METHANEX CORP
Form 6-K
March 22, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE MONTH OF MARCH 2019
COMMISSION FILE NUMBER 0-20115

METHANEX CORPORATION
(Registrant’s name)

SUITE 1800, 200 BURRARD STREET, VANCOUVER, BC V6C 3M1 CANADA
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F ¨ Form 40-F ý
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ¨
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ¨

IMPORTANT INFORMATION FOR SHAREHOLDERS

Notice of the Annual General Meeting of Shareholders
and
Information Circular
March 8, 2019

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March 8, 2019

INVITATION TO SHAREHOLDERS

On behalf of the Board of Directors of Methanex Corporation, I invite you to join us at our annual general meeting of shareholders (the "Meeting"). The Meeting will be held in East Meeting Room 18 at the Vancouver Convention Centre - East Building in Vancouver, British Columbia on Thursday, April 25, 2019 at 10:30 a.m.

This Information Circular includes the notice of the Meeting and our proxy statement, which describes the business we will conduct at the Meeting and provides information about Methanex that you should consider when you vote your shares. We have not planned a communications segment or any presentations for the Meeting.

Whether or not you plan to attend, it is important that your shares are represented and voted at the Meeting. If you do not plan to attend the Meeting, you may vote your shares by voting online or completing and returning the proxy card in the enclosed envelope.

At last year’s annual general meeting of shareholders approximately 85% of our shares were represented in person or by proxy. We hope for the same high level of representation at this year’s Meeting and we urge you to vote as soon as possible.

Sincerely,

John Floren
President and Chief Executive Officer

METHANEX CORPORATION

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting (the “Meeting”) of the shareholders of Methanex Corporation (the “Company”) will be held at the following time and place:

DATE:	Thursday, April 25, 2019
TIME:	10:30 a.m. (Pacific Time)
PLACE:	East Meeting Room 18 Vancouver Convention Centre - East Building 999 Canada Place Vancouver, British Columbia

The Meeting is being held for the following purposes:

1. to receive the Consolidated Financial Statements of the Company for the financial year ended December 31, 2018 and the Auditors’ Report on such statements;
2. to elect directors;
3. to reappoint the auditors and authorize the Board of Directors to fix the remuneration of the auditors;
4. to consider and approve, on an advisory basis, a resolution to accept the Company’s approach to executive compensation disclosed in the accompanying Information Circular; and
5. to transact such other business as may properly come before the Meeting.

If you hold common shares of the Company and do not expect to attend the Meeting in person, please complete the enclosed proxy form and either fax it to 1 416 368 2502 or toll-free in North America to 1 866 781 3111 or forward it to AST Trust Company (Canada) using the envelope provided with these materials. Proxies must be received no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for commencement of the Meeting or any postponement or adjournment thereof.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of March, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

Kevin Price

General Counsel & Corporate Secretary

METHANEX CORPORATION
INFORMATION CIRCULAR
Information contained in this Information Circular is given as at March 8, 2019 unless otherwise stated.
PART I VOTING
Solicitation of proxies
This Information Circular is provided in connection with the solicitation of proxies by or on behalf of the management and Board of Directors (the “Board”) of Methanex Corporation (the “Company”, "we" or "our", as applicable) for use at the Annual General Meeting (the “Meeting”) of the shareholders of the Company to be held at the time and place (including any adjournment or postponement thereof) and for the purposes described in the accompanying Notice of Annual General Meeting of Shareholders.
It is anticipated that this Information Circular and the accompanying proxy form will be mailed on or about March 21, 2019 to holders of common shares of the Company (“Common Shares”).
What will be voted on at the Meeting?
Shareholders will be voting on those matters that are described in the accompanying Notice of Annual General Meeting of Shareholders. The Notice includes all the matters to be presented at the Meeting that are presently known to management. A simple majority (that is, greater than 50%) of the votes cast, in person or by proxy, will constitute approval of these matters, other than the election of directors and the appointment of auditors.
Who is entitled to vote?
Only registered holders of Common Shares (“Registered Shareholders”) at the close of business on March 4, 2019 (the “Record Date”) are entitled to vote at the Meeting or at any adjournment or postponement thereof. Each Registered Shareholder will have one vote for each Common Share held at the close of business on the Record Date. As of March 8, 2019, there were 77,265,973 Common Shares outstanding. To the knowledge of the directors and senior officers of the Company, the only person who beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying 10% or more of the voting rights of the Company was M&G Investment Management Limited ("M&G"). Based on information filed by M&G on January 31, 2019, M&G held 12,789,824 Common Shares[1] which represent 16.6% of the Common Shares outstanding as at March 8, 2019.
Can I vote Common Shares that I acquired after the Record Date (March 4, 2019)?
No. Only Common Shares that are held by a shareholder at the close of business on the Record Date are entitled to be voted at the Meeting.
How do I vote?
If you are a Registered Shareholder, there are two ways in which you can vote your Common Shares. You can either vote by proxy or vote in person at the Meeting.

(1) Shares owned by M&G may include shares owned by certain of its affiliates and associates.

Voting by proxy

If you do not plan to come to the Meeting, you can have your vote counted by appointing someone who will attend the Meeting as your proxyholder. In the proxy, you can either direct your proxyholder as to how you want your Common Shares to be voted or let your proxyholder choose for you. You can always revoke your proxy if you decide to attend the Meeting and wish to vote your Common Shares in person.

Voting in person

Registered Shareholders who will attend the Meeting and wish to vote their Common Shares in person should not complete a proxy form. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, AST Trust Company (Canada), when you arrive at the Meeting.

What if I am not a Registered Shareholder?

Many shareholders are "non-registered shareholders." Non-registered shareholders are shareholders whose shares are registered in the name of an intermediary (such as a bank, trust company, securities broker, trustee or custodian). Unless you have previously informed your intermediary that you do not wish to receive materials relating to the Meeting, you should receive or have already received from your intermediary either a request for voting instructions or a proxy form.

Intermediaries have their own mailing procedures and provide their own instructions to shareholders. These procedures may allow you to provide your voting instructions by telephone, on the Internet, by mail or by fax. You should carefully follow the directions and instructions received from your intermediary to ensure that your Common Shares are voted at the Meeting.

If you wish to vote in person at the Meeting, you should follow the procedure in the directions and instructions provided by or on behalf of your intermediary. Please register with the transfer agent, AST Trust Company (Canada), when you arrive at the Meeting.

What is a proxy?

A proxy is a document that authorizes someone else to attend the Meeting and cast your votes for you. Registered Shareholders may use the enclosed proxy form, or any other valid proxy form, to appoint a proxyholder. The enclosed proxy form authorizes the proxyholder to vote and otherwise act for you at the Meeting, including any continuation after the adjournment or postponement of the Meeting.

If you are a Registered Shareholder and you complete the enclosed proxy, your Common Shares will be voted as instructed. If you do not mark any boxes, your proxyholder can vote your shares at his or her discretion. See "How will my Common Shares be voted if I give my proxy?" below.

How do I appoint a proxyholder?

Your proxyholder is the person you appoint and name on the proxy form to cast your votes for you. You can choose anyone you want to be your proxyholder. Your proxyholder does not have to be another shareholder. Just fill in the person's name in the blank space provided on the enclosed proxy form or complete any other valid proxy form and deliver it to AST Trust Company (Canada) within the time specified below for receipt of proxies.

If you leave the space on the proxy form blank, either Thomas Hamilton or John Floren, both of whom are named in the form, are appointed to act as your proxyholder. Mr. Hamilton is Chair of the Board and Mr. Floren is the President and Chief Executive Officer of the Company.

For the proxy to be valid, it must be completed, dated and signed by the Registered Shareholder (or the Registered Shareholder's attorney as authorized in writing) and then delivered to the Company's transfer agent, AST Trust Company (Canada), in the envelope provided or by fax to 1 416 368 2502 or toll-free in North America to 1 866 781 3111 and received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment or postponement thereof.

How will my Common Shares be voted if I give my proxy?

If you have properly filled out, signed and delivered your proxy, then your proxyholder can vote your shares for you at the Meeting. If you have specified on the proxy form how you want to vote on a particular issue (by marking FOR, AGAINST or WITHHOLD), then your proxyholder must vote your Common Shares accordingly.

If you have not specified how to vote on a particular issue, then your proxyholder will vote your Common Shares as he or she sees fit. However, if you have not specified how to vote on a particular issue and Mr. Hamilton or Mr. Floren has been appointed as proxyholder, your Common Shares will be voted in favour of all resolutions proposed by management. For more information on these resolutions, see "Part II BUSINESS OF THE MEETING."

The enclosed form of proxy confers discretionary authority upon the proxyholder you name with respect to amendments or variations to the matters identified in the accompanying Notice of Annual General Meeting of Shareholders and any other matters that may properly come before the Meeting. If any such amendments or variations are proposed to the matters described in the Notice, or if any other matters properly come before the Meeting, your proxyholder may vote your Common Shares as he or she considers best.

How do I revoke a proxy?

Only Registered Shareholders have the right to revoke a proxy. Non-registered shareholders who wish to change their voting instructions must, in sufficient time in advance of the Meeting, arrange for their intermediaries to change their vote and if necessary revoke their proxy.

If you are a Registered Shareholder and you wish to revoke your proxy after you have delivered it, you can do so at any time before it is used. You or your authorized attorney may revoke a proxy by (i) clearly stating in writing that you want to revoke your proxy and delivering this revocation by mail to Proxy Department, AST Trust Company (Canada), P.O. Box 721, Agincourt, ON M1S0A1, Canada or by fax to 1 416 368 2502 or toll-free in North America to 1 866 781 3111, or by mail to the registered office of the Company, Suite 1800, 200 Burrard Street, Vancouver, BC V6C 3M1, Canada, Attention: Corporate Secretary, or by fax to the Company to 1 604 661 2602, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof or (ii) in any other manner permitted by law. Revocations may also be hand-delivered to the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof. Such revocation will have effect only in respect of those matters upon which a vote has not already been cast pursuant to the authority confirmed by the proxy. If you revoke your proxy and do not replace it with another in the manner described in "How do I appoint a proxyholder?" above, you will be able to vote your Common Shares in person at the Meeting.

Who pays for this solicitation of proxies?

The cost of this solicitation of proxies is paid by the Company. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone or other means of communication by directors and regular employees of the Company without special compensation. In addition, the Company may retain the services of agents to solicit proxies on behalf of its management. In that event, the Company will compensate any such agents for such services, including reimbursement for reasonable out-of-pocket expenses, and will indemnify them in respect of certain liabilities that may be incurred by them in performing their services. The Company may also reimburse brokers or other persons holding Common Shares in their names, or in the names of nominees, for their reasonable expenses in sending proxies and proxy material to beneficial owners and obtaining their proxies.

Who counts the votes?

The Company's transfer agent, AST Trust Company (Canada), counts and tabulates the proxies. This is done independently of the Company. Proxies are referred to the Company only in cases where a shareholder clearly intends to communicate with management or when it is necessary to do so to meet legal requirements.

How do I contact the transfer agent?

If you have any inquiries, you can contact the Company's principal registrar and transfer agent, AST Trust Company (Canada), as follows:

Email:	inquiries@astfinancial.com
Toll-free:	1 800 387 0825
Telephone:	1 416 682 3860
Mail:	AST Trust Company (Canada) PO Box 700 Station B Montreal, Quebec H3B 3K3

The Company's co-registrar and co-transfer agent in the United States is American Stock Transfer & Trust Company LLC; however, all shareholder inquiries should be directed to AST Trust Company (Canada).

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PART II BUSINESS OF THE MEETING

RECEIVE THE FINANCIAL STATEMENTS

The Company's consolidated financial statements for the year ended December 31, 2018 will be received by shareholders of the Company at the Meeting and are included in the Annual Report, which has been mailed to Registered Shareholders as required under the Canada Business Corporations Act (the "CBCA") and to non-registered shareholders who have requested such financial statements.

ELECTION OF DIRECTORS

It was with great sadness that in January we announced the passing of a member of our Board of Directors, Mr. Doug Mahaffy. As Mr. Mahaffy was a director during 2018, he is included in all information relating to 2018.

The directors of the Company are elected each year at the annual general meeting of the Company and hold office until the close of the next annual general meeting or until their successors are elected or appointed in accordance with applicable law. The Company has a majority voting policy for election of directors that is described on page 24. The articles of the Company provide that the Company must have a minimum of 3 and a maximum of 15 directors. The by-laws of the Company state that, when the articles of the Company provide for a minimum and maximum number of directors, the number of directors within the range may be determined from time to time by resolution of the Board. The Board, on an annual basis, considers the size of the Board. On March 8, 2019, the directors resolved that the Board shall consist of 11 directors, such size being consistent with effective decision-making.

The Corporate Governance Committee recommends to the Board nominees for election as directors through a process described on page 22, under the heading "Nominating Committee and Nomination Process." The persons listed below are being proposed for nomination for election at the Meeting. The persons named as proxyholders in the accompanying proxy, if not expressly directed otherwise, will vote the Common Shares for which they have been appointed proxyholder in favour of electing those persons listed below as nominees for directors.

The following table sets out the names, ages and places of residence of all the persons to be nominated for election as directors of the Board, along with other relevant information, including the number and market value of Common Shares, Deferred Share Units ("DSUs") and Restricted Share Units ("RSUs") held by each of them and which standing committees (each a "Committee") of the Board the nominees are members, all as at the date of this Information Circular. In the case of Mr. Floren, who is President & CEO of the Company, the table also includes the number of Performance Share Units ("PSUs") that he holds. Information regarding Mr. Floren's options-based awards and other holdings can be found in the "Outstanding Option-Based Awards and Share-Based Awards" table on page 58. The following table also sets out whether a nominee is independent or not independent. All amounts are in Canadian dollars.

BRUCE AITKEN Age: 64 Auckland, New Zealand Director since: July 2004 Independent Committee memberships as at the date of the Information Circular: - Public Policy Committee - Responsible Care Committee	Mr. Aitken is a corporate director. He was President & CEO of the Company from May 2004 until his retirement at the end of 2012. Prior to this, Mr. Aitken was President & Chief Operating Officer of the Company from September 2003 and prior to that he was Senior Vice President, Asia Pacific of the Company (based in New Zealand). He has also held the position of Vice President, Corporate Development (based in Vancouver). He was an employee of the Company and its predecessor methanol companies for approximately 22 years. Prior to joining the Company, Mr. Aitken worked in various executive roles for Fletcher Challenge Ltd. in New Zealand. Mr. Aitken holds a Bachelor of Commerce from the University of Auckland and is a member of the Chartered Accountants of Australia and New Zealand.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board Public Policy Committee Responsible Care Committee	6 of 6 2 of 2 3 of 3	11 of 11	100%	Onehunga High Business School Advisory Board (educational institution) (since 2014) University of Auckland Business School Advisory Board (educational institution) (since 2018)

Share and Share Equivalents Held as of March 8, 2019:

Common Shares(1)	Total DSUs	Total of Common	Total Market	Minimum Shareholding	Meets Share Ownership

(#)	and RSUs[2][3] (#)	Shares, DSUs and RSUs (#)	Value of Common Shares, DSUs and RSUs[5] ($)	Requirements ($)	Requirements?[6]
100,189	Nil	100,189	7,284,242	720,000	Yes

DOUGLAS ARNELL Age: 52 West Vancouver, British Columbia, Canada Director since: October 2016 Independent Committee memberships as at the date of the Information Circular: - Corporate Governance Committee - Human Resources Committee (Chair) - Public Policy Committee	Mr. Arnell is the President and Chief Executive Officer of Helm Energy Advisors Inc. ("Helm Energy"), a private company he founded in March 2015 that provides advisory services to the global energy sector. Prior to founding Helm Energy, from September 2010 to March 2015, Mr. Arnell was employed with Golar LNG Ltd., including as Chief Executive Officer from February 2011 to March 2015. Golar LNG is a U.S. public company focused on owning and operating LNG midstream floating assets. Prior to joining Golar LNG, Mr. Arnell held various senior positions within the BG Group of companies from 2003 to 2010 and with other energy companies prior to that time. Mr. Arnell holds a Bachelor of Science from the University of Calgary.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board	6 of 6	17 of 17	100%	None
Corporate Governance Committee	3 of 3			
	6 of 6			
	2 of 2			

Human Resources Committee
Public Policy Committee

Share and Share Equivalents Held as of March 8, 2019:

Common Shares[1] (#)	Total DSUs and RSUs[2][3] (#)	Total of Common Shares, DSUs and RSUs (#)	Total Market Value of Common Shares, DSUs and RSUs[5] ($)	Minimum Shareholding Requirements ($)	Meets Share Ownership Requirements?[6]
2,120	8,775	10,895	792,720	175,000	Yes

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HOWARD BALLOCH[7] Age: 67 Hong Kong Director since: December 2004 Independent Committee memberships as at the date of the Information Circular: - Audit, Finance and Risk Committee - Public Policy Committee (Chair)	Mr. Balloch is a corporate director and has been a Partner of PacBridge Capital Partners ("PacBridge") since 2017. PacBridge specializes in providing early stage and growth capital to companies seeking to take disruptive technologies and build scalable businesses. From 2002 to 2011, he was President of The Balloch Group (“TBG”), a Beijing-based investment advisory and merchant banking firm he founded following his retirement as Canadian Ambassador to China, a position he had held since early 1996. TBG was acquired by Canaccord Genuity in 2011 and Mr. Balloch served as the Chairman of its Asian operations until he stepped down in March 2013. Mr. Balloch holds a Bachelor of Arts (Honours) in Political Science and Economics and a master’s degree in International Relations, both from McGill University, Montreal.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board Audit, Finance and Risk Committee Public Policy Committee (Chair)	6 of 6 7 of 7 2 of 2	15 of 15	100%	Maple Leaf Educational Systems (since 2014) Sinopec Canada Inc. (private) (since 2014)

Share and Share Equivalents Held as of March 8, 2019:

