financial highlights for the period from May 26, 2010 (commencement of operations) to December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Denver, Colorado
February 25, 2011

Pursuant to the Fund's 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 dividends in our common shares by providing the required enrollment notice to The Bank of New York Mellon, 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 dividend or 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 Fund's Board of Trustees declares a dividend or distribution.

When the Fund declares a dividend or distribution, shareholders who are participants in the DRIP receive the equivalent of the amount of the dividend or distribution in our common shares. If you participate in the DRIP, the number of common shares of the Fund 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 dividend or 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 dividend or 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 dividend or distribution payment date, or (b) the record date for the next succeeding dividend or 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 dividends and capital gains distributions. The fees of the DRIP administrator for handling the reinvestment of dividends and capital gains distributions are included in the fee to be paid by the Fund to the transfer agent. There are no brokerage charges with respect to shares issued directly by us as a result of dividends 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 dividends or 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 about the DRIP by writing us at our principal office, which is located at 280 Park Avenue, 11th Floor, New York, NY 10017 or by contacting the DRIP administrator at the following address: BNY Mellon Shareowner Services, Attn: Sales Dept., P.O. Box 358035, Pittsburgh, PA 15252. You may also contact the DRIP administrator at 1-877-296-3711.

Portfolio Information. The Fund files its complete schedule 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 Fund's Form N-Q will be available (1) on the Fund's 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 ("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 Fund are available (1) without charge, upon request, by calling 1-877-876-1121, or (2) on the Fund's website located at <http://www.blackstone-gso.com>, and (3) on the SEC's website at <http://www.sec.gov>. Information regarding how the Fund 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 Fund's 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 Fund files a copy of its code of ethics that applies to the registrant's principal executive officer, principal financial officer or controller, or persons performing similar functions, with the SEC as an exhibit to this and each other annual report on Form N-CSR. This will be available on the SEC's website at <http://www.sec.gov>.

Tax Information. Of the ordinary income (including short-term capital gain) distributions made by the Fund during the fiscal period ended December 31, 2010, 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, 2010 was \$0. For the fiscal period ended December 31, 2010, 0% of the taxable investment income qualifies for the 15% dividend tax rate.

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

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

We seek to carefully safeguard your 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 us to provide services to the shareholders. We maintain physical, electronic and procedural safeguards to protect each shareholder's non-public personal information.

Annual Written Affirmation. The Fund will provide the New York Stock Exchange with an Annual Written Affirmation signed by its Fund's CEO within 30 days after the initial shareholder meeting.

Section 23(c) Notice. Notice is hereby given in accordance with Section 23(c) of the 1940 Act that from time to time the Fund may purchase its common stock in the open market.

The oversight of the business and affairs of the Fund is vested in the Board of Trustees. Starting with the first annual meeting of shareholders, the Board of Trustees will be 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 succeeding 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 Fund's executive officers will be chosen each year at a regular meeting of the Board of Trustees to hold office until their respective successors are duly elected and qualified.

Below is a list of the trustees and officers of the Fund and their present positions and principal occupations during the past five years. The business address of the Fund, the Trustees, the Fund's officers, and the Adviser is 280 Park Avenue, 11th Floor, New York, NY 10017, unless specified otherwise below.

NON-INTERESTED TRUSTEES:

Name and Year of Birth	Position(s) Held With Registrant	Term of Office and Length of Time Served	Principal Occupation During the Past Five Years	Number of Registered Investment Companies in Fund Complex Overseen ^(a)	Other Directorships Held by the Trustee During the Past Five Years
Edward H. D'Alelio Birth Year: 1952	Trustee and member of Audit and Nominating Committees	Since April 2010	Mr. D'Alelio was formerly a Managing Director and CIO for Fixed Income at Putnam Investments, Boston where he retired in 2002. He currently is an Executive in Residence with the School of Management, Univ. of Mass Boston.	—	Trump Entertainment Resorts, Inc.
Michael Holland ^(b) Birth Year: 1944	Trustee and member of Audit, Nominating, Pricing, and Valuation Committees	Since April 2010	Mr. Holland is the Chairman of Holland & Company, a private investment firm he founded in 1995. He is also President and Founder of the Holland Balanced Fund.	—	The China Fund, Inc.; The Taiwan Fund, Inc.; State Street Master Funds; Reaves Utility Income Fund.

