

Blackstone / GSO Senior Floating Rate Term Fund

4Q 2011
BSL

12.31.2011

BSL's Objective & Strategy

- Blackstone / GSO Senior Floating Rate Term Fund (the "Fund" or "BSL") is a non-diversified, closed-end management investment company. 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.
- The Fund will invest primarily in senior secured, floating rate loans ("Senior Loans"). Senior Loans hold the most senior position in the capital structure of a company and are secured by specific collateral. Senior Loans are usually rated below investment grade or may also be unrated. The Fund will maintain a short average duration through its investment in Senior Loans, which pays interest at a spread over LIBOR that is reset every 90 days.
- The Fund utilizes leverage in order to achieve its investment objectives. The Fund has issued term preferred shares and senior secured notes each of which has a term matching that of the Fund itself.
- The Fund's adviser, GSO / Blackstone Debt Funds Management LLC (the "Adviser"), will use a research-driven credit analysis approach designed to identify companies which offer attractive risk / return characteristics. The Adviser maintains a rigorous investment process based on thorough due diligence and judgment.

BSL Total Return

as of 12.31.2011

	6 MONTH	1 YEAR	SINCE INCEP.*
Blackstone / GSO Senior Floating Rate Term Fund			
NAV	-0.16%	2.99%	5.87%
Market Price	-6.67%	-1.08%	1.35%
Credit Suisse Leveraged Loan Index	-1.14%	1.82%	5.13%

* Annualized.

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.

Any comparisons herein of the investment performance of the Fund to an index are qualified as follows: (i) the volatility of the index may be materially different from that of the Fund; (ii) the index may employ different investment guidelines and criteria than the Fund and, therefore, holdings in the Fund may differ significantly from holdings of the securities that comprise the index; and (iii) the performance of the index may not necessarily have been selected to represent an appropriate index to compare to the performance of the Fund, but rather, is disclosed to allow for comparison of the Fund's performance to that of a well-known index. No representation is made as to the risk profile of any index relative to the risk profile of the Fund.

Investment returns and principal value will fluctuate, and when sold, your investment may be worth more or less than its original cost. Performance current to the most recent month-end may be lower or higher than performance quoted and can be obtained by calling 1.877.876.1121.

NOT FDIC INSURED | May Lose Value | No Bank Guarantee

Top 10 Holdings

AS % OF MANAGED ASSETS

Univar, Inc., Senior Secured First Lien Term B Loan	1.46%
John Henry Holdings, Inc. (aka Multi Packaging Solutions), Senior Secured First Lien Effective Date Term Advance Loan	1.27%
Cincinnati Bell, Inc. (aka Broadwing, Inc.), Senior Unsecured Bond	1.16%
Sedgwick Holdings, Inc., Senior Secured Second Lien Term Loan	1.15%
Advantage Sales & Marketing, Inc., Senior Secured Second Lien Term Loan	1.15%
Smile Brands Group, Inc., Senior Secured First Lien Term B Loan	1.14%
Harbor Freight Tools USA, Inc., Senior Secured Tranche B First Lien Term Loan	1.14%
Capital Safety Group, Ltd., Senior Secured First Lien Term Loan	1.12%
Sports Authority, Inc. (aka TSA), Senior Secured First Lien Term B Loan	1.12%
Transaction Network Service, Inc., Senior Secured First Lien Initial Term Loan	1.09%

TOP 10 HOLDINGS 11.80%

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

Top 5 Industries

Healthcare and Pharmaceuticals	13.99%
High Tech	11.10%
Retail	7.94%
Services - Business	7.70%
Telecommunications	6.45%

TOP 5 INDUSTRIES 47.18%

BSL Fund Facts

Symbol NYSE: BSL
 Inception Date: 5.28.2010
 Inception Share Price: \$20.00
 Monthly Dividend: \$0.11
 Market Price*: \$18.36
 NAV*: \$18.81
 Net Assets*: \$285.30 Million
 Shares Outstanding*: 15,163,305

* As of 12.31.11.