Common Shares[1] (#)	Total DSUs and RSUs[2][3] (#)	Total of Common Shares, DSUs and RSUs (#)	Total Market Value of Common Shares, DSUs and RSUs[5] ($)	Minimum Shareholding Requirements ($)	Meets Share Ownership Requirements?[6]
1,700	49,391	51,091	3,714,827	220,000	Yes

JAMES BERTRAM Age: 62 Calgary, Alberta, Canada Director since: October 2018 Independent Committee memberships as at the date of the Information Circular: - Public Policy Committee - Responsible Care Committee	Mr. Bertram is a corporate director. He was Chief Executive Officer of Keyera Corporation from 1998 until his retirement in 2014. Keyera is a publicly-traded, midstream oil and gas operator. Mr. Bertram holds a Bachelor of Commerce from the University of Calgary.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board Public Policy Committee Responsible Care Committee	1 of 1 0 of 0 1 of 1	2 of 2	100%	Emera Inc. (since 2018) Keyera Corporation (since 2003)

Share and Share Equivalents Held as of March 8, 2019:

Common Shares(1) (#)	Total DSUs and RSUs(2)(3) (#)	Total of Common Shares, DSUs and RSUs (#)	Total Market Value of Common Shares, DSUs and RSUs(5) ($)	Minimum Shareholding Requirements ($)	Meets Share Ownership Requirements?(6)
2,600	1,900	4,500	327,192	750,000	No(8)

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PHILLIP COOK Age: 72 Austin, Texas, USA Director since: May 2006 Independent Committee memberships as at the date of the Information Circular: - Corporate Governance Committee (Chair) - Human Resources Committee	Mr. Cook is a corporate director. He held the position of Senior Advisor of The Dow Chemical Company ("Dow Chemical") from June 2006 until his retirement in January 2007. Dow Chemical provides chemical, plastic and agricultural products and services. Prior to his Senior Advisor position, Mr. Cook was Corporate Vice President, Strategic Development & New Ventures of Dow Chemical from 2005. Mr. Cook previously held senior positions with Dow Chemical including Senior Vice President, Performance Chemicals & Thermosets from 2003, and from 2000 he held the position of Business Vice President, Epoxy Products & Intermediates. Mr. Cook holds a Bachelor of Mechanical Engineering from the University of Texas at Austin and in 2018 he became a National Association of Corporate Directors Board Leadership Fellow. He also has a CERT Certificate in Cybersecurity Oversight.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board Corporate Governance Committee (Chair) Human Resources Committee	6 of 6 3 of 3 6 of 6	15 of 15	100%	Cockrell School of Engineering Advisory Board (since 2004) and the Environmental Sciences Institute Advisory Board (since 2010) of the University of Texas at Austin (educational institution)

Share and Share Equivalents Held as of March 8, 2019:

Common Shares[1] (#)	Total DSUs and	Total of Common	Total Market Value of Common Shares,	Minimum Shareholding Requirements	Meets Share Ownership Requirements?[6]

	RSUs[2][3] (#)	Shares, DSUs and RSUs (#)	DSUs and RSUs[5] ($)	($)	
25,000	5,517	30,517	2,218,891	720,000	Yes

JOHN FLOREN

Age: 60

Eastham, Massachusetts, USA

Director since: January 2013

Not Independent

Mr. Floren has been President & CEO of the Company since January 2013. Prior to this appointment, Mr. Floren was Senior Vice President, Global Marketing & Logistics of the Company from June 2005 and prior to that, Director, Marketing & Logistics, North America from May 2002. He has been an employee of the Company for approximately 19 years and has worked in the chemical industry for over 30 years.

Mr. Floren holds a Bachelor of Arts in Economics from the University of Manitoba. He also attended the Harvard Business School's Program for Management Development and has attended the International Executive Program at INSEAD. He has also completed the Directors Education Program at the Institute of Corporate Directors.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board[9]	6 of 6	6 of 6	100%	West Fraser Timber Co. Ltd. (since 2016)

Share and Share Equivalents Held as of March 8, 2019:

Common Shares[1] (#)	Total PSUs and DSUs[2][4] (#)	Total of Common Shares, PSUs (50% of balance) and DSUs (#)	Total Market Value of Common Shares, PSUs (50% of balance) and DSUs[5]	Minimum Shareholding Requirements ($)	Meets Share Ownership Requirements?[6]

			($)		
58,878	96,145	106,951	7,776,951	5,370,000	Yes

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MAUREEN HOWE Age: 61 Vancouver, British Columbia, Canada Director since: June 2018 Independent Committee memberships as at the date of the Information Circular: - Audit, Finance and Risk Committee - Corporate Governance Committee	Ms. Howe is a corporate director. She was Managing Director at RBC Capital Markets in equity research from 1996 to 2008. Ms. Howe specialized in the area of energy infrastructure, which included power generation, transmission and distribution, oil and gas transmission and distribution, gas processing and alternative energy. Ms. Howe holds a Bachelor of Commerce (Honours) from the University of Manitoba and a Ph.D. in Finance from the University of British Columbia.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board Audit, Finance and Risk Committee Corporate Governance Committee	3 of 3 4 of 4 1 of 1	8 of 8	100%	Pembina Pipeline Corporation (since 2017) TimberWest Forest Corp (private) (since 2008)

Share and Share Equivalents Held as of March 8, 2019:

Common Shares[1] (#)	Total DSUs and RSUs[2][3] (#)	Total of Common Shares, DSUs and RSUs (#)	Total Market Value of Common Shares, DSUs and	Minimum Shareholding Requirements ($)	Meets Share Ownership Requirements?[6]

			RSUs[5] ($)		
10,000	1,900	11,900	865,249	720,000	Yes

ROBERT KOSTELNIK

Age: 67

Fulshear, Texas, USA

Director since: September 2008

Independent

Committee memberships as at the date of the Information Circular:

- Corporate Governance Committee
- Responsible Care Committee (Chair)

Mr. Kostelnik has been a principal in GlenRock Recovery Partners, LLC since February 2012. GlenRock Recovery Partners facilitates the sale of non-fungible hydrocarbons in the United States. Prior to this, he was President & Chief Executive Officer of Cinatra Clean Technologies, Inc. from 2008 to May 2011. Mr. Kostelnik held the position of Vice President of Refining for CITGO Petroleum Corporation ("CITGO") from July 2006 until his retirement in 2007. He held a number of senior positions during his 16 years with CITGO.

Mr. Kostelnik holds a Bachelor of Science (Mechanical Engineering) from the University of Missouri and is a Registered Professional Engineer.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board Corporate Governance Committee Responsible Care Committee (Chair)	6 of 6 3 of 3 3 of 3	12 of 12	100%	Association of Chemical Industry of Texas (industry association) (since 2004) HollyFrontier Corporation (since 2011)

Share and Share Equivalents Held as of March 8, 2019:

Common Shares[1] (#)	Total DSUs and RSUs[2][3] (#)	Total of Common Shares, DSUs and RSUs	Total Market Value of Common	Minimum Shareholding Requirements ($)	Meets Share Ownership Requirements?[6]

		(#)	Shares, DSUs and RSUs[5] ($)		
21,000	5,517	26,517	1,928,251	720,000	Yes

JANICE RENNIE Age: 61 Edmonton, Alberta, Canada Director since: May 2006 Independent Committee memberships as at the date of the Information Circular: - Audit, Finance and Risk Committee - Human Resources Committee	Ms. Rennie is a corporate director. From 2004 to 2005, Ms. Rennie was Senior Vice President, Human Resources & Organizational Effectiveness for EPCOR Utilities Inc. ("EPCOR"). At that time, EPCOR built, owned and operated power plants, electrical transmission and distribution networks, water and wastewater treatment facilities and infrastructure in Canada and the United States. Prior to 2004, Ms. Rennie was Principal of Rennie & Associates, which provided investment and related advice to small and mid-sized companies. Ms. Rennie holds a Bachelor of Commerce from the University of Alberta and is a Fellow of the Institute of Chartered Professional Accountants of Alberta and the Institute of Corporate Directors.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board Audit, Finance and Risk Committee Human Resources Committee	6 of 6 7 of 7 6 of 6	19 of 19	100%	EPCOR Utilities Inc. (private) (since 2017) Major Drilling Group International Inc. (since 2010) West Fraser Timber Co. Ltd. (since 2004) WestJet Airlines Limited (since 2011)

Share and Share Equivalents Held as of March 8, 2019:

Common Shares[1] (#)	Total DSUs and RSUs[2][3]	Total of Common Shares, DSUs	Total Market Value of	Minimum Shareholding Requirements ($)	Meets Share Ownership Requirements?[6]

	(#)	and RSUs (#)	Common Shares, DSUs and RSUs[5] ($)		
3,000	13,055	16,055	1,167,259	720,000	Yes

MARGARET WALKER

Age: 66

Austin, Texas, USA

Director since: April 2015

Independent

Committee memberships as at the date of the Information Circular:

- Human Resources Committee
- Responsible Care Committee

Ms. Walker has been the owner of MLRW Group, LLC since January 2011. MLRW Group, LLC is a consulting firm focusing on working with companies to improve capital investment outcomes and to improve overall safety performance. From 2004 until her retirement in December 2010, Ms. Walker was Vice President of Engineering & Technology for The Dow Chemical Company ("Dow Chemical"). Prior to this, Ms. Walker held other senior positions with Dow Chemical including Senior Leader in Manufacturing & Engineering and Business Director of Contract Manufacturing. Dow Chemical provides chemical, plastic and agricultural products and services.

Ms. Walker holds a Bachelor of Chemical Engineering from Texas Tech University, located in Lubbock, Texas and in 2018 she became a National Association of Corporate Directors Board Leadership Fellow.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board Human Resources Committee Responsible Care Committee	6 of 6 6 of 6 3 of 3	15 of 15	100%	Independent Project Analysis, Inc. (private) (since 2011)

Share and Share Equivalents Held as of March 8, 2019:

Common Shares[1] (#)	Total DSUs and RSUs[2][3] (#)	Total of Common Shares, DSUs and RSUs	Total Market Value of Common	Minimum Shareholding Requirements ($)	Meets Share Ownership Requirements?[6]

		(#)	Shares, DSUs and RSUs(5) ($)		
4,576	5,517	10,093	733,862	720,000	Yes

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BENITA WARMBOLD Age: 60 Toronto, Ontario, Canada Director since: February 2016 Independent Committee memberships as at the date of the Information Circular: - Audit, Finance & Risk Committee (Chair) - Responsible Care Committee	Ms. Warmbold was Senior Managing Director & Chief Financial Officer of the Canada Pension Plan Investment Board ("CPPIB") from 2013 until her retirement in 2017. Prior to this and from 2008, Ms. Warmbold was the Senior Vice President & Chief Operations Officer of CPPIB. CPPIB is a professional investment management organization responsible for investing funds on behalf of the Canada Pension Plan. From 1997 to 2008, Ms. Warmbold was the Managing Director & CFO for Northwater Capital Management Inc. Ms. Warmbold holds an Honours Bachelor of Commerce degree from Queen's University, is a Chartered Professional Accountant, is a Fellow of the Institute of Chartered Professional Accountants of Ontario and has been granted the ICD.D designation by the Institute of Corporate Directors.

2018 Board / Committee Memberships	2018 Attendance	Total 2018 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board Audit, Finance and Risk Committee (Chair) Responsible Care Committee	6 of 6 7 of 7 3 of 3	16 of 16	100%	Bank of Nova Scotia (since 2018) Canadian Public Accountability Board (professional association) (since 2011) Crestone Peak Resources (private) (since 2017) Queen's University Board of Trustees (educational

institution) (since 2015)
SNC-Lavalin Group Inc. (since 2017)
Women's College Hospital (academic hospital) (since 2014)

Common Shares[1] (#)	Total DSUs and RSUs[2][3] (#)	Total of Common Shares, DSUs and RSUs (#)	Total Market Value of Common Shares, DSUs and RSUs[5] ($)	Minimum Shareholding Requirements ($)	Meets Share Ownership Requirements?[6]
6,000	7,408	13,408	974,896	720,000	Yes

(1) The number of Common Shares held includes Common Shares directly or indirectly beneficially owned or under the control or direction of such nominee.
(2) For information on Deferred Share Units, see “Share-Based Awards - Deferred Share Unit Plan (Director DSUs)”.
(3) For information on Restricted Share Units, see “Share-Based Awards - Restricted Share Unit Plan for Directors”.
(4) For information on Performance Share Units, see “Performance Share Unit Plan”. Non-management directors are not eligible to participate in this plan.
(5) This value is calculated using $72.71, being the weighted average closing price of the Common Shares on the Toronto Stock Exchange for the 90-day period ending March 8, 2019.
(6) See page 35 for more information on director share ownership requirements. See page 55 for more information on Mr. Floren’s share ownership requirements as President & CEO of the Company.
(7) Mr. Balloch was a director of Ivanhoe Energy Inc. ("Ivanhoe"), an oil exploration and development company, from 2002 to May 2015. Effective June 1, 2015, Ivanhoe was deemed bankrupt under the Bankruptcy and Insolvency Act (Canada).
(8) Mr. Bertram was appointed a director effective October 1, 2018 and directors have five years from the date of their appointment to meet director share ownership requirements.
(9) Mr. Floren is not a member of any Committee, but attends all Committee meetings on a non-voting basis by invitation in his capacity as President & CEO of the Company.

Voting Results
From the 2018 Annual General Meeting of Shareholders

Director	For	%	Withheld	%
Bruce Aitken	68,827,736	99.67	228,850	0.33
Douglas Arnell	68,602,659	99.34	453,927	0.66
James Bertram(1)	—	—	—	—
Howard Balloch	65,418,784	94.73	3,637,802	5.27
Phillip Cook	68,614,830	99.36	441,756	0.64
John Floren	68,903,063	99.78	153,523	0.22
Thomas Hamilton(2)	68,834,678	99.68	221,908	0.32
Maureen Howe(3)	—	—	—	—
Robert Kostelnik	68,620,949	99.37	435,637	0.63
Douglas Mahaffy(2)	68,616,809	99.36	439,777	0.64
Janice Rennie	66,028,900	95.62	3,027,686	4.38
Margaret Walker	69,010,326	99.93	46,260	0.07
Benita Warmbold	68,950,671	99.85	105,915	0.15

(1) Mr. Bertram was appointed a director effective October 1, 2018 so did not stand for election at the 2018 Annual General Meeting.
(2) Messrs. Hamilton and Mahaffy are not standing for re-election at the Meeting.
(3) Ms. Howe was appointed a director effective June 4, 2018 so did not stand for election at the 2018 Annual General Meeting.

Summary of Board and Committee Meetings
For the 12-month period ending December 31, 2018

Board of Directors	6
Audit, Finance and Risk Committee	7
Corporate Governance Committee	3
Human Resources Committee	6
Public Policy Committee	2
Responsible Care Committee	3

Summary of Attendance of Directors at Board and Committee Meetings
For the 12-month period ending December 31, 2018

Director	Board Meetings Attended (#)	Board Meetings Attended (%)	Committee Meetings Attended (#)	Committee	Committee Meetings Attended (%)	Total Board and Committee Meetings Attended (#)	(%)
Bruce Aitken	6 of 6	100	2 of 2	Public Policy	100	11 of 11	100
			3 of 3	Responsible Care	100		
Douglas Arnell	6 of 6	100	3 of 3	Corporate Governance	100	17 of 17	100
			6 of 6 (Chair)	Human Resources	100		
			2 of 2	Public Policy	100		
Howard Balloch	6 of 6	100	7 of 7	Audit, Finance and Risk	100	15 of 15	100
			2 of 2 (Chair)	Public Policy	100		
James Bertram(1)	1 of 1	100	0 of 0	Public Policy	—	2 of 2	100
			1 of 1	Responsible Care	100		
Phillip Cook	6 of 6	100	3 of 3 (Chair)	Corporate Governance	100	15 of 15	100
			6 of 6	Human Resources	100		
John Floren(2)	6 of 6	100	—	—	—	6 of 6	100
Thomas Hamilton(3)	6 of 6	100	—	—	—	6 of 6	100
Maureen Howe(4)	3 of 3	100	4 of 4	Audit, Finance and Risk	100	8 of 8	100
			1 of 1	Corporate Governance	100		
Robert Kostelnik	6 of 6	100	3 of 3	Corporate Governance	100	12 of 12	100
			3 of 3 (Chair)	Responsible Care	100		
Douglas Mahaffy(5)	4 of 6	67	1 of 1	Audit, Finance and Risk	100	11 of 16	69
			2 of 3	Corporate Governance	67		
			4 of 6	Human Resources	67		
Janice Rennie	6 of 6	100	7 of 7	Audit, Finance and Risk	100	19 of 19	100
			6 of 6	Human Resources	100		
Margaret Walker	6 of 6	100	6 of 6	Human Resources	100	15 of 15	100
			3 of 3	Responsible Care	100		
Benita Warmbold	6 of 6	100	7 of 7 (Chair)	Audit, Finance and Risk	100	16 of 16	100
			3 of 3	Responsible Care	100		
Total		97			97		97

(1) Mr. Bertram was appointed a director effective October 1, 2018 and attended all Board and Committee meetings after that date. He did not attend any Public Policy Committee meetings as that Committee did not meet again in 2018 following his appointment.

(2) Mr. Floren is not a member of any Committee, but attends all Committee meetings on a non-voting basis by invitation in his capacity as President & CEO of the Company.

(3) Mr. Hamilton is not a member of any Committee, but in his capacity as Chair of the Board, is considered an ex-officio. He attends all Committee meetings on a non-voting basis. Mr. Hamilton is not standing for re-election at the Meeting.

(4) Ms. Howe was appointed a director effective June 4, 2018 and attended all Board and Committee meetings after that date.

(5) Mr. Mahaffy is not standing for re-election at the Meeting.