NON-INTERESTED TRUSTEES:

Name and Year of Birth	Position(s) Held With Registrant	Term of Office and Length of Time Served	Principal Occupation During the Past Five Years	Number of Registered Investment Companies in Fund Complex Overseen ^(a)	Other Directorships Held by the Trustee During the Past Five Years
John R. O'Neill Birth Year: 1949	Trustee and member of Audit and Nominating Committees; Chairman of Audit Committee	Since April 2010	Mr. O'Neill was a partner of Ernst & Young LLP from 2002 to 2009.	—	—
Thomas W. Jasper ^(b) Birth Year: 1948	Trustee and member of Audit and Nominating Committees; Chairman of Nominating Committee	Since April 2010	Mr. Jasper was Chief Executive Officer of Primus Guaranty, Ltd. from 2001 to 2010.	—	Primus Guaranty, Ltd.

INTERESTED TRUSTEES: ^(c)

Name and Year of Birth	Position(s) Held With Registrant	Term of Office and Length of Time Served	Principal Occupation During the Past Five Years	Number of Registered Investment Companies in Fund Complex Overseen ^(a)	Other Directorships Held by the Trustee During the Past Five Years
Daniel H. Smith, Jr. Birth Year: 1963	Chairman of the Board, Trustee and member of Pricing and Valuation Committees	Since April 2010	Mr. Smith is a Senior Managing Director of GSO and is Head of GSO / Blackstone Debt Funds Management LLC. Mr. Smith joined GSO from the Royal Bank of Canada in July 2005 where he was a Managing Partner and Co-head of RBC Capital Market's Alternative Investments Unit.	—	—

^(a) As of December 31, 2010, the Fund was the only fund in the fund complex. In January 2011, Blackstone / GSO Long-Short Credit Income Fund commenced operations and is considered part of the fund complex.

^(b) Effective August 24, 2010, Messrs. Holland and Jasper were designated as representatives of the holders of the Term Preferred Shares until the Fund's first shareholder meeting, at which time holders of the Term Preferred Shares, voting as a separate class, shall be entitled to elect two of the Fund's trustees.

^(c) "Interested person" of the Fund as defined in the 1940 Act. Mr. Smith is an interested person due to his employment with the Adviser.

Further information about certain of the Fund's Trustees is also available in the Fund's Statement of Additional Information, dated May 25, 2010, which can be obtained without charge by calling 1-877-876-1121.

OFFICERS: ^(a)

Name and Year of Birth	Position(s) Held With Registrant	Term of Office and Length of Time Served	Principal Occupation During the Past Five Years	Number of Registered Investment Companies in Fund Complex Overseen ^(b)
Daniel H. Smith, Jr. Birth Year: 1963	President and Chief Executive Officer	Since April 2010	Mr. Smith is a Senior Managing Director of GSO and is Head of GSO / Blackstone Debt Funds Management LLC. Mr. Smith joined GSO from the Royal Bank of Canada in July 2005 where he was a Managing Partner and Co-head of RBC Capital Market's Alternative Investments Unit.	—
Eric Rosenberg Birth Year: 1968	Chief Financial Officer and Treasurer	Since Inception	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.	—
Lee M. Shaiman Birth Year: 1956	Executive Vice President and Assistant Secretary	Since April 2010	Mr. Shaiman is a Managing Director of GSO. 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.	—
Marisa Beeneey Birth Year: 1970	Chief Compliance Officer, Chief Legal Officer and Secretary	Since Inception	Ms. Beeneey 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.	—
Jane Lee Birth Year: 1972	Public Relations Officer	Since November 2010	Ms. Lee is a Managing Director with 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.	—

^(a) The officers of the Fund received no remuneration from the Fund.

^(b) As of December 31, 2010, the Fund was the only one in the fund complex. In January 2011, the Blackstone / GSO Long-Short Credit Income Fund commenced operations and is considered part of the fund complex.

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Blackstone / GSO Senior
Floating Rate Term Fund

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