1.877.876.1121 PRODUCT INFORMATION

www.blackstone-gso.com/bsl

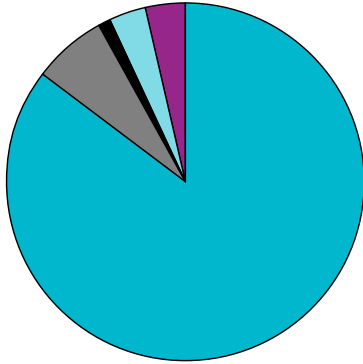
Blackstone

G S O

CAPITAL PARTNERS

Blackstone / GSO Senior Floating Rate Term Fund

BSL's Portfolio Composition

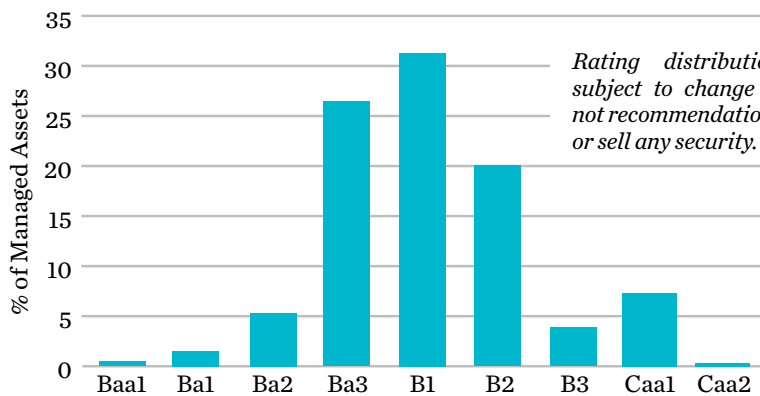


SECTOR BREAKDOWN

First Lien Secured Loans	85.42%
Second Lien Secured Loans	6.55%
Senior Secured Bonds	1.24%
Sr. Unsecured & Sr. Subordinated Bonds	3.40%
Cash and Other Assets	3.38%
Less Liabilities	3.38%

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BSL's Moody's Rating Distribution



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

Portfolio Characteristics

Weighted Average Loan Spread	4.87%
Current Dividend Yield [†]	7.19%
Weighted Average Days to Reset	59
Average Position*	0.59%

[†] Using current dividend rate of \$0.11/share and market price per share as of 12/31/11.

* As a percentage of Managed Assets.

Credit Suisse High Yield Index is an unmanaged market value-weighted index designed to mirror the investable universe of the U.S. dollar-denominated high yield debt market. New issues are added to the index upon issuance if they qualify according to the following criteria: issues must be publicly registered in the United States or issued under Rule 144A with registration rights; issues must be rated "BB" or lower; the minimum amount outstanding is \$75 million; and issues must be U.S. dollar-denominated straight corporate debt, including cash-pay, zero-coupon, stepped-rate and pay-in-kind (PIK) bonds. Floating-rate and convertible bonds and preferred stock are not included; if an issuer has more than two issues outstanding, only the two most liquid issues are included in the index.

Upper Tier: Split BBB and BB; Middle Tier: Split BB, B and Split B; Lower Tier: CCC/Split CCC and Default.

An investment in the Fund is not appropriate for all investors and is not intended to be a complete investment program. The Fund is designed as a long-term investment and not as a trading vehicle.

Investing in the Fund involves risks, including the risk that you may receive little or no return on your investment or that you may lose part or even all of your investment. Therefore, before investing you should consider carefully the Fund's investment objectives, risks, charges and expenses.

For more complete information about the Fund, please contact your financial professional.

Shares of closed-end investment companies frequently trade at a discount from their net asset value.

⁽¹⁾ Source: JP Morgan

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Portfolio Management Quarterly Update

An abatement of negative European sovereign debt crisis headlines, improved US economic data and favorable technical factors resulted in credit market returns during Q4_11. The Credit Suisse Leverage Loan Index returned 2.72% during Q4_11 compared to 6.02% and 12.77% for the Credit Suisse High Yield Index and the Dow Jones Industrial Average, respectively.

In recent history, retail loan mutual fund flows have typically been correlated with secondary loan market demand and loan trading levels. Loan mutual fund outflows were only \$1.7 billion during Q4_11, compared to \$8.4 billion during Q3_11⁽¹⁾. We believe that the reduced outflows combined with managers' large cash positions, limited new issue supply and favorable debt and equity markets helped lift secondary loan market prices.

The average price of the Credit Suisse Leveraged Loan Index improved from 90.35% (of par) at 9.30.11 to 92.19% at 12.31.11. Lower quality loans significantly outperformed higher quality loans during Q4_11. Lower Tier leveraged loans generated the highest total returns of 4.21% within the Credit Suisse Leveraged Loan Index during Q4_11 while the Middle Tier returned 3.10% and the Upper Tier rated loans returned 2.60%, according to Credit Suisse. This is indicative of the 'risk on' mentality that returned to the domestic markets during Q4_11.

Loan default rates declined while high yield bond default rates slightly increased during Q4_11 as four loans and fourteen bonds defaulted. Leveraged loan and high yield bond last twelve month default rates ended Q4_11 at 0.4% and 1.5% (par amount), respectively, compared to Q3_11 rates of 0.5% and 1.2%. This is down considerably from peaks of 12.8% and 10.3%, respectively, at 12.31.09, according to JPMorgan. JPMorgan has forecast leveraged loan and high yield bond default rates between 1.5-2.0% through 2013.

Portfolio Management Team

YEARS IN LEVERAGED FINANCE

Lee M. Shaiman	29
Daniel H. Smith, Jr.	24
Douglas Paolillo	20
Debra Anderson	18
Daniel T. McMullen	18
Faris Saah	15
Robert Zable	14

The Fund's portfolio managers are supported by a seasoned research team that covers over 800 borrowers, representing a broad range of industry sectors.