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REAPPOINTMENT AND REMUNERATION OF AUDITORS

The directors of the Company recommend the reappointment of KPMG LLP, Chartered Professional Accountants, Vancouver, as the auditors of the Company to hold office until the termination of the next annual meeting of the Company. KPMG LLP has served as the auditors of the Company for more than five years. As in past years, it is also recommended that the remuneration to be paid to the auditors be determined by the directors of the Company.

The persons named as proxyholders in the accompanying proxy, if not expressly directed to the contrary, will vote the Common Shares for which they have been appointed proxyholder to reappoint KPMG LLP as the auditors of the Company and to authorize the directors to determine the remuneration to be paid to the auditors.

Auditor Review

The Company's Audit, Finance and Risk Committee (the "Audit Committee") conducts a formal review of the external auditor every year and a more comprehensive review every five years, and recommends to the Board whether to propose the reappointment of the current independent auditors at the Company's annual meeting of shareholders or to consider other audit firms. These reviews are based on recommendations by the Chartered Professional Accountants of Canada and the Canadian Public Accountability Board ("CPAB") to assist audit committees in their oversight duties. The comprehensive review has been conducted in 2018, covering the five-year period ended December 31, 2017. Factors considered by the Audit Committee in deciding whether to recommend to the Board retaining KPMG LLP include:

- KPMG LLP's global capabilities;
- The quality and candour of KPMG LLP's communications with the Audit Committee and management;
- KPMG LLP's independence;
- The quality and efficiency of the services provided by KPMG LLP, including input from management on KPMG LLP's performance and how effectively KPMG LLP demonstrated its independent judgment, objectivity and professional skepticism;
- External data on audit quality and performance, including recent CPAB and Public Company Accounting Oversight Board reports on KPMG LLP and its peer firms; and
- The appropriateness of KPMG LLP's fees, KPMG LLP's tenure as our independent auditor, and the controls and processes in place that help ensure KPMG LLP's continued independence.

Principal Accountant Fees and Services

Pre-Approval Policies and Procedures

The Audit Committee annually reviews and approves the terms and scope of the external auditors' engagement. The Audit Committee oversees the Audit and Non-Audit Pre-Approval Policy, which sets forth the procedures and the conditions by which permissible services proposed to be performed by KPMG LLP are pre-approved. The Audit Committee has delegated to the Chair of the Audit Committee pre-approval authority for any services not previously approved by the Audit Committee. All such services approved by the Chair of the Audit Committee are subsequently reviewed by the Audit Committee.

All non-audit service engagements, regardless of the cost estimate, must be coordinated and approved by the Chief Financial Officer of the Company to further ensure that adherence to this policy is monitored.

Audit and Non-Audit Fees Billed by the Independent Auditors

KPMG LLP's global fees relating to the years ended December 31, 2018 and December 31, 2017 are as follows:

US$000s	2018	2017
Audit Fees	1,552	1,459
Audit-Related Fees	56	80
Tax Fees	139	134
All Other Fees	47	—
Total	1,794	1,673

Each fee category is described below.

Audit Fees

Audit fees for professional services rendered by the external auditors for the audit of the Company’s consolidated financial statements; statutory audits of the financial statements of the Company’s subsidiaries; quarterly reviews of the Company’s financial statements; consultations as to the accounting or disclosure treatment of transactions reflected in the financial statements; and services associated with registration statements, prospectuses, periodic reports and other documents filed with securities regulators.

Audit fees for professional services rendered by the external auditors for the audit of the Company’s consolidated financial statements were in respect of an "integrated audit" performed by KPMG LLP globally. The integrated audit encompasses an opinion on the fairness of presentation of the Company’s financial statements as well as an opinion on the effectiveness of the Company’s internal controls over financial reporting.

Audit-Related Fees

Audit-related fees for professional services rendered by the auditors for financial audits of employee benefit plans; procedures and audit or attest services not required by statute or regulation; and consultations related to the accounting or disclosure treatment of other transactions.

Tax Fees

Tax fees for professional services rendered for tax compliance and tax advice. These services consisted of: tax compliance, including the review of tax returns; assistance in completing routine tax schedules and calculations; and advisory services relating to domestic and international taxation.

All Other Fees

Other fees for professional services rendered for consulting on project governance.

ADVISORY “SAY ON PAY” VOTE ON APPROACH TO EXECUTIVE COMPENSATION

A detailed discussion of our approach to executive compensation is provided in the "Executive Compensation Discussion and Analysis" that begins on page 38 of this Information Circular. As stated there, the main objective of our executive compensation program is to attract, retain and engage high-quality and high-performance executives with relevant experience who have the ability to successfully execute our strategy and deliver long-term value to our shareholders.

Our executive compensation programs are aligned with returns to shareholders with a significant percentage of the short-term incentive award based on achieving “Modified Return on Capital Employed” goals and on other measures that we believe drive our share price over the longer term. The long-term incentive plan includes Performance Share Units, which vest based on compounded shareholder return over a three-year period, and stock options/Stock Appreciation Rights (“SARs”), which vest over a three-year period and have no value if the underlying share price does not increase.

We also believe in the importance of executives owning Common Shares and require the President & CEO and all other executive officers to meet significant share ownership requirements to more fully align their interests with shareholders' and focus on developing and implementing strategies that create and deliver long-term value for shareholders.

At the 2011 annual meeting of shareholders, we held our first annual advisory vote on executive compensation (commonly referred to as a “say on pay vote”) and 98.8% of shares were voted in favour of accepting the Company’s approach to executive compensation. At each subsequent annual meeting of shareholders, over 96% of shares were voted in favour. It is the Board’s intention that the say on pay vote will be only one part of the ongoing process of engagement between shareholders and the Board on compensation. The Board has also put in place a web-based survey to enable shareholders to give feedback on our approach to executive compensation.

This is an advisory vote and the results will not be binding upon the Board. However, the Board will take the results of the vote into account, together with any feedback received from shareholders through the web-based survey, when considering future compensation policies, procedures and decisions. Shareholders will be asked at the Meeting to consider and, if deemed advisable, to adopt the following resolution that is based on the model say on pay resolution formulated by the Canadian Coalition for Good Governance:

RESOLVED THAT:
On an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the Company's Information Circular delivered in advance of the 2019 annual general meeting of shareholders.
The Board unanimously recommends that shareholders vote FOR the resolution. Unless instructed otherwise, the persons named in our form of proxy will vote FOR the resolution.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or officers of the Company at any time since the beginning of the Company's last completed financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities of the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the directors or officers of the Company, no director or officer of a body corporate that is itself an insider or a subsidiary of the Company, no person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercised control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Company entitled to vote in connection with any matters being proposed for consideration at the Meeting, no proposed director or nominee for election as a director of the Company and no associate or affiliate of any of the foregoing has or had any material interest, direct or indirect, in any transaction or proposed transaction since the beginning of the Company's last financial year that has materially affected or would or could materially affect the Company or any of its subsidiaries.

PART III CORPORATE GOVERNANCE

Statement of Corporate Governance Practices

Corporate governance is a key priority for the Company. We define corporate governance as having the appropriate processes and structures in place to ensure that our business is managed in the best interests of our shareholders while keeping in mind the interests of all stakeholders. We believe good corporate governance is critical to the Company's effective, efficient and prudent operation.

The Company is a Canadian reporting issuer with its Common Shares listed on the TSX and the NASDAQ Global Select Market. In Canada, we are subject to securities regulations that impose on us a requirement to disclose certain corporate governance practices that we have adopted. Canadian regulations also provide guidance on various corporate governance practices that companies like ours should adopt. The Company also monitors corporate governance developments in Canada and adopts best practices where such practices are aligned with our values and our goal of continuous improvement. A brief description of our corporate governance practices follows.

1. Board of Directors

The Board has adopted a set of Corporate Governance Principles to provide for a system of principled goal-setting, effective decision-making and ethical actions. A copy of the Corporate Governance Principles can be found in Schedule A attached to this Information Circular and on our website.

2019 Board Objectives

Every year the Board establishes a set of "Board Objectives" which are dominant themes that the Board wishes to focus particular attention on during the year. In late 2018, the Board established several key objectives for 2019 including:

- continue to demonstrate leadership in Responsible Care;
- develop a better understanding of the timing of additional methanol supply over the next five years;
- provide close stewardship of the key aspects of the Company's growth strategy;
- maintain focus on plant reliability and sustainability, including gas supply; and
- maintain focus on key human resource processes.

The status of each objective is discussed at each Board meeting held in person.

Committees of the Board of Directors

The Board has established five standing Committees with written mandates defining their responsibilities and a requirement to report regularly to the Board. In addition, from time to time, the Board may establish an ad hoc committee for discussing matters of a special nature.

All current Committee members have been determined to be independent in accordance with NASDAQ rules and Canadian securities regulations and no Committee member was during 2018, or is currently, an officer or employee of the Company or any of its subsidiaries. The following table lists each of our standing Committees, its members and a summary of its key responsibilities.

Committee	Current Members	Meetings in 2018 (#)	Overall Attendance[1] (%)	Summary of Key Responsibilities
Audit, Finance and Risk Committee[2]	Benita Warmbold (Chair)[3] Howard Balloch Maureen Howe Janice Rennie	7	100	• assisting the Board in fulfilling its oversight responsibility relating to: • the integrity of the Company's financial statements • the financial reporting process • systems of internal accounting and financial controls • professional qualifications and independence of the external auditors • performance of the external auditors • risk management processes • financing plans and pension plans • compliance by the Company with ethics policies and legal and regulatory requirements • the internal audit process
Corporate Governance Committee	Phillip Cook (Chair) Douglas Arnell Maureen Howe Robert Kostelnik	3	92	• establishing the appropriate composition and governance of the Board, including compensation of all non-management directors • recommending nominees for election or appointment as directors • annually assessing and enhancing the performance of the Board, Board Committees and Board members • shaping the corporate governance of the Company and developing corporate governance principles for the Company • monitoring compliance by the Company with ethics policies and legal and regulatory requirements • providing oversight of the director education program
Human Resources Committee	Douglas Arnell (Chair) Phillip Cook Janice Rennie Margaret Walker	6	93	• approving the goals and objectives of the CEO and evaluating his performance • reviewing and recommending to the Board for approval the remuneration of the Company's executive officers • approving the remuneration of all other employees on an aggregate basis • reviewing the Company's compensation policies and practices from a risk perspective • approving the executive compensation discussion and analysis • reporting to the Board on the Company's organizational structure, officer succession plans, total compensation practices, human resource policies and executive development programs • recommending grants and administrative matters in connection with the long-term incentive plan

Public Policy Committee	Howard Balloch (Chair) Bruce Aitken Douglas Arnell James Bertram	2	100	• reviewing public policy matters that have a significant impact on the Company, including those relating to government relations and public affairs • overseeing the Company's Social Responsibility Policy
Responsible Care Committee	Robert Kostelnik (Chair) Bruce Aitken James Bertram Margaret Walker Benita Warmbold	3	100	• reviewing matters relating to the environment and occupational health and safety issues that impact significantly on the Company • overseeing the Company's Responsible Care Policy and reviewing the policies and standards that are in place to ensure that the Company is carrying out all of its operations in accordance with the principles of Responsible Care

(1) Overall Attendance is a measure of the attendance of all individuals who were committee members during 2018.

(2) The mandate of the Audit, Finance and Risk Committee, together with the relevant education and experience of its members and other information regarding the Audit, Finance and Risk Committee, may be found in the "Audit Committee Information" section of the Company's Annual Information Form for the year ended December 31, 2018.

(3) Ms. Warmbold has been designated as the "audit committee financial expert".

Director Independence

Independence Status of Nominee Directors

Name	Management	Independent	Not Independent
Bruce Aitken		x	
Douglas Arnell		x	
Howard Balloch		x	
James Bertram		x	
Phillip Cook		x	
John Floren	x		x
Maureen Howe		x	
Robert Kostelnik		x	
Janice Rennie		x	
Margaret Walker		x	
Benita Warmbold		x	

Ten of the eleven nominees (91%) who are standing for election to the Board have been determined by the Board to be independent in accordance with NASDAQ rules and Canadian securities regulations. Mr. Floren is the President & CEO of the Company and is therefore not independent.

In accordance with our Corporate Governance Principles, the Board must be composed of a substantial majority of independent directors. The mandates of the Audit, Finance and Risk Committee, the Corporate Governance Committee and the Human Resources Committee state that these Committees must be composed wholly of independent directors. In addition, our Corporate Governance Principles provide that, if the Chair of the Board is not independent, the independent directors on the Board shall select from among themselves a Lead Independent Director. In 2018, all Committees were constituted exclusively of independent directors. Mr. Floren, in his capacity as President & CEO of the Company, and Mr. Hamilton, in his capacity as Chair of the Board, attended all Committee meetings.

Other Directorships and Interlocking Relationships

Several of the nominees are directors of other reporting issuers. For details, please refer to the biographies for each nominee under "Election of Directors".

Ms. Rennie and Mr. Floren serve together as directors on the board of West Fraser Timber Co. Ltd. Mr. Arnell and Ms. Howe served together as directors on the board of Pembina Pipeline Corporation from October 2017 to February 2019. No other nominees serve together as directors of other corporations or acted together as trustees for other entities.

In Camera Sessions

Following each in-person meeting of the Board, an "in camera" session is held at which non-management directors are in attendance as provided in our Corporate Governance Principles. In addition, an in camera session is usually held following each in-person Committee meeting. In 2018, there was an in camera session after every Board and Committee meeting, with the exception of one Committee telephone meeting. Neither Mr. Floren nor any other member of management attends any Board or Committee in camera sessions.

Meeting Attendance Records

The combined Board and Committee meeting attendance rate for all directors in 2018 was 97%. For information concerning the number of Board and Committee meetings held in 2018, as well as the attendance record of each director for those meetings, see the chart on page 13.

2. Board Mandate

Section 3 of the Company's Corporate Governance Principles contains the Board mandate that describes the Board's responsibilities. A copy of the Corporate Governance Principles can be found in Schedule A attached to this Information Circular and on our website.

Board Strategy Oversight

The Board oversees the annual strategic planning process to develop and monitor our strategic direction. Each July, the Board and management hold a full day strategy session that provides detailed information on the business environment and trends affecting the Company and identifies foreseeable opportunities and risks. As part of the 2018 strategy session, the Board and management received presentations on, among other things, an energy price outlook, the methanol market, an overview of the economics underpinning the long-term methanol price and an in-depth review of strategic partnerships. Comprehensive action items and follow-up are agreed during the strategy session. The strategy is then revised accordingly and submitted to the Board for final review and endorsement at the September Board meeting.

The Board is provided with a strategy update at each regularly scheduled Board meeting throughout the year which tracks the progress of each strategic initiative.

3. Position Descriptions

Board Chair and Committee Chairs

The Board has developed written position descriptions (which we call "Terms of Reference") for the Chair of the Board, each Committee Chair and for Individual Directors. These Terms of Reference can be found on our website. Section 4 of the Corporate Governance Principles also sets out the responsibilities of each director.

President & Chief Executive Officer

The President & CEO has a written position description that sets out the position's key responsibilities. In addition, the President & CEO has specific annual corporate and individual performance objectives that he is responsible for meeting. These objectives are reviewed, approved and tracked during the year by the Board through the Human Resources Committee. See "Short-Term Incentive Plan" on page 46 for more complete information on these objectives.

4. Orientation and Continuing Education

To familiarize our directors with the role of the Board, its Committees and the nature and operation of the Company's business, we have a thorough and well thought out process for director onboarding. All directors are provided with information covering a wide range of topics including:

- duties of directors and directors' liabilities
- board and committee governance documents
- the Company's Code of Business Conduct
- strategic plans, operational reports and budgets
- important corporate policies
- recent regulatory filings and analyst reports
- our corporate and organizational structure

New directors are encouraged to not only review and familiarize themselves with this information, but also to have individual meetings with senior management, visit one of our plant sites, attend an Investor Relations event and attend at least one meeting of each of the five Committees. In addition, new directors are assigned another director to act as a "mentor" to assist the new director with settling into the role as quickly as possible.

The Board recognizes the importance of ongoing education for directors. The Company's Corporate Governance Principles state that directors are encouraged to attend seminars, conferences and other continuing education programs to help ensure that

they stay current on relevant issues such as corporate governance, financial and accounting practices and corporate ethics. The Company and all of our directors are members of the Institute of Corporate Directors (“ICD”) and the Company pays the cost of this membership. A number of our directors have attended courses and programs offered by ICD. The Company also encourages directors to attend other appropriate continuing education programs and the Company contributes to the cost of attending such programs. As well, written materials published in periodicals, newspapers or by legal or accounting firms that are likely to be of interest to directors are routinely forwarded to directors or included in a “supplemental reading” section in Board and Committee meeting materials. Furthermore, the Company also believes that serving on other corporate and not-for-profit boards is a valuable source for ongoing education.

The Corporate Governance Committee is responsible for overseeing the director education program and, based on feedback from all directors, the program focuses primarily on providing the directors with more in-depth information about key aspects of our business, including the material risks and opportunities facing the Company. Directors provide input into the agenda for the education program and management schedules presentations and seminars covering these areas, some of which are presented by management and others by external consultants or experts.

The Board and its Committees received a number of presentations in 2018 focused on deepening the Board’s knowledge of the business, the industry and the key risks and opportunities facing the Company. Presentation topics included emerging methanol production technologies, a review of potential methanol plants proposed to be built by competitors, an olefins market review and the natural gas market in Chile and Argentina. In 2018, all but one director attended all internal Board education sessions.

In addition, Board meetings are periodically held at a location where the Company has methanol production operations or significant commercial activities. In November 2018, the Board visited the Company's methanol facilities in Punta Arenas, Chile and its business office in Santiago, Chile. This site visit gave our directors an opportunity to receive various presentations focused on these facilities. The visit also gave our directors an extended opportunity to interact with employees, business associates, government officials and community members as well as tour the methanol production facilities and learn about the local culture.

5. Ethical Business Conduct

Code of Business Conduct

The Company has a written Code of Business Conduct (the “Code”) that applies to all employees, officers and directors. The Code is available in English, Spanish and Arabic and clearly defines a set of standards to help them avoid wrongdoing and to promote honest and ethical behaviour while conducting the Company’s business. A copy of the Code can be found on our website and on SEDAR at www.sedar.com. A printed version is also available upon request to the Corporate Secretary of the Company.

The Code also establishes a confidential “whistle-blower” ethics hotline for reporting suspected violations of the Code. The ethics hotline allows each of the Company's employees to be able to make a report to the hotline either through use of a toll-free phone number or online via the internet. In both cases, the hotline is operated by an external third party and users may make an anonymous report in their own local language.

The Code is reviewed annually by the Board. The Board monitors compliance with the Code primarily through the Audit, Finance and Risk Committee and the Corporate Governance Committee. These Committees receive regular updates on matters relating to the Code, including an annual report on the activities undertaken by management to maintain and increase Code awareness throughout the organization and the results of surveys designed to determine employee understanding and awareness of the Code.

The Code states that suspected Code violations, whether received through the whistle-blower hotline or otherwise, are to be reported to the legal department and that the General Counsel shall investigate the matter. Furthermore, the Chair of the Board and the Chair of the Audit, Finance and Risk Committee are advised of all reports that concern accounting or audit matters and the Chair of that Committee and the General Counsel together determine how such matters should be investigated. In addition, the Audit, Finance and Risk Committee receives quarterly notices from the General Counsel of any concerns received regarding accounting, internal accounting controls, and auditing matters.

No material change report has been filed since the beginning of the Company's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a violation of the Code.

Transactions Involving Directors or Officers

The Code contains a specific provision relating to the need for directors, officers and all employees to avoid conflicts of interest with the Company. Furthermore, the Corporate Governance Committee is mandated to consider questions of independence and possible conflicts of interest of directors and officers. To that end, each director and officer completes an annual questionnaire in which they report on all transactions material to the Company in which they have a material interest. A report of all transactions involving the Company and the directors and executive officers is provided to the Corporate Governance Committee.

Recoupment Policy

The Company has a Recoupment Policy that provides for the forfeiture of options, shares or share units or repayment of cash compensation received by employees in certain circumstances where the employee is involved in wrongdoing. For more information on this policy, please see page 42.

Other Measures

The Board takes other steps to encourage and promote a culture of ethical business conduct. First, under the Company's Corporate Governance Principles, the Board has an obligation to satisfy itself as to the integrity of the CEO and other executive officers and that they are creating a culture of integrity throughout the organization. On an annual basis, the Corporate Governance Committee considers and reports to the Board on this issue. Significant efforts are made to ensure our employees fully understand their responsibilities under the Code through training, leadership communications, certification requirements and awareness initiatives. The level of awareness and understanding of our Code is monitored annually.

In addition to the Code, the Company has several other policies governing ethical business conduct, including the following:

- Competition Law Policy – provides employees with an understanding of the Company's policy of compliance with all competition laws and information concerning the activities that are permitted and prohibited when dealing with competitors, customers and other parties.
- Confidential Information and Trading in Securities Policy – provides guidelines to employees with respect to the treatment of confidential information and advises Company insiders when it is permissible to trade securities of the Company. This policy also prohibits insiders from purchasing financial instruments designed to hedge or offset a decrease in the market value of the Company's shares that they hold. Furthermore, insiders are prohibited from engaging in short selling of the Company's securities, trading in put or call options on the Company's securities or entering into equity monetization arrangements related to the Company's securities.
- Corporate Gifts and Entertainment Policy – provides guidelines to Company employees on the appropriateness of gifts, gratuities or entertainment that may be offered to or accepted from third parties with whom the Company has commercial relations.
- Corrupt Payments Prevention Policy – prohibits the payment or receipt of bribes and kickbacks by the Company's employees and agents. Facilitation payments are also prohibited.
- Political Donation Policy – prohibits all political donations by the Company.

The Company's employees regularly receive either web-based or in-person compliance training that focuses on ethical business conduct and the foregoing policies. In addition, employees and directors who are considered "insiders" under Canadian securities laws have been provided with training concerning their obligations and responsibilities under Canadian securities laws.

6. Nomination of Directors

Nominating Committee and Nomination Process

The Board has established the Corporate Governance Committee as its nominating committee. The Committee is composed entirely of independent directors. A summary of the key responsibilities of the Corporate Governance Committee can be found under "Committees of the Board of Directors".

The Corporate Governance Committee is responsible for identifying new candidates to stand as nominees for election or appointment as directors to the Board. The Corporate Governance Committee uses a skills matrix to assist in this process. On an annual basis, the Corporate Governance Committee reviews a matrix that sets out the various skills and experience considered to be desirable for the Board to possess in the context of the Company's strategic direction. The Corporate Governance Committee then assesses the skills and experience of each current Board member against this matrix. When completed, the matrix helps the Corporate Governance Committee identify any skills or experience gaps and provides the basis for a search to be conducted for new directors to fill any gaps. The skills matrix is reviewed annually by the Corporate Governance Committee to ensure alignment with the Company's corporate strategy. Following is the current board skills matrix outlining the skills and experience of each non-management director and the Corporate Governance Committee's determination as to how many directors on the Board should possess those skills and experience.

Current Non-Mgmt directors	Board Skills											
	Leader-ship(1)	Industry Know-ledge & Exper-ience	Finance	Govern-ment & Public Affairs	Board Exper-ience	Health, Safety & Environ-ment Issues(2)	Inter-national Perspective	Energy	Under-standing of North America Natural Gas Feed-stock Issues	China	Ambitious Business Growth - Large Capital Projects Execution	Ambit-ious Business Growth - Strat-egies & Risks
Aitken	ü	ü	ü		ü		ü		ü			ü
Arnell	ü	ü		ü	ü		ü	ü	ü		ü	ü
Balloch			ü	ü	ü		ü			ü		
Bertram	ü				ü	ü		ü			ü	
Cook	ü	ü		ü			ü			ü	ü	ü
Hamilton(3)	ü	ü		ü	ü		ü	ü	ü			ü
Howe		ü	ü		ü			ü	ü			ü
Kostelnik		ü			ü	ü		ü	ü		ü	
Rennie			ü		ü							
Walker		ü				ü	ü				ü	ü
Warmbold	ü		ü		ü							ü
current directors (non-mgmt)	6	7	5	4	9	3	6	5	5	2	5	7
TARGET	4	6	2	2	7	1	5	2-3	3-4	1-2	1	2-3

(1) Previous/current CEO of a mid to large cap ($500 M +) public company (or equivalent size private company or group division).

(2) Direct responsibility over large-scale process plant including Health, Safety and Environment.

(3) Mr. Hamilton is not standing for re-election at the Meeting.

In identifying potential director candidates, the Corporate Governance Committee takes into account a broad variety of factors it considers appropriate, including skills, independence, financial acumen, board dynamics and personal characteristics. In addition, diversity (as described more fully below) is considered when identifying potential director candidates. Desirable individual characteristics include integrity, credibility, the ability to generate public confidence and maintain the goodwill and confidence of our shareholders, sound and independent business judgment, general good health and the capability and willingness to travel to, attend and contribute at Board functions on a regular basis. Background checks, as appropriate, are completed prior to nomination.

Suitable director candidates have, over the past several years, been identified through the use of an executive search firm retained under the authority of the Corporate Governance Committee. The selection process is led by the Chair of the Corporate Governance Committee and all Committee members and the Chair of the Board are routinely updated on the process and the individuals being considered. The Chair of the Corporate Governance Committee, the Chair of the Board, the CEO and, where appropriate, other directors or senior executives meet in person with the candidate to discuss his or her interest and ability to devote the time and resources required to meet the Company's expectations for directors. The recommended candidate is then formally considered by the Corporate Governance Committee and, if approved, the candidate is recommended to the Board.

Diversity

The Company has a Diversity Policy applicable to both employees and directors of the Company. The full text of the Diversity Policy can be found on the Company's website.

A summary of our Diversity Policy is as follows:

The Company recognizes the importance of diversity, including gender diversity, at all levels of the Company including the Board and the executive team. We believe that diversity is important for both Board and organizational effectiveness. We have identified three key diversity attributes:

(a) Experiential (education, business and functional experience);
(b) Demographic (age, gender, ethnicity, nationality, geography); and
(c) Personal (personality, interests, values).

These attributes are essential for creating an appropriate balance of skills, experience, independence and knowledge required for the Board, the senior management team and the Company as a whole.

These diversity attributes, which specifically include gender diversity, are factored into the recruitment and decision making process when new Board and executive appointments are made. When engaging external search consultants to identify future candidates for Board or executive roles, such consultants are requested to take full account of all aspects of diversity in preparing their candidate list to provide a diverse and balanced slate where possible and to ensure women are included on their candidate list. Ultimately, appointments are based on merit, measured against objective criteria.

Although we are committed to continue increasing the proportion of women on the Board and in senior management, no targets have been adopted. The Corporate Governance Committee and management's foremost priority is to ensure the Company has the best possible leadership. Accordingly, appointments will continue to be made on merit measured against objective criteria to select the best candidate for Board and executive officer positions. However, as noted above, we have processes in place to promote the presentation of a diverse slate of candidates during any new director and senior management search process.

The current number and proportion (in percentage) of directors on the Board who are women are four of 12 members, or 33%. The current number and proportion (in percentage) of executive officers of the Company who are women are one of six members, or 17%.

The Board measures the effectiveness of the Diversity Policy by monitoring the initiatives undertaken by the Company to promote diversity within the organization, and ensuring that balanced slates of candidates are presented for board searches where possible.

We continue to integrate diversity into our existing practices in order to enhance the diversity of our senior management team. Through our annual talent review and succession planning process, we review the number of women in executive and senior leadership positions for both our executive team and the management teams of each business group. On an ongoing basis we seek opportunities to accelerate the development of women through different career development opportunities, participation in formal leadership programs and participation in mentoring and sponsorship initiatives.

Majority Voting for Directors

The Board has a policy that states that any nominee for election as a director at an annual general meeting for whom the number of votes withheld exceeds the number of votes cast in his or her favour will be deemed not to have received the support of shareholders. A director elected in such circumstances will tender his or her resignation to the Chair of the Corporate Governance Committee and that Committee will review the matter and make a recommendation to the Board. The Board will accept the resignation unless there are exceptional circumstances. The Board will, within 90 days of the annual general meeting, issue a public release either announcing the resignation of the director or justifying its decision not to accept the resignation.

If the resignation is accepted, the Board may appoint a new director to fill the vacancy created by the resignation. This policy applies only to uncontested director elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected.

Following the annual general meeting, voting results for directors are issued in a press release and filed on SEDAR at www.sedar.com.

7. Director and Officer Compensation

Director and officer compensation is determined by the Board. The process followed for determining director compensation is described commencing on page 28 and the process followed for executive compensation is described commencing on page 43.

8. Shareholder Survey on Executive Compensation

The Board appreciates the importance that shareholders place on executive compensation and believes that it is important to engage shareholders on this topic. With this in mind, the Company has again put in place a web-based survey to enable our shareholders to provide feedback on our approach to executive compensation as disclosed in this Information Circular. We intend to run this web-based survey on an annual basis. This year, the survey is accessible to shareholders at the Investor Relations section of our website from March 21, 2019 (the date this Information Circular is anticipated to be filed with securities regulators) until June 30, 2019. In order to submit comments, you are asked to provide your name and confirm that you are a current shareholder. Shareholders may comment generally or on specific aspects of our executive compensation and may provide as much detail as they wish. Shareholders who choose to provide an e-mail address may be contacted in order for the Board to better understand their particular concerns. All comments will be provided to the Chair of the Human Resources Committee and discussed at the July 2019 Human Resources Committee meeting to determine whether any actions should be taken to address concerns raised. We will provide a report on this process in our annual disclosure documents next year.

Report on the 2018 Shareholder Survey

In 2018, we did not receive any feedback from shareholders on our shareholder survey on executive compensation.

9. Assessments

The Company's Corporate Governance Principles state as follows:

Performance as a director is the main criterion for determining a director's ongoing service on the Board. To assist in determining performance, each director will take part in an annual performance evaluation process that shall include both a peer and self-evaluation and a confidential discussion with the Chair of the Board.

Our Board conducts an annual performance evaluation and the Corporate Governance Committee oversees the process. Annually, directors are surveyed and asked to evaluate the overall performance and effectiveness of the Board and to make suggestions for improvement. In addition, directors have the opportunity to evaluate and comment on the effectiveness of the Committees, individual directors and the Chair of the Board.

In 2018, directors provided comments on numerous matters including the appropriateness of the Committee structure and the reporting of Committee activities to the Board, the Board's performance of its oversight role, the Board's relationship with management and whether the Board has the appropriate mix of skills and experiences.

The results of the survey are consolidated by the Corporate Secretary, provided to the Chair of the Board and then presented to both the Corporate Governance Committee and the Board at their September meetings. Each Committee reviews and discusses comments relating to its individual Committee evaluation.

Prior to the September Board and Committee meetings, the Chair of the Board has a private conversation with each director regarding their own performance and effectiveness as well as the performance of their fellow directors. In addition, the Chair of the Corporate Governance Committee receives from the Corporate Secretary comments regarding the Chair and his leadership of the Board. These comments form the basis of a private conversation between the Chair of the Corporate Governance Committee and the Chair of the Board. The content of that conversation is reported by the Chair of the Corporate Governance Committee to the full Corporate Governance Committee at its September meeting.

10. Director Tenure

The Board is committed to maintaining an appropriate balance between director retention and renewal. The Company believes that continuity on the Board is an asset and is essential to an effective and well-functioning Board. Due to the number of years it takes to acquire sufficient Company-specific knowledge and the historically long market cycles of the chemical industry, the Company places great value on longer serving directors for their experience and organizational memory.

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However, we also value board renewal and believe it is critical to ensuring that we have a high performing board over the long term. Turnover in Board membership provides an opportunity to enhance diversity of perspectives and adds significant value through the ongoing input of fresh ideas and new knowledge.

The Company's Director Tenure Policy does not include term limits for directors nor mandatory retirement age provisions. Instead, the Policy outlines other processes that the Board has adopted to effectively manage board renewal, including:

- annual evaluations of individual directors to monitor the effectiveness of each director's contribution;
- the Corporate Governance Committee and the Chair of the Board annually review the membership of the Board to enable the Board to manage its overall composition and maintain a balance of directors to ensure long-term continuity and effectiveness; and
- the Chair of the Board and the Chair of the Governance Committee are responsible for developing a long-term board succession plan which incorporates input from one-on-one discussions between the Chair of the Board and each Board member, including discussions regarding estimated future retirement dates for each Board member. This plan is reviewed and updated on an annual basis after the Chair of the Board completes his one-on-one evaluation meeting with each Board member.

11. Management Succession Planning

The Company has detailed succession plans for each executive officer and each of such officer's direct reports. For more information on the Company's succession planning process, please see page 42.

12. Board's Role in Risk Management Process

The Board's mandate provides that the Board is responsible for identifying and overseeing the implementation of systems to manage the principal risks of the Company's business. The Audit, Finance and Risk Committee's mandate also states that the Audit, Finance and Risk Committee is responsible for reviewing with management, at least annually, the Company's processes to identify, monitor, evaluate and address important enterprise-wide strategic and business risks.

Management annually undertakes a formal risk review process that includes identifying the principal strategic risks of the Company, assessing the Company's strategy to mitigate each risk and determining accountability. The results of this process are documented, reviewed and discussed by the Audit, Finance and Risk Committee and the Board. Notwithstanding these formal processes, the Board recognizes that risk management and oversight is a dynamic and continuous process.

In addition, the Board, through the Audit, Finance and Risk Committee, oversees the Company's risk management strategies and programs, including insurance programs, related to the Company's key operational risks such as shipping, cyber security and financial risks. As well, the Human Resources Committee annually reviews the Company's compensation policies and practices to confirm their alignment with the Company's risk management principles and that they do not encourage inappropriate or excessive risk-taking nor are they reasonably likely to have a material adverse effect on the Company.

13. Shareholder Engagement

The Company believes that communication with shareholders is key to transparency and facilitates a full and fair understanding of the Company. To facilitate such engagement, the Board has adopted a Shareholder Engagement Policy which can be found on the Company's website. The Company seeks to communicate with its shareholders through a variety of channels, including its disclosure documents and news releases, its website and presentations at investor conferences.

Shareholder feedback is received through one-on-one or group meetings between management and institutional shareholders as well as by letter (via regular mail or courier), email or telephone contact. With respect to shareholder feedback on executive compensation matters, the Investor Relations page of the Methanex website is enabled to receive such feedback annually from approximately mid-March to June 30. Shareholders may also make their views known through individual voting for directors, an annual say-on-pay advisory vote and other matters submitted to shareholders for approval. In addition, shareholders may put forward shareholder proposals in accordance with applicable rules.

As appropriate, relevant shareholder concerns are addressed promptly by the Investor Relations Department who regularly share feedback with management on investor sentiment and key questions or concerns. Shareholders may communicate their views to management and the Board through our Investor Relations Department by sending a message to:

Investor Relations Department
Methanex Corporation
Suite 1800, 200 Burrard Street
Vancouver, BC V6C 3M1
Telephone: 604-661-2600 or Toll Free: 1 800 661 8851
Email: invest@methanex.com

Shareholders may themselves initiate communications directly with the Board. To do so, shareholders should communicate their questions or concerns to the independent directors through the Chair of the Board by mail (marking the envelope "Confidential") or email:

Chair of the Board
c/o General Counsel & Corporate Secretary
Methanex Corporation
Suite 1800, 200 Burrard Street
Vancouver, BC V6C 3M1
Email: boardchair@methanex.com

All relevant correspondence, with the exception of solicitations for the purchase or sale of products and services and other similar types of correspondence, will be forwarded to the Chair.

PART IV COMPENSATION

COMPENSATION OF DIRECTORS

All amounts in this section “Compensation of Directors” are shown in Canadian dollars except where otherwise noted.

Objective and Design of the Director Compensation Program

We are the world’s largest producer and supplier of methanol with sales and operations around the globe and revenues of approximately USD $4 billion in 2018. As such, the main objective of the Company’s director compensation program is to attract and retain directors with international experience, a broad range of relevant skills and knowledge and the ability to successfully carry out the Board’s mandate. The Board’s mandate can be found in section 3 of our Corporate Governance Principles which are attached to this Information Circular as Schedule A and can also be found on our website.

Directors of the Company are required to devote significant time and energy to the performance of their duties. The Terms of Reference for Individual Directors and the Corporate Governance Principles set forth an extensive list of responsibilities and expectations for the Board as a whole and for each individual director. Directors are expected to prepare for and attend an average of six Board meetings per year, participate on Committees and ensure that they stay informed about the Company’s business and the rapidly changing global business environment. Therefore, to attract and retain experienced, skilled and knowledgeable directors who are willing and able to meet these expectations, the Board believes that it is necessary for the Company to offer a competitive compensation package.

Our director compensation program is designed primarily to:

- compensate directors for applying their knowledge, skills and experience in the performance of their duties;
- align the actions and economic interests of the directors with the interests of long-term shareholders; and
- encourage directors to stay on the Board for a significant period of time.

Director compensation is paid only to non-management directors and is comprised primarily of cash fees (including an annual retainer) and a share-based award. Non-management directors are not eligible to receive stock options under the terms of the Company’s Stock Option Plan. The "Directors’ Total Compensation" table on page 32 sets out the total compensation earned by the directors in 2018.

As part of this compensation program, the directors also have share ownership requirements. See “Directors’ Share Ownership Requirements” on page 35 for more details. The Board believes that share ownership requirements further promote the objectives of director retention and alignment with long-term shareholders.

Process for Determining Director Compensation

The Corporate Governance Committee, composed entirely of independent directors, is responsible for annually recommending to the Board for approval the compensation for the independent directors, including the appropriate compensation elements and the target compensation for each element.

The Corporate Governance Committee reviews director compensation at least every two years and did so in 2017, retaining an independent consultant, Willis Towers Watson, to conduct a review of director compensation. The Corporate Governance Committee has determined that the target compensation level for directors should be competitive with the 50th percentile of a relevant comparator group. The comparator group of companies used by the Corporate Governance Committee for reviewing and determining director compensation is the same comparator group used for reviewing and determining executive compensation. This comparator group is developed by the Human Resources Committee and consists of North American-based companies in the chemicals, mining and oil and gas industries with global operations which, where possible, operate in a commodity-based or cyclical business. The companies in the comparator group are listed below:

Albemarle Corp.		
Ashland Inc.	FMC Corp.	
Baytex Energy Corp.*	Goldcorp Inc.*	Nutrien Limited*
Cabot Corp.	IAMGOLD Corp.*	PolyOne Corp.
Celanese Corp.	International Flavors & Fragrances Inc.	Sherritt International Corp.*
Centerra Gold*	Koppers Holdings Inc.	Westlake Chemical Corp.
	Olin Corp.	

* denotes Canadian companies

In January 2017, the Board determined that, in order to meet the target level of the 50th percentile of a comparator group, director compensation should be increased in a phased approach. In addition, the proportionate mix of cash and share-based awards should be changed to be more heavily weighted towards share-based awards. In January 2018, compensation was increased in the form of share-based awards only and in January 2019, the final phase increase was implemented in order to meet the 50th percentile target level.

The following table summarizes the compensation received by the Chair and non-management directors in 2018 and 2019. All other aspects of director compensation remain unchanged during this period, with the exception of a one-time Chair succession fee of $30,000 per year which was paid to Mr. Arnell for the duration of the Chair succession process in order to compensate for the additional work and responsibility undertaken by him.

	2019			2018		
	Annual Retainer (Cash) ($)	Value of Share-Based Awards ($)	Total ($)	Annual Retainer (Cash) ($)	Value of Share-Based Awards ($)	Total ($)
Chair of the Board	172,000	258,000	430,000	160,000	240,000	400,000
Other non-management directors	96,000	144,000	240,000	90,000	130,000	220,000

Elements of Director Compensation

Director compensation is comprised of two elements, namely (i) annual retainer and other fees and (ii) share-based awards. Each element is described in detail below.

Annual Retainer and Other Fees

During the year ended December 31, 2018, annual retainer and other fees were paid to non-management members of the Board on the following basis:

Annual retainer for a non-management director (excluding the Chair of the Board)	$90,000	annual
Annual retainer for the Chair of the Board	$160,000	annual
Annual retainer for Committee Chairs (with the exception of the Chairs of the Audit, Finance and Risk and Human Resoures Committees)	$10,000	annual
Annual retainer for the Chair of the Audit, Finance and Risk Committee	$20,000	annual
Annual retainer for members of the Audit, Finance and Risk Committee, including the Chair	$10,000	annual
Annual retainer for the Chair of the Human Resources Committee	$20,000	annual
Chair Succession Fee (paid only for the duration of the Chair succession process)	$30,000	annual
Cross-country or intercontinental travel fee to attend Board or Committee meetings	$2,500	per trip
Travel fee for site visits undertaken separate and apart from attendance at Board or Committee meetings (and not for orientation purposes upon joining the Board)	$2,500	per day

Notwithstanding that directors do not receive meeting attendance fees, if over 10 Board meetings are held in a year, the Corporate Governance Committee has the discretion to determine whether any meeting fees are appropriate.

In 2018, the Chair of the Board received a flat fee annual retainer and did not receive any additional fees; however, he is eligible to receive the travel fee for site visits undertaken separate and apart from attendance at Board or Committee meetings.

Share-Based Awards - Restricted Share Unit Plan for Directors

Directors are awarded RSUs under the Company's Restricted Share Unit Plan for Directors as part of the share-based component of their compensation. Directors may elect to receive their RSU award in the form of DSUs, which are more fully described in the following section. In addition, commencing in 2014, directors who are in compliance with their share ownership requirements may elect to receive the cash equivalent of their RSU award. In 2018, four directors elected to receive the cash equivalent of their share-based award, and in 2019 three directors elected to receive the cash equivalent of their share-based award. The table below summarizes the share-based awards granted to directors in 2019 and 2018:

	2019	2018
Chair of the Board	3,400 RSUs or DSUs	3,300 RSUs or DSUs
All other non-management directors	1,900 RSUs or DSUs	1,800 RSUs or DSUs

RSUs are notional shares credited to an "RSU Account." When dividends are paid on Common Shares, an equivalent value of additional RSUs is calculated and credited to each individual's RSU Account. RSUs granted in any year, together with applicable dividend equivalents, will vest on December 1, in the 24th month following the end of the year in which the award was made. Following vesting, directors are entitled to receive a cash payment based on the weighted average closing price of the Common Shares on the TSX during the last 15 days prior to the vesting date, net of applicable withholding tax. RSUs do not entitle participants to any voting or other shareholder rights and are non-dilutive to shareholders.

The Board believes that share-based awards granted to directors both compensate the directors for the performance of their duties and also promote director retention and alignment with the interests of long-term shareholders. The target dollar value of such award ("Target Dollar Value") is determined by the Corporate Governance Committee during its review of director compensation and is targeted to be similar to the awards granted to non-management directors in the 50th percentile of the comparator group as discussed under "Process for Determining Director Compensation."

In 2018, the Target Dollar Value was $130,000 for each non-management director and $240,000 for the Chair of the Board. Each non-management director received the number of RSUs (or DSUs) determined by dividing the Target Dollar Value by the weighted average closing price of the Common Shares on the TSX for the 30-day period ending on the date prior to the date of the grant, and then rounded. The grant date was March 2, 2018.

In 2019, the Target Dollar Value was $144,000 for each non-management director and $258,000 for the Chair of the Board. Each non-management director received the number of RSUs (or DSUs) determined by dividing the Target Dollar Value by the weighted average closing price of the Common Shares on the TSX for the 30-day period ending on the date prior to the date of the grant, and then rounded. The grant date was March 8, 2019.

Share-Based Awards - Deferred Share Unit Plan (Director DSUs)

Under the Company's Deferred Share Unit Plan (the "DSU Plan"), each non-management director elects annually to receive 100%, 50% or 0% of his or her retainer and other fees as DSUs. The actual number of DSUs granted to a director is calculated at the end of each quarter by dividing the dollar amount elected to the DSU Plan by the five-day average closing price of the Common Shares on the TSX during the last five trading days of that quarter. Additional DSUs are credited corresponding to dividends declared on the Common Shares. Under the terms of the DSU Plan, directors must elect to become a member of the DSU Plan by December 31 in any year in order to be eligible to receive DSUs in the following calendar year. Directors may also elect to receive their share-based award in the form of DSUs. See the section above "Share-Based Awards – Restricted Share Unit Plan for Directors".

DSUs held by a director are redeemable only after the date on which the director retires as a director of the Company or upon death ("Termination Date"), and a lump-sum cash payment, net of any withholdings, is made after the director chooses a valuation date. For DSUs granted on or after March 2, 2007, a director may choose a valuation date falling between the Termination Date and December 1 of the first calendar year beginning after the Termination Date, but the director cannot choose a date retroactively. For DSUs granted prior to March 2, 2007, the valuation date chosen may fall on any date within a period beginning one year before the Termination Date and ending on December 1 of the first calendar year beginning after the Termination Date. The lump-sum amount is calculated by multiplying the number of DSUs held in the account by the closing price of the Common Shares on the TSX on the valuation date.

The Board believes that providing directors with the alternative of receiving their cash fees and share-based awards in the form of DSUs, which may not be redeemed until retirement or death, further promotes director retention and alignment with the interests of long-term shareholders.

Stock Options

Non-management directors ceased being granted stock options in 2003. No non-management director currently holds any stock options.

Perquisites

Certain minor out-of-pocket expenses incurred by directors are paid for by the Company. All such expenses, if any, are included in the “All Other Compensation” column found in the Directors’ Total Compensation table.

Directors' Total Compensation

The following table sets out what each director earned by way of annual retainer, other fees and share-based awards for 2018.

Director	Annual Retainer ($)	Annual Retainer for Committee Chairs ($)	Annual Retainer for Audit & HR Committee Chairs ($)	Annual Retainer for Audit Committee Members ($)	Travel Fees & Ad hoc site visit fees[(1)] ($)	Total Fees Earned[(2)] ($)	Share-Based Award[(3)] ($)	All Other Comp-ensation[(4)] ($)	Total ($)
Bruce Aitken	90,000	—	—	—	10,000	100,000	130,000	—	230,000
Douglas Arnell[(5)]	120,000	—	20,000	—	2,500	142,500	126,414	5,539	274,453
Howard Balloch	90,000	10,000	—	10,000	15,000	125,000	130,000	84,725	339,725
James Bertram[(6)]	22,500	—	—	—	2,500	25,000	—	—	25,000
Phillip Cook	90,000	10,000	—	—	15,000	115,000	126,414	9,352	250,766
John Floren[(7)]									
Thomas Hamilton[(8)]	160,000	—	—	—	—	160,000	231,759	17,460	409,219
Maureen Howe[(6)]	52,500	—	—	5,833	2,500	60,833	—	—	60,833
Robert Kostelnik	90,000	10,000	—	—	15,000	115,000	126,414	9,352	250,766
Douglas Mahaffy[(8)]	90,000	—	—	1,667	10,000	101,667	130,000	80,729	312,396
A. Terence Poole[(9)]	30,000	—	6,667	3,333	7,500	47,500	126,414	79,544	253,458
Janice Rennie	90,000	—	—	10,000	2,500	102,500	130,000	22,385	254,885
Margaret Walker	90,000	—	—	—	12,500	102,500	126,414	9,352	238,266
Benita Warmbold	90,000	—	13,333	10,000	17,500	130,833	126,414	9,445	266,692
Total	1,075,000	30,000	40,000	40,833	112,500	1,328,333	1,510,243	327,883	3,166,459

(1) Travel fees are paid per trip for cross-country or intercontinental travel to attend Board or Committee meetings or for site visits undertaken separate and apart from attendance at Board or Committee meetings (and not for orientation purposes upon joining the Board).

(2) This column includes all retainers and travel fees earned during 2018, including any paid in DSUs. Under the DSU Plan, non-management directors may elect to receive 100%, 50% or 0% of their annual cash retainer as DSUs. The DSU Plan is more fully described under "Share-Based Awards - Deferred Share Unit Plan (Director DSUs)". In 2018, Messrs. Arnell and Poole elected to receive 100% of their cash retainers as DSUs (Arnell: 1,758 DSUs; and Poole: 593 DSUs). Mr. Poole retired as a director in April 2018. The number and value of the DSUs received by Messrs. Arnell and Poole in lieu of fees are reflected in the "Share-Based Awards - Value Vested During the Year" table on page 35.

(3) This column reflects the grant date fair value of the share-based compensation (RSUs and DSUs) received by directors in 2018. The value shown is calculated by multiplying the number of RSUs or DSUs awarded in 2018 by the closing price of the Common Shares on the TSX on March 1, 2018, the day before such share units were granted, being $70.23. The grant date fair value shown in this column is the same as the accounting fair value. Directors can elect to receive their share-based compensation award as RSUs or DSUs. Commencing in 2014, if share ownership requirements are met, directors may elect to receive the value of their share-based award as cash, being $130,000. Please see "Share-Based Awards - Restricted Share Unit Plan for Directors" for more information. In 2018, Messrs. Aitken, Balloch and Mahaffy and Ms. Rennie made such election and it was paid quarterly.

(4)

This column is made up of the value of additional share units earned by directors in 2018 (RSUs and/or DSUs as applicable) corresponding to dividends being declared on Common Shares during 2018. See “Share-Based Awards – Restricted Share Unit Plan for Directors” and “Share-Based Awards - Deferred Share Unit Plan (Director DSUs)” for more information on dividend equivalents. With respect to dividend equivalent DSUs, the value of dividend equivalent additional DSUs is calculated by multiplying the number of such units by the Canadian dollar closing price of the Common Shares of the TSX on the day that such units were credited. With respect to dividend equivalent RSUs, the value of dividend equivalent additional RSUs is calculated by multiplying the number of such units by the weighted average Canadian dollar closing price of the Common Shares of the TSX for the 15 trading days prior to the day that such units were credited. No perquisites were paid in 2018.

(5) Mr. Arnell's Annual Retainer in 2018 includes a Chair succession fee of $30,000 per year.

(6) Mr. Bertram and Ms. Howe were elected as directors during 2018 and therefore were not eligible to receive share-based awards in 2018.

(7) Mr. Floren is President & CEO of the Company and therefore did not receive any compensation as a director. See “Statement of Executive Compensation” for information on Mr. Floren’s compensation in 2018.

(8) Messrs. Hamilton and Mahaffy are not standing for re-election at the Meeting.

(9) Mr. Poole retired as a director in April 2018.

Directors' Outstanding Share-Based Awards
The following table shows the number of share-based awards held by each director as at December 31, 2018. Directors do not receive option-based awards.

Director	Outstanding Share-Based Awards as at December 31, 2018 Shares or Units of Shares that Have Not Vested[1] (#)	Market or Payout Value of Share-Based Awards that Have Not Vested[1] ($)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed[2] ($)
Bruce Aitken	—	—	—
Douglas Arnell	—	—	237,361
Howard Balloch	—	—	1,716,090
James Bertram[3]	—	—	—
Phillip Cook	3,617	237,492	—
John Floren[4]			
Thomas Hamilton[5]	6,509	427,381	—
Maureen Howe[3]	—	—	—
Robert Kostelnik	3,617	237,492	—
Douglas Mahaffy[5]	—	—	1,985,821
A. Terence Poole[6]	—	—	2,057,456
Janice Rennie	—	—	857,191
Margaret Walker	3,617	237,492	—
Benita Warmbold	—	—	237,361

(1) These columns reflect the number and value of outstanding unvested RSUs as at December 31, 2018 and include dividend equivalent RSUs credited since the date of the original RSU grants. The value of the RSUs outstanding is calculated by multiplying the number of RSUs outstanding by the closing price of the Common Shares on the TSX on December 31, 2018, being $65.66.

(2) This column reflects the value of vested DSUs received as their annual share-based award ("Annual DSUs") held by each director as at December 31, 2018, and includes dividend equivalent Annual DSUs credited since the date of the original Annual DSU grants. The value of the Annual DSUs is calculated by multiplying the number of Annual DSUs outstanding by the closing price of the Common Shares on the TSX on December 31, 2018, being $65.66.

(3) Mr. Bertram and Ms. Howe were elected as directors during 2018 and therefore not eligible to receive share-based awards in 2018.

(4) Mr. Floren was President & CEO during 2018 and therefore did not receive any compensation as a director. See "Statement of Executive Compensation" for information on Mr. Floren's compensation in 2018.

(5) Messrs. Hamilton and Mahaffy are not standing for re-election at the Meeting.

(6) Mr. Poole retired as a director in April 2018. Following retirement, in 2018 he redeemed 28,000 of his outstanding DSUs. Mr. Poole did not hold any RSUs on his retirement.

The following table shows the total number and value of DSUs, including both DSUs received in lieu of fees and received as annual share-based awards ("Outstanding DSUs"), held by each director as at December 31, 2018 and includes dividend equivalent Outstanding DSUs credited since the date of the original Outstanding DSU grants. The value is calculated by multiplying the number of Outstanding DSUs by the closing price of the Common Shares on the TSX on December 31, 2018, being $65.66. The actual amount paid to a director on settlement of Outstanding DSUs depends on the valuation date chosen by the director, and the valuation date may be retroactive in the case of Outstanding DSUs granted prior to March 2, 2007. See "Share-Based Awards - Deferred Share Unit Plan (Director DSUs)" for more detailed information regarding the DSU Plan and the valuation date that directors may choose.

Director	Number of Outstanding DSUs as at Dec. 31, 2018			Value of Outstanding DSUs as at Dec. 31, 2018
	Granted prior to Mar. 2, 2007	Granted on or after Mar. 2, 2007	Total DSUs Held	($)
Bruce Aitken	—	—	—	—
Douglas Arnell	—	6,875	6,875	451,413
Howard Balloch	—	49,391	49,391	3,243,013
James Bertram(1)	—	—	—	—
Phillip Cook	—	—	—	—
John Floren(2)				
Thomas Hamilton(3)	—	—	—	—
Maureen Howe(1)	—	—	—	—
Robert Kostelnik	—	—	—	—
Douglas Mahaffy(3)	—	47,083	47,083	3,091,470
A. Terence Poole(4)	20,085	19,711	39,796	2,613,005
Janice Rennie	—	13,055	13,055	857,191
Margaret Walker	—	—	—	—
Benita Warmbold	—	5,508	5,508	361,655

(1) Mr. Bertram and Ms. Howe were elected as directors during 2018 and therefore not eligible to receive share-based awards in 2018.
(2) Mr. Floren was President & CEO during 2018 and therefore did not receive any compensation as a director. See "Statement of Executive Compensation" for information on Mr. Floren's compensation in 2018.
(3) Messrs. Hamilton and Mahaffy are not standing for re-election at the Meeting.
(4) Mr. Poole retired as a director in April 2018. Following retirement, in 2018 he redeemed 28,000 of his outstanding DSUs.

Directors’ Share-Based Awards – Value Vested during the Year

The following table shows the aggregate dollar value realized by each director upon vesting of share-based awards during 2018. Directors do not receive stock options and do not receive any non-equity incentive plan compensation.

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Share-Based Awards – Value Vested during the Year

Director	Number Vested during 2018 (#) RSUs Share-Based Award	DSUs[1][2] Granted in Lieu of Fees[4]	Share-Based Award[5]	Dividend Equivalents[6]	Total	Value Vested during 2018 ($) RSUs[3] Share-Based Award	DSUs[2] Granted in Lieu of Fees[4]	Share-Based Award[5]	Dividend Equivalents[6]	Total
Bruce Aitken	—	—	—	—	—	—	—	—	—	—
Douglas Arnell	—	1,758	1,800	120	3,678	—	142,500	126,414	5,539	274,453
Howard Balloch	—	—	—	1,033	1,033	—	—	—	84,725	84,725
James Bertram[7]	—	—	—	—	—	—	—	—	—	—

Engility Corp. 8.875%, 09/01/2024	1,000,000	1,071,250
Automotive - 0.37%		
Midas Intermediate Holdco II LLC / Midas Intermediate Holdco II Finance, Inc. 7.875%, 10/01/2022[f]	810,000	741,150
Building & Development - 3.31%		
Great Lakes Dredge & Dock Corp. 8.000%, 05/15/2022	1,835,000	1,869,407

Blackstone / GSO Long-Short Credit Income Fund Portfolio of Investments

December 31, 2018

	Principal Amount	Value
Building & Development (continued)		
Northwest Hardwoods, Inc. 7.500%, 08/01/2021[f]	$289,000	$208,080
NWH Escrow Corp. 7.500%, 08/01/2021[f]	1,332,000	945,720
PriSo Acquisition Corp. 9.000%, 05/15/2023[f]	3,477,000	3,533,501
		6,556,708
Chemical & Plastics - 0.23%		
Starfruit Finco BV / Starfruit US Holdco LLC 8.000%, 10/01/2026[f]	487,000	451,693
Containers & Glass Products - 1.58%		
ARD Securities Finance SARL 8.750%, 01/31/2023[f][g]	418,277	355,535
Flex Acquisition Co., Inc. 6.875%, 01/15/2025[f]	1,916,000	1,714,820
Trident Merger Sub, Inc. 6.625%, 11/01/2025[f]	1,200,000	1,074,000
		3,144,355
Diversified Insurance - 1.41%		
HUB International, Ltd. 7.000%, 05/01/2026[f]	378,000	343,980
York Risk Services Holding Corp. 8.500%, 10/01/2022[f]	3,500,000	2,450,000
		2,793,980
Drugs - 2.44%		
Avantor, Inc.:		
6.000%, 10/01/2024[f]	833,000	820,505
9.000%, 10/01/2025[f]	2,600,000	2,606,500
Bausch Health Cos., Inc.:		
6.500%, 03/15/2022[f]	520,000	524,722
7.000%, 03/15/2024[f]	323,000	327,037
5.500%, 11/01/2025[f]	600,000	561,750
		4,840,514
Ecological Services & Equipment - 0.38%		
GFL Environmental, Inc. 5.375%, 03/01/2023[f]	864,000	760,320
Electronics/Electrical - 1.96%		
Banff Merger Sub, Inc. 9.750%, 09/01/2026[f]	857,000	786,297
Global A&T Electronics, Ltd. 8.500%, 01/12/2023	1,363,502	1,207,304
Riverbed Technology, Inc. 8.875%, 03/01/2023[f]	2,559,000	1,900,058
		3,893,659

Food Service - 1.72%		
CEC Entertainment, Inc. 8.000%, 02/15/2022	345,000	303,600
PF Chang's China Bistro, Inc. 10.250%, 06/30/2020[(f)]	3,377,000	3,106,840
		3,410,440
Healthcare - 3.37%		
Envision Healthcare Corp. 8.750%, 10/15/2026[(f)]	1,875,000	1,626,562
Surgery Center Holdings, Inc. 8.875%, 04/15/2021[(f)]	1,500,000	1,503,750
Team Health Holdings, Inc. 6.375%, 02/01/2025[(f)]	1,500,000	1,231,875
Tenet Healthcare Corp.:		
4.625%, 07/15/2024	667,000	622,812
5.125%, 05/01/2025	667,000	623,645
7.000%, 08/01/2025	1,143,000	1,061,561
		6,670,205

Blackstone / GSO Long-Short Credit Income Fund Portfolio of Investments

December 31, 2018

	Principal Amount	Value
Oil & Gas - 0.84%		
Calumet Specialty Products Partners LP / Calumet Finance Corp. 7.750%, 04/15/2023	$1,600,000	$1,220,000
CSI Compressco LP / CSI Compressco Finance, Inc. 7.250%, 08/15/2022	500,000	442,500
		1,662,500
Property & Casualty Insurance - 1.89%		
AssuredPartners, Inc. 7.000%, 08/15/2025[f]	1,136,000	1,029,534
Solera LLC / Solera Finance, Inc. 10.500%, 03/01/2024[f]	2,550,000	2,728,500
		3,758,034
Publishing - 0.23%		
McGraw-Hill Global Education Holdings LLC / McGraw-Hill Global Education Finance 7.875%, 05/15/2024[f]	580,000	454,575
Radio & Television - 0.74%		
CSC Holdings LLC 5.125%, 12/15/2021[f]	1,500,000	1,473,750
Telecommunications - 0.78%		
Digicel, Ltd. 6.000%, 04/15/2021[f]	750,000	676,875
Frontier Communications Corp. 10.500%, 09/15/2022	1,250,000	875,000
		1,551,875
Utilities - 0.31%		
Calpine Corp. 5.750%, 01/15/2025	667,000	611,973
TOTAL CORPORATE BONDS (Cost $48,258,009)		43,846,981

	Shares	
COMMON STOCK - 0.14%		
Oil & Gas - 0.14%		
SandRidge Energy, Inc.[h]	37,842	$287,977
TOTAL COMMON STOCK (Cost $1,749,997)		287,977

Total Investments - 167.29%

(Cost $351,255,230)	331,910,598
Liabilities in Excess of Other Assets - (2.97)%	(5,889,592)
Mandatory Redeemable Preferred Shares - (10.14)% (liquidation preference plus distributions payable on term preferred shares)	(20,121,558)
Leverage Facility - (54.18)%	(107,500,000)
Net Assets - 100.00%	$ 198,399,448

Amounts above are shown as a percentage of net assets as of December 31, 2018.

Investment Abbreviations:

LIBOR - London Interbank Offered Rate

PIK - Payment In Kind

Blackstone / GSO Long-Short Credit Income Fund Portfolio of Investments

December 31, 2018

Libor Rates:

1M US L - 1 Month LIBOR as of December 31, 2018 was 2.50%

2M US L - 2 Month LIBOR as of December 31, 2018 was 2.61%

3M US L - 3 Month LIBOR as of December 31, 2018 was 2.81%

6M US L - 6 Month LIBOR as of December 31, 2018 was 2.88%

(a) *Floating or variable rate security. The reference rate is described above. The rate in effect as of December 31, 2018 is based on the reference rate plus the displayed spread as of the security's last reset date.*

(b) *Level 3 assets valued using significant unobservable inputs as a result of unavailable quoted prices from an active market or the unavailability of other significant observable inputs.*

(c) *All or a portion of this position has not settled as of December 31, 2018. The interest rate shown represents the stated spread over the London Interbank Offered Rate ("LIBOR" or "L") or the applicable LIBOR floor; the Fund will not accrue interest until the settlement date, at which point the LIBOR will be established.*

(d) *A portion of this position was not funded as of December 31, 2018. The Portfolio of Investments records only the funded portion of each position. As of December 31, 2018, the Fund has unfunded delayed draw loans in the amount of $961,577. Fair value of these unfunded delayed draw loans was $940,214.*

(e) *Security is in default as of period end and is therefore non-income producing.*

(f) *Security exempt from registration under Rule 144A of the Securities Act of 1933. Total market value of Rule 144A securities amounts to$40,568,898, which represented approximately 20.45% of net assets as of December 31, 2018. Such securities may normally be sold to qualified institutional buyers in transactions exempt from registration.*

(g) *Option to convert to pay-in-kind security.*

(h) *Non-income producing security.*

See Notes to Financial Statements.

Blackstone / GSO Strategic Credit Fund Portfolio of Investments

December 31, 2018

	Principal Amount	Value
FLOATING RATE LOAN INTERESTS[(a)] - 138.61%		
Aerospace & Defense - 3.07%		
DAE Aviation Holdings, Inc., First Lien Initial Term Loan, 1M US L + 3.75%, 07/07/2022	$6,634,601	$6,573,430
Propulsion Acquisition LLC, First Lien Initial Term Loan, 1M US L + 6.00%, 7/13/2021[(b)]	6,925,903	6,856,644
Vectra Co., First Lien Initial Term Loan:		
1M US L + 3.25%, 03/08/2025	2,376,119	2,264,751
1M US L + 7.25%, 03/08/2026	1,666,667	1,633,333
WP CPP Holdings LLC, First Lien Initial Term Loan, 3M US L + 3.75%, 04/30/2025	3,740,625	3,623,730
		20,951,888
Air Transport - 1.12%		
Air Medical Group Holdings, Inc., First Lien 2018 New Term Loan, 1M US L + 4.25%,03/14/2025	5,940,000	5,549,653
Atlantic Aviation FBO, Inc., First Lien B Term Loan, 1M US L + 3.75%, 12/06/2025	2,119,565	2,106,318
		7,655,971
Automotive - 1.39%		
Bright Bidco BV, First Lien 2018 Refinancing B Term Loan, 1M US L + 3.50%, 06/28/2024	134,865	114,382
CH Hold Corp., Second Lien Initial Term Loan, 1M US L + 7.25%, 02/03/2025	3,157,895	3,153,947
Midas Intermediate Holdco II LLC, First Lien 2017 Refinancing Term Loan, 3M US L + 2.75%, 08/18/2021	1,196,947	1,138,596
Superior Industries International, Inc., First Lien Replacement Term Loan, 1M US L + 4.00%,05/22/2024[(b)]	5,364,384	5,122,987
		9,529,912
Beverage & Tobacco - 0.19%		
Winebow Holdings, Inc., Second Lien Term Loan, 1M US L + 7.50%, 01/02/2022[(b)]	2,387,283	1,313,006
Brokers, Dealers & Investment Houses - 0.43%		
Edelman Financial Center LLC, Second Lien Initial Term Loan, 3M US L + 6.75%, 06/26/2026[(b)]	1,846,154	1,763,077
Newport Group Holdings II, Inc., First Lien Initial Term Loan, 3M US L + 3.75%, 09/12/2025	1,197,000	1,182,037
		2,945,114
Building & Development - 9.32%		
American Bath Group LLC, Second Lien Term Loan:		
3M US L + 4.25%, 09/30/2023[(b)]	9,967,539	9,668,513

3M US L + 9.75%, 09/30/2024[b]	600,000	597,000
CPG International LLC, First Lien New Term Loan, 3M US L + 3.75%, 05/05/2024	793,939	764,167
Dayton Superior Corp., First Lien Borrowing Term Loan, 3M US L + 8.00%, 6.00% PIK,11/15/2021	3,738,687	3,131,151
Fastener Acquisition, Inc., First Lien Initial Term Loan, 3M US L + 4.25%, 03/28/2025	3,411,719	3,236,868
Forest City Enterprises LP, First Lien Initial Term Loan, 3M US L + 4.00%, 12/08/2025[c]	4,431,818	4,339,481
Forterra Finance LLC, First Lien Replacement Term Loan, 1M US L + 3.00%, 10/25/2023	9,695,823	8,792,027
Hillman Group, Inc., First Lien Initial Term Loan, 3M US L + 3.50%, 05/30/2025	8,962,481	8,536,763
Interior Logic Group Holdings IV LLC, First Lien Initial Term Loan, 1M US L + 4.00%,05/30/2025	6,529,091	6,422,993
LBM Borrower LLC, Second Lien Initial Term Loan:		
2M US L + 3.75%, 08/19/2022	4,689,906	4,390,924
2M US L + 9.25%, 08/20/2023	1,713,476	1,679,207
Ply Gem Midco, Inc., First Lien Initial Term Loan, 3M US L + 3.75%, 04/12/2025[b]	3,751,767	3,432,867
SIWF Holdings, Inc., First Lien Initial Term Loan, 3M US L + 4.25%, 06/15/2025	2,388,000	2,326,819
SRS Distribution, Inc., First Lien Initial Term Loan, 2M US L + 3.25%, 05/23/2025	6,855,545	6,415,317
		63,734,097

Blackstone / GSO Strategic Credit Fund Portfolio of Investments

December 31, 2018

	Principal Amount	Value
Business Equipment & Services - 22.08%		
Access CIG LLC, First Lien B Term Loan:		
1M US L + 3.75%, 02/27/2025	$368,127	$358,696
1M US L + 3.75%, 02/27/2025	1,841,124	1,793,955
3M US L + 7.75%, 02/27/2026	326,087	323,098
Advantage Sales & Marketing, Inc., First Lien Initial Term Loan:		
1M US L + 3.25%, 07/23/2021	3,115,539	2,767,627
1M US L + 3.25%, 07/25/2021	2,561,000	2,277,152
1M US L + 6.50%, 07/25/2022	11,245,389	8,907,304
Allied Universal Holdco LLC, First Lien Initial Term Loan:		
1M US L + 4.25%, 07/28/2022	3,829,787	3,667,021
1M US L + 3.75%, 07/28/2022	4,668,000	4,441,602
AqGen Ascensus, Inc., First Lien Replacement Term Loan, 1M US L + 3.50%, 12/03/2022	7,256,207	7,092,942
BMC Acquisition, Inc., First Lien Initial Term Loan, 6M US L + 5.25%, 12/18/2024(b)	2,815,313	2,822,351
Capri Acquisitions BidCo, Ltd., First Lien Initial Dollar Term Loan, 3M US L + 3.25%, 11/01/2024	5,935,756	5,653,808
DG Investment Intermediate Holdings 2, Inc., First Lien Initial Term Loan:		
1M US L + 3.00%, 02/03/2025	1,003,393	953,224
3M US L + 6.75%, 02/01/2026(b)	1,422,414	1,358,405
Epicor Software Corp., First Lien B Term Loan, 1M US L + 3.25%, 06/01/2022	4,220,573	4,048,585
Explorer Holdings, Inc., First Lien Initial Term Loan, 3M US L + 3.75%, 05/02/2023	5,480,754	5,314,057
GI Revelation Acquisition LLC, First Lien Initial Term Loan:		
1M US L + 5.00%, 04/16/2025	4,664,995	4,600,851
1M US L + 9.00%, 04/10/2026(b)	6,000,000	5,760,000
GlobalLogic Holdings, Inc., First Lien Initial Term Loan, 3M US L + 3.25%, 07/25/2025(b)	740,291	715,306
IG Investments Holdings LLC, First Lien Refinancing Term Loan, 1M US L + 3.50%, 05/23/2025	665,574	649,933
Inmar, Inc., First Lien Initial Term Loan:		
1M US L + 3.50%, 05/01/2024	1,263,265	1,231,683
1M US L + 8.00%, 05/01/2025	3,786,982	3,749,113
KUEHG Corp., Second Lien Tranche B Term Loan:		
3M US L + 3.75%, 02/21/2025	4,678,411	4,508,842
3M US L + 8.25%, 08/15/2025	6,161,780	6,207,993
LD Intermediate Holdings, Inc., First Lien Initial Term Loan, 2M US L + 5.875%, 12/09/2022	6,049,408	5,489,838
LegalZoom.com, Inc., First Lien 2018 Term Loan, 1M US L + 4.50%, 11/21/2024(b)	5,142,857	5,065,714
Mitchell International, Inc., First Lien Initial Term Loan:		
1M US L + 3.25%, 11/29/2024	5,877,202	5,678,876

1M US L + 7.25%, 12/01/2025	2,303,030	2,246,905
National Intergovernmental Purchasing Alliance Co., First Lien Initial Term Loan:		
3M US L + 3.75%, 05/19/2025	5,571,288	5,432,006
3M US L + 7.50%, 05/22/2026[b]	4,200,000	4,095,000
PricewaterhouseCoopers Public Sector LLP, Second Lien Initial Term Loan, 1M US L + 7.50%,05/01/2026[b]	1,200,000	1,206,000
PT Intermediate Holdings III LLC, First Lien B Term Loan:		
3M US L + 4.00%, 12/9/2024[b]	4,285,289	4,199,584
3M US L + 8.00%, 12/08/2025[b]	4,200,000	4,158,000
Revspring, Inc., First Lien Initial Term Loan, 3M US L + 4.25%, 10/11/2025[b]	3,600,000	3,591,000
Sedgwick Holdings, Inc., First Lien Initial Term Loan, L + 3.25%, 12/31/2025[c]	3,981,567	3,814,023
St. George's University Scholastic Services LLC, First Lien Term Loan, 1M US L + 3.50%, 07/17/2025	5,181,352	5,064,771
Staples, Inc., First Lien Closing Date Term Loan, 3M US L + 4.00%, 09/12/2024	2,167,733	2,083,289
Surveymonkey, Inc., First Lien Term Loan, 1M US L + 3.75%, 10/10/2025[b]	6,805,903	6,635,755
ThoughtWorks, Inc., First Lien Replacement Term Loan, 1M US L + 4.00%, 10/11/2024	3,034,158	2,996,231
TRC Cos., Inc., First Lien Initial Term Loan, 1M US L + 3.50%, 06/21/2024	3,805,123	3,743,290
Weld North Education LLC, First Lien Initial Term Loan, 3M US L + 4.25%, 02/15/2025[b]	6,352,000	6,209,080
		150,912,910

Blackstone / GSO Strategic Credit Fund Portfolio of Investments

December 31, 2018

	Principal Amount	Value
Chemical & Plastics - 2.75%		
Composite Resins Holding B.V., First Lien Initial Term Loan, 3M US L + 4.25%, 06/27/2025[b]	$7,164,000	$7,002,810
Spectrum Holdings III Corp., First Lien Closing Date Term Loan:		
1M US L + 3.25%, 01/31/2025	893,027	858,422
1M US L + 7.00%, 01/26/2026[b]	1,833,333	1,796,667
Starfruit Finco B.V., First Lien Initial Dollar Term Loan, 1M US L + 3.25%, 10/01/2025	5,037,313	4,835,821
Vantage Specialty Chemicals, Inc., First Lien Closing Date Term Loan:		
3M US L + 4.00%, 10/28/2024	2,402,775	2,324,685
2M US L + 8.25%, 10/27/2025	1,995,334	1,958,749
		18,777,154
Conglomerates - 1.35%		
American Residential Services LLC, First Lien Term Loan, 1M US L + 4.00%, 6/30/2021	3,032,670	2,972,016
Genuine Financial Holdings LLC, First Lien Initial Term Loan, 2M US L + 3.75%, 07/11/2025	3,139,672	3,033,708
Output Services Group, Inc., First Lien B Term Loan, 1M US L + 4.25%, 03/21/2024	1,534,648	1,492,446
SSH Group Holdings, Inc., First Lien Initial Term Loan, 3M US L + 4.25%, 07/30/2025[b]	1,773,333	1,706,833
		9,205,003
Containers & Glass Products - 4.20%		
Caraustar Industries, Inc., First Lien Refinancing Term Loan, 3M US L + 5.50%, 03/14/2022	3,845,808	3,825,887
Flex Acquisition Co., Inc., First Lien Incremental B-2018 Term Loan, 3M US L + 3.25%, 06/29/2025	3,562,500	3,384,375
Goodpack, Ltd., Second Lien Tranche B-1 Term Loan, 3M US L + 7.00%, 09/11/2024	1,691,209	1,684,867
IBC Capital I, Ltd., First Lien Tranche B-1 Term Loan, 3M US L + 3.75%, 09/11/2023	2,977,500	2,880,731
Loparex International BV, First Lien B Term Loan, 3M US L + 4.25%, 03/28/2025[b]	5,970,000	5,880,450
Pregis Holding I Corp., First Lien Term Loan, 3M US L + 3.50%, 5/20/2021[b]	2,435,580	2,325,979
ProAmpac PG Borrower LLC, First Lien Initial Term Loan:		
1M US L + 3.50%, 11/20/2023	1,722,178	1,652,214
1M US L + 8.50%, 11/18/2024	1,464,115	1,467,775
Ranpak Corp., Second Lien Initial Term Loan, 1M US L + 7.25%, 10/03/2022[b]	76,814	76,622
Strategic Materials Holding Corp., Second Lien Initial Term Loan, 3M US L + 7.75%, 12/27/2025[b]	4,666,667	4,223,333
Trident TPI Holdings, Inc., First Lien Tranche B-1 Term Loan, 1M US L + 3.25%, 10/17/2024	1,418,203	1,338,429

		28,740,662
Diversified Insurance - 0.81%		
Acrisure LLC, First Lien 2018-1 Additional Term Loan, 3M US L + 3.75%, 11/22/2023	1,676,966	1,588,926
BroadStreet Partners, Inc., First Lien Tranche B-2 Term Loan, 1M US L + 3.25%, 11/08/2023(c)	75,858	73,298
CP VI Bella Midco LLC, First Lien Initial Term Loan:		
1M US L + 3.00%, 02/14/2025	1,276,172	1,231,506
1M US L + 6.75%, 02/16/2026	1,178,571	1,157,946
Genworth Holdings, Inc., First Lien Initial Term Loan, 1M US L + 4.50%, 02/28/2023	1,035,652	1,022,706
York Risk Services Holding Corp., First Lien Term Loan, 1M US L + 3.75%, 10/01/2021	485,021	454,880
		5,529,262
Drugs - 1.66%		
Albany Molecular Research, Inc., Second Lien Initial Term Loan, 1M US L + 7.00%, 08/30/2025	1,473,214	1,460,942
Arbor Pharmaceuticals LLC, First Lien Initial Term Loan, 3M US L + 5.00%, 07/05/2023(b)	4,793,880	4,314,492
Packaging Coordinators Midco, Inc., First Lien Initial Term Loan, 3M US L + 4.00%, 06/30/2023	5,645,366	5,574,799
		11,350,233
Ecological Services & Equipment - 0.45%		
EnergySolutions LLC, First Lien Initial Term Loan, 3M US L + 3.75%, 05/09/2025	2,118,567	1,970,268

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Ecological Services & Equipment (continued)		
Tunnel Hill Partners LP, First Lien Cov-Lite TLB Term Loan, L + 3.50%, 10/01/2025[c]	$1,115,044	$1,100,409
		3,070,677
Electronics/Electrical - 25.37%		
AppLovin Corp., First Lien Initial Term Loan, 3M US L + 3.75%, 08/15/2025	1,082,474	1,066,237
Boxer Parent Co., Inc., First Lien Initial Dollar Term Loan, 3M US L + 4.25%, 10/02/2025	9,000,000	8,703,315
Brave Parent Holdings, Inc., First Lien Initial Term Loan, 1M US L + 4.00%, 04/18/2025	2,393,985	2,322,165
CommerceHub, Inc., First Lien Initial Term Loan, 1M US L + 3.75%, 05/21/2025[b]	3,731,250	3,647,297
Compuware Corp., First Lien Term Loan, 1M US L + 3.50%, 08/25/2025	1,486,452	1,467,871
CPI International, Inc., Second Lien Initial Term Loan, 1M US L + 7.25%, 07/25/2025[b]	1,045,752	1,030,065
Curvature, Inc., First Lien Initial Term Loan, 1M US L + 5.00%, 10/30/2023	11,599,627	8,837,524
DigiCert, Inc., Second Lien Initial Term Loan, 1M US L + 8.00%, 10/31/2025	4,000,000	3,895,000
Dynatrace LLC, First Lien Term Loan:		
1M US L + 3.25%, 08/22/2025	1,920,000	1,864,800
1M US L + 7.00%, 08/21/2026	1,374,936	1,358,890
ECi Macola/MAX Holding LLC, First Lien Initial Term Loan, 3M US L + 4.25%, 09/27/2024	1,657,483	1,636,764
Flexera Software LLC, First Lien Initial Term Loan:		
1M US L + 3.25%, 02/26/2025	2,148,920	2,078,006
1M US L + 7.25%, 02/26/2026	1,774,194	1,758,669
Gigamon, Inc., First Lien Initial Term Loan, 3M US L + 4.50%, 12/27/2024[b]	10,204,037	10,076,486
Help/Systems Holdings, Inc., First Lien Term Loan:		
1M US L + 3.75%, 03/28/2025	2,154,528	2,073,733
1M US L + 7.75%, 03/23/2026[b]	2,068,966	2,027,586
Hyland Software, Inc., Second Lien Initial Term Loan, 1M US L + 7.00%, 07/07/2025	1,675,906	1,659,147
Idera, Inc., First Lien Initial Term Loan, 1M US L + 4.50%, 06/28/2024	2,837,766	2,843,087
Imperva, Inc., First Lien Term Loan:		
L + 4.00%, 11/20/2025[b][c]	3,272,727	3,227,727
L + 7.75%, 11/20/2026[b][c]	2,823,529	2,823,530
Ivanti Software, Inc., First Lien Term Loan:		
1M US L + 4.25%, 01/20/2024	5,955,848	5,806,952
1M US L + 9.00%, 01/20/2025	6,000,000	5,760,000
McAfee LLC, First Lien B USD Term Loan, 1M US L + 3.75%, 09/30/2024	11,321,925	11,053,029
MH Sub I LLC, First Lien Amendment No. 2 Initial Term Loan, 1M US L + 3.75%, 09/13/2024	2,832,960	2,694,853

MLN US HoldCo LLC, First Lien B Term Loan, 3M US L + 4.50%, 11/30/2025	4,119,718	4,003,872
Navex Topco, Inc., First Lien Initial Term Loan:		
1M US L + 3.25%, 09/04/2025	672,472	633,805
1M US L + 7.00%, 09/04/2026	3,000,000	2,895,000
P2 Upstream Acquisition Co., First Lien Term Loan, 3M US L + 4.00%, 10/30/2020	4,052,392	3,918,157
Park Place Technologies LLC, First Lien Initial Term Loan, 1M US L + 4.00%, 03/29/2025[b]	3,062,037	3,035,244
Ping Identity Corp., First Lien Term Loan, 1M US L + 3.75%, 1/23/2025[b]	1,857,333	1,848,047
Presidio Holdings, Inc., First Lien B Term Loan, 3M US L + 2.75%, 02/02/2024	883,681	852,014
Project Alpha Intermediate Holding, Inc., First Lien Term Loan, 3M US L + 3.50%, 04/26/2024	2,096,640	2,028,499
Project Angel Parent LLC, First Lien Initial Term Loan, 1M US L + 4.00%, 05/30/2025[b]	3,573,134	3,519,537
Project Leopard Holdings, Inc., First Lien 2018 Repricing Term Loan, 1M US L + 4.00%, 7/7/2023	2,743,125	2,684,833
Project Silverback Holdings Corp., First Lien New Term Loan, 1M US L + 3.50%, 08/21/2024	2,002,817	1,805,870
Quest Software US Holdings, Inc., First Lien Initial Term Loan:		
3M US L + 4.25%, 05/16/2025	9,200,000	8,924,000
3M US L + 8.25%, 05/17/2026	8,885,470	8,804,035
Rocket Software, Inc., First Lien Initial Term Loan, 1M US L + 4.25%, 11/28/2025	4,667,727	4,588,376
SciQuest, Inc., First Lien Term Loan, 1M US L + 4.00%, 12/20/2024[b]	6,871,154	6,768,086
SCS Holdings I, Inc., First Lien New Tranche B Term Loan, 1M US L + 4.25%, 10/30/2022	4,206,733	4,159,407
SonicWall US Holdings, Inc., First Lien Initial Term Loan:		
3M US L + 3.50%, 05/16/2025	4,064,516	3,890,067
3M US L + 7.50%, 05/17/2026[b]	4,800,000	4,740,000

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Electronics/Electrical (continued)		
Triton Solar US Acquisition Co., First Lien B Term Loan, 3M US L + 6.00%, 10/31/2024	$700,101	$654,595
Veritas US, Inc., First Lien New Dollar B Term Loan, 3M US L + 4.50%, 01/27/2023	4,334,559	3,726,182
Vero Parent, Inc., First Lien 2018 Refinancing Term Loan, 1M US L + 4.50%, 08/16/2024	1,685,916	1,670,641
Web.com Group, Inc., First Lien B Term Loan:		
3M US L + 3.75%, 10/10/2025	6,000,000	5,790,000
3M US L + 7.75%, 10/09/2026	2,821,429	2,800,268
		173,453,268
Equipment Leasing - 1.06%		
Deck Chassis Acquisition, Inc., Second Lien Initial Term Loan, 1M US L + 6.00%, 06/15/2023[(b)]	7,500,000	7,237,500
Farming/Agriculture - 0.05%		
TruGreen LP, First Lien Initial Incremental Term Loan, 1M US L + 4.00%, 04/13/2023[(b)]	363,497	360,771
Financial Intermediaries - 3.34%		
ASP MCS Acquisition Corp., First Lien Initial Term Loan, 3M US L + 4.75%, 05/20/2024	6,791,646	5,594,618
ION Trading Technologies S.A.R.L., First Lien 2018 Initial Dollar Term Loan, 3M US L + 4.00%, 11/21/2024	7,468,947	7,076,827
NorthStar Financial Services Group LLC, First Lien Initial Term Loan:		
1M US L + 3.50%, 05/25/2025	5,820,750	5,699,475
1M US L + 7.50%, 05/25/2026[(b)]	1,500,000	1,485,000
Resolute Investment Managers, Inc., Second Lien Tranche C Term Loan, 3M US L + 7.50%, 04/30/2023[(b)]	3,000,000	3,000,000
		22,855,920
Food Products - 2.75%		
Alphabet Holding Co., Inc., First Lien Initial Term Loan, 1M US L + 3.50%, 09/26/2024	5,449,812	4,932,080
CSM Bakery Solutions, Ltd., First Lien Term Loan, 3M US L + 4.00%, 7/3/2020	5,805,932	5,392,260
TKC Holdings, Inc., First Lien Initial Term Loan:		
1M US L + 3.75%, 02/01/2023	4,709,396	4,494,553
1M US L + 8.00%, 02/01/2024	4,052,012	3,996,662
		18,815,555

Food Service - 4.34%		
CEC Entertainment, Inc., First Lien B Term Loan, 1M US L + 3.25%, 02/12/2021	7,300,439	6,777,253
Flynn Restaurant Group LP, First Lien Initial Term Loan, 1M US L + 3.50%, 06/27/2025(b)(c)	7,653,979	7,271,280
Fogo de Chao, Inc., First Lien 2018 Refinancing Term Loan, 1M US L + 4.25%, 04/07/2025	2,387,438	2,291,940
K-Mac Holdings Corp., Second Lien Initial Term Loan, 1M US L + 6.75%, 03/09/2026	1,744,186	1,665,698
NPC International, Inc., Second Lien Initial Term Loan, 1M US L + 7.50%, 04/18/2025	3,424,278	3,235,942
Quidditch Acquisition, Inc., First Lien B Term Loan, 1M US L + 7.00%, 03/14/2025(b)	2,980,257	2,965,356
Red Lobster Management LLC, First Lien Initial Term Loan, 1M US L + 5.25%, 07/28/2021(b)	2,611,079	2,539,275
Tacala Investment Corp., Second Lien Initial Term Loan, 1M US L + 7.00%, 01/30/2026	3,034,483	2,935,862
		29,682,606
Food/Drug Retailers - 0.89%		
EG Group, Ltd., First Lien Facility B Term Loan:		
3M US L + 4.00%, 02/07/2025(c)	5,623,230	5,433,446
3M US L + 4.00%, 02/07/2025	689,236	665,974
		6,099,420
Health Insurance - 1.24%		
Achilles Acquisition LLC, First Lien Closing Date Term Loan, 1M US L + 4.00%, 10/13/2025	2,304,000	2,275,200
FHC Health Systems, Inc., First Lien Initial Term Loan, 1M US L + 4.00%, 12/23/2021	7,420,396	6,196,031
		8,471,231

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Healthcare - 21.11%		
Alvogen Pharma US, Inc., First Lien 2018 Refinancing Term Loan, 1M US L + 4.75%, 04/01/2022	$9,077,850	$8,916,173
Auris LuxCo, First Lien B Term Loan, 3M US L + 3.75%, 07/24/2025[(c)]	2,076,923	2,028,905
BioClinica Holding I LP, First Lien Initial Term Loan:		
3M US L + 4.25%, 10/20/2023	2,458,038	2,282,903
3M US L + 8.25%, 10/21/2024	3,157,898	2,913,161
Carestream Health, Inc.:		
1M USL + 5.75%, 02/28/2021[(b)(c)]	535,804	526,427
1M USL + 9.50%, 06/07/2021[(b)(c)]	10,343,603	10,188,449
Certara Holdco, Inc., First Lien Replacement Term Loan, 3M US L + 3.50%, 08/15/2024[(b)]	934,428	916,908
Covenant Surgical Partners, Inc., First Lien Initial Term Loan, 3M US L + 4.50%, 10/04/2024[(b)]	2,234,789	2,201,268
CT Technologies Intermediate Holdings, Inc., First Lien New Facility Term Loan, 1M US L + 4.25%, 12/01/2021	2,925,579	2,440,416
Dentalcorp of Canada ULC, First Lien Initial Term Loan:		
3M US L + 2.184%, 06/06/2025[(d)]	356,174	347,270
1M US L + 3.75%, 06/06/2025	2,522,535	2,459,472
Envision Healthcare Corp., First Lien Initial Term Loan, 3M US L + 3.75%, 10/10/2025	6,270,968	5,861,097
Equian Buyer Corp., First Lien 2018 Incremental Term Loan, 1M US L + 3.25%, 05/20/2024	3,363,417	3,264,196
Greenway Health LLC, First Lien Term Loan, 3M US L + 3.75%, 02/16/2024	3,056,897	2,980,474
Heartland Dental LLC, First Lien Initial Term Loan, 1M US L + 3.75%, 04/30/2025	4,245,780	4,081,256
Immucor, Inc., First Lien B-3 Term Loan, 1M US L + 5.00%, 06/15/2021	340,962	336,061
Lanai Holdings II, Inc., First Lien Initial Term Loan, 3M US L + 4.75%, 08/29/2022	6,318,570	5,836,779
LifeScan Global Corp., First Lien Initial Term Loan, 3M US L + 6.00%, 10/01/2024	9,000,000	8,527,500
Maravai Intermediate Holdings LLC, First Lien Initial Term Loan, 1M US L + 4.25%, 08/02/2025[(b)]	2,751,169	2,654,878
Midwest Physician Administrative Services LLC, Second Lien Initial Term Loan, 1M US L + 7.00%, 08/15/2025	2,560,000	2,480,000
Navicure, Inc., First Lien Initial Term Loan, 1M US L + 3.75%, 11/01/2024	6,656,571	6,498,478
Netsmart Technologies, Inc., First Lien D-1 Term Loan, 1M US L + 3.75%, 04/19/2023	9,261,741	9,227,009
NMSC Holdings, Inc., First Lien Initial Term Loan, 3M US L + 5.00%, 04/19/2023	689,480	682,585
nThrive, Inc., First Lien Additional B-2 Term Loan, 1M US L + 4.50%, 10/20/2022	6,378,359	6,115,252
Onex TSG Holdings II Corp., First Lien Initial Term Loan, 1M US L + 4.00%, 07/29/2022	4,966,836	4,780,579

Pearl Intermediate Parent LLC, First Lien Initial Term Loan:		
3M US L + 1.48444%, 02/14/2025[d]	299,593	284,987
1M US L + 2.75%, 02/14/2025	1,329,940	1,265,105
PharMerica Corp., Second Lien Initial Term Loan, 1M US L + 7.75%, 12/07/2025[b]	868,217	829,147
Press Ganey Holdings, Inc., Second Lien Initial Term Loan, 1M US L + 6.50%, 10/21/2024[b]	1,123,601	1,117,983
Project Ruby Ultimate Parent Corp., First Lien New Term Loan, 1M US L + 3.50%, 02/09/2024	2,607,763	2,565,386
Prospect Medical Holdings, Inc., First Lien B-1 Term Loan, 1M US L + 5.50%, 02/22/2024	4,661,736	4,618,033
Regionalcare Hospital Partners Holdings, Inc., First Lien B Term Loan, 3M US L + 4.50%, 11/16/2025	4,405,595	4,192,210
Surgery Center Holdings, Inc., First Lien Initial Term Loan, 1M US L + 3.25%, 09/02/2024	382,854	365,867
Team Health Holdings, Inc., First Lien Initial Term Loan, 1M US L + 2.75%, 02/06/2024	997,462	896,469
U.S. Renal Care, Inc., First Lien Initial Term Loan, 3M US L + 4.25%, 12/30/2022	7,101,818	6,784,011
Verscend Holding Corp., First Lien B Term Loan, 1M US L + 4.50%, 08/27/2025	3,740,625	3,628,406
Viant Medical Holdings, Inc., First Lien Initial Term Loan, 3M US L + 3.75%, 07/02/2025	2,493,750	2,465,695
Vyaire Medical, Inc., First Lien Term Loan, 3M US L + 4.75%, 04/16/2025[b]	8,955,000	8,462,475
YI LLC, First Lien Initial Term Loan, 3M US L + 4.00%, 11/06/2024[b]	4,046,138	4,020,850
Zest Acquisition Corp., Second Lien Initial Term Loan, 3M US L + 7.50%, 03/06/2026[b]	4,357,143	4,270,000
		144,314,120
Home Furnishings - 0.68%		
AI Aqua Merger Sub, Inc., First Lien Tranche B-1 Term Loan:		
1M US L + 3.25%, 12/13/2023	183,075	175,752
1M US L + 3.25%, 12/13/2023	678,038	651,764
Hayward Industries, Inc., First Lien Initial Term Loan, 1M US L + 3.50%, 08/05/2024	360,639	347,865

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Home Furnishings (continued)		
Serta Simmons Bedding LLC, Second Lien Initial Term Loan, 1M US L + 8.00%, 11/8/2024	$4,786,804	$3,450,496
		4,625,877
Industrial Equipment - 4.15%		
AI Alpine AT BidCo GmbH, First Lien Facility B Term Loan, 2M US L + 3.25%, 10/31/2025(b)	810,219	777,810
Apex Tool Group LLC, First Lien Second Amendment Term Loan, 1M US L + 3.75%, 02/01/2022(c)	5,260,766	5,084,530
Blount International, Inc., First Lien New Refinancing Term Loan, 1M US L + 3.75%, 04/12/2023	1,181,563	1,170,727
Engineered Machinery Holdings, Inc., First Lien Initial Term Loan, 3M US L + 3.25%, 07/19/2024	4,415,400	4,277,419
Helix Acquisition Holdings, Inc., First Lien 2018 New Term Loan, 3M US L + 3.50%, 09/30/2024	3,808,912	3,694,645
LTI Holdings, Inc., First Lien Initial Term Loan:		
1M US L + 3.50%, 09/06/2025	1,978,512	1,868,052
1M US L + 6.75%, 09/06/2026	1,276,596	1,192,021
Robertshaw US Holding Corp., First Lien Initial Term Loan, 1M US L + 3.50%, 02/14/2025	3,703,720	3,398,163
Titan Acquisition, Ltd., First Lien Initial Term Loan, 1M US L + 3.00%, 03/28/2025	7,474,689	6,876,714
		28,340,081
Insurance - 1.59%		
APCO Holdings LLC, First Lien Initial Term Loan, 1M US L + 5.50%, 06/09/2025(b)	5,713,636	5,656,500
Cypress Intermediate Holdings III, Inc., Second Lien Initial Term Loan, 1M US L + 6.75%, 04/28/2025	2,790,698	2,759,302
Outcomes Group Holdings, Inc., Second Lien Term Loan:		
3M US L + 3.50%, 10/24/2025	1,309,091	1,287,818
3M US L + 7.50%, 10/26/2026	1,153,846	1,159,616
		10,863,236
Leisure Goods/Activities/Movies - 0.49%		
Bulldog Purchaser, Inc., First Lien Initial Term Loan, 1M US L + 3.75%, 09/05/2025	564,626	553,333
Travel Leaders Group LLC, First Lien 2018 Refinancing Term Loan, 1M US L + 4.00%, 01/25/2024	2,786,000	2,770,914
		3,324,247

Lodging & Casinos - 0.66%		
Casablanca US Holdings, Inc., First Lien Amendment No. 2 Initial Term Loan, 2M US L + 4.00%, 03/29/2024(b)	4,764,000	4,525,800
Nonferrous Metals/Minerals - 1.49%		
Aleris International, Inc., First Lien Initial Term Loan, 1M US L + 4.75%, 02/27/2023	4,803,448	4,772,682
American Rock Salt Co. LLC, First Lien Initial Term Loan, 1M US L + 3.75%, 03/21/2025	2,995,300	2,912,930
Murray Energy Corp., First Lien Superpriority B -2 Term Loan, 1M US L + 7.25%, 10/17/2022	2,918,241	2,487,800
		10,173,412
Oil & Gas - 4.24%		
Ascent Resources - Marcellus LLC, First Lien Initial Term Loan, 1M US L + 6.50%, 03/30/2023	1,234,568	1,239,197
Equitrans Midstream Corp., First Lien Holdco B Facility Term Loan, L + 4.50%, 12/13/2023(c)	2,027,027	1,988,169
Keane Group Holdings LLC, First Lien Initial Term Loan, 1M US L + 3.75%, 05/25/2025(b)	3,582,000	3,313,350
Lucid Energy Group II Borrower LLC, First Lien Initial Term Loan, 1M US L + 3.00%, 02/17/2025	1,731,474	1,598,731
Oryx Southern Delaware Holdings LLC, First Lien Initial Term Loan, 1M US L + 3.25%, 02/28/2025	7,356,176	6,841,244
Petroleum GEO-Services ASA, First Lien Extended Term Loan, 3M US L + 2.50%, 03/19/2021	3,400,217	3,094,197

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Oil & Gas (continued)		
Sheridan Investment Partners I LLC, First Lien Tranche B-2 Term Loan, 3M US L + 3.50%, 10/01/2019	$3,059,651	$2,723,089
Sheridan Production Partners I LLC, First Lien Deferred Principal Term Loan:		
3M US L + 0.00%, 10/01/2019(b)	15,933	13,521
3M US L + 0.00%, 10/01/2019(b)	120,242	102,037
3M US L + 0.00%, 10/01/2019(b)	9,732	8,258
Sheridan Production Partners I-A LP, First Lien Tranche B-2 Term Loan, 3M US L + 3.50%, 10/01/2019	405,429	360,832
Sheridan Production Partners I-M LP, First Lien Tranche B-2 Term Loan, 3M US L + 3.50%, 10/01/2019	247,638	220,398
Traverse Midstream Partners LLC, First Lien Advance Term Loan, 3M US L + 4.00%, 09/27/2024	4,892,784	4,709,305
UTEX Industries, Inc., Second Lien Initial Term Loan, 1M US L + 7.25%, 05/20/2022	3,181,818	2,752,273
		28,964,601
Property & Casualty Insurance - 1.90%		
Applied Systems, Inc., Second Lien Initial Term Loan, 3M US L + 7.00%, 09/19/2025	303,030	298,106
Asurion LLC, Second Lien Replacement B-2 Term Loan, 1M US L + 6.00%, 08/04/2025	11,089,314	10,999,269
Confie Seguros Holding II Co., First Lien B Term Loan, 1M US L + 5.25%, 04/19/2022	1,687,293	1,668,319
		12,965,694
Publishing - 2.13%		
Champ Acquisition Corp., First Lien Term Loan, L + 5.50%, 12/17/2025(c)	4,477,612	4,368,470
Recorded Books, Inc., First Lien Initial Term Loan, 3M US L + 4.50%, 08/29/2025	2,625,000	2,595,469
Southern Graphics, Inc., Second Lien Initial Term Loan:		
1M US L + 3.25%, 12/31/2022	3,460,792	3,264,669
1M US L + 7.50%, 12/31/2023(b)	4,500,000	4,320,000
		14,548,608
Retailers (except food & drug) - 1.85%		
Academy, Ltd., First Lien Initial Term Loan, 1M US L + 4.00%, 07/01/2022	1,985,036	1,334,113
Apro LLC, First Lien Initial Term Loan, 2M US L + 4.00%, 08/08/2024	2,365,424	2,312,202
Ascena Retail Group, Inc., First Lien Tranche B Term Loan, 1M US L + 4.50%, 08/21/2022	2,746,719	2,563,280
FullBeauty Brands Holdings Corp., First Lien Initial Term Loan, 1M US L + 4.75%, 10/14/2022(e)	2,493,613	759,305
Neiman Marcus Group, Ltd. LLC, First Lien Other Term Loan, 1M US L + 3.25%, 10/25/2020	2,282,819	1,936,835

Petco Animal Supplies, Inc., First Lien Term Loan, 3M US L + 3.25%, 1/26/2023	1,565,366	1,157,502
Pier 1 Imports US, Inc., First Lien Initial Term Loan, 3M US L + 3.50%, 04/30/2021	1,989,583	1,430,013
Spencer Gifts LLC, First Lien B-1 Term Loan, 1M US L + 4.25%, 07/16/2021	1,207,706	1,154,869
Sports Authority, Inc., First Lien B Term Loan, 3M US L + 0.00%, 11/16/2017(b)(e)	2,169,639	4,339
		12,652,458
Steel - 1.65%		
Can Am Construction, Inc., First Lien Closing Date Term Loan, 1M US L + 5.50%, 07/01/2024(b)	6,225,395	6,100,887
Graftech International, Ltd., First Lien Initial Term Loan, 1M US L + 3.50%, 02/12/2025	4,254,545	4,036,500
Phoenix Services International LLC, First Lien B Term Loan, 1M US L + 3.75%, 03/01/2025	1,205,179	1,163,997
		11,301,384
Surface Transport - 0.33%		
SMB Shipping Logistics LLC, First Lien Term Loan, 1M US L + 4.00%, 02/05/2024	2,328,665	2,289,858
Telecommunications - 5.21%		
Alorica, Inc., First Lien New B Term Loan, 1M US L + 3.75%, 06/30/2022	2,697,303	2,646,310
Avaya, Inc., First Lien Tranche B Term Loan, 1M US L + 4.25%, 12/15/2024	7,388,329	7,152,826

Blackstone / GSO Strategic Credit Fund Portfolio of Investments

December 31, 2018

	Principal Amount	Value
Telecommunications (continued)		
Cologix Holdings, Inc., Second Lien Initial Term Loan, 1M US L + 7.00%, 03/20/2025	$5,421,805	$5,286,260
Cyxtera DC Holdings, Inc., Second Lien Initial Term Loan, 3M US L + 7.25%, 05/01/2025	902,256	834,586
Ensono LP, First Lien Term Loan, 3M US L + 5.25%, 06/27/2025	3,386,082	3,338,118
Masergy Holdings, Inc., Second Lien Initial Term Loan:		
3M US L + 3.25%, 12/15/2023	1,829,261	1,769,051
3M US L + 7.50%, 12/16/2024	1,766,917	1,737,472
Peak 10 Holding Corp., First Lien Initial Term Loan:		
3M US L + 3.50%, 08/01/2024	3,590,909	3,276,705
3M US L + 7.25%, 08/01/2025	3,857,143	3,481,071
Securus Technologies Holdings, Inc., First Lien Initial Term Loan:		
3M US L + 4.50%, 11/01/2024[(c)]	1,854,545	1,791,955
1M US L + 4.50%, 11/01/2024	460,150	444,045
Vertiv Group Corp., First Lien B Term Loan, 1M US L + 4.00%, 11/30/2023[(c)]	4,201,217	3,838,862
		35,597,261
Utilities - 3.27%		
Brookfield WEC Holdings, Inc., First Lien Initial Term Loan:		
1M US L + 3.75%, 07/31/2025	8,111,842	7,884,427
1M US L + 6.75%, 08/03/2026	747,664	734,112
Granite Acquisition, Inc., Second Lien B Term Loan, 3M US L + 7.25%, 12/19/2022	5,742,624	5,624,900
Green Energy Partners/Stonewall LLC, First Lien B-1 Conversion Advances Term Loan, 3M US L + 5.50%, 11/13/2021	1,580,988	1,573,083
Moxie Liberty LLC, First Lien Construction B-1 Advance Term Loan, 3M US L + 6.50%, 08/21/2020	6,743,549	6,080,455
Moxie Patriot LLC, First Lien Construction B-1 Advances Term Loan, 3M US L + 5.75%, 12/19/2020	430,194	422,130
		22,319,107
TOTAL FLOATING RATE LOAN INTERESTS (Cost $986,215,725)		947,497,904
CORPORATE BONDS - 20.92%		
Aerospace & Defense - 0.44%		
Engility Corp. 8.875%, 09/01/2024	2,800,000	2,999,500
Automotive - 0.36%		
	2,700,000	2,470,500

Midas Intermediate Holdco II LLC / Midas Intermediate Holdco II Finance, Inc. 7.875%, 10/01/2022[f]		
Building & Development - 3.82%		
Great Lakes Dredge & Dock Corp. 8.000%, 05/15/2022	5,874,000	5,984,137
Hillman Group, Inc. 6.375%, 07/15/2022[f]	1,300,000	1,066,000
Northwest Hardwoods, Inc. 7.500%, 08/01/2021[f]	3,211,000	2,311,920
NWH Escrow Corp. 7.500%, 08/01/2021[f]	4,918,000	3,491,780
PriSo Acquisition Corp. 9.000%, 05/15/2023[f]	13,060,000	13,272,225
		26,126,062
Chemical & Plastics - 0.46%		
Pinnacle Operating Corp. 9.000%, 11/15/2020[f]	2,000,000	1,640,000
Starfruit Finco BV / Starfruit US Holdco LLC 8.000%, 10/01/2026[f]	1,621,000	1,503,478
		3,143,478
Containers & Glass Products - 0.95%		
ARD Securities Finance SARL 8.750%, 01/31/2023[f][g]	1,359,402	1,155,492

Blackstone / GSO Strategic Credit Fund Portfolio of Investments

December 31, 2018

	Principal Amount	Value
Containers & Glass Products (continued)		
Flex Acquisition Co., Inc. 6.875%, 01/15/2025[(f)]	$1,192,000	$1,066,840
Trident Merger Sub, Inc. 6.625%, 11/01/2025[(f)]	4,800,000	4,296,000
		6,518,332
Diversified Insurance - 2.09%		
HUB International, Ltd. 7.000%, 05/01/2026[(f)]	1,281,000	1,165,710
NFP Corp. 6.875%, 07/15/2025[(f)]	5,084,000	4,575,600
York Risk Services Holding Corp. 8.500%, 10/01/2022[(f)]	12,200,000	8,540,000
		14,281,310
Drugs - 0.83%		
Avantor, Inc. 9.000%, 10/01/2025[(f)]	5,667,000	5,681,167
Ecological Services & Equipment - 0.37%		
GFL Environmental, Inc. 5.375%, 03/01/2023[(f)]	2,884,000	2,537,920
Electronics/Electrical - 1.92%		
Banff Merger Sub, Inc. 9.750%, 09/01/2026[(f)]	2,816,000	2,583,680
Global A&T Electronics, Ltd. 8.500%, 01/12/2023	5,455,007	4,830,103
Riverbed Technology, Inc. 8.875%, 03/01/2023[(f)]	7,723,000	5,734,327
		13,148,110
Equipment Leasing - 0.16%		
Fly Leasing, Ltd. 6.375%, 10/15/2021	1,100,000	1,100,000
Food Service - 1.98%		
CEC Entertainment, Inc. 8.000%, 02/15/2022	1,369,000	1,204,720
PF Chang's China Bistro, Inc. 10.250%, 06/30/2020[(f)]	13,415,000	12,341,800
		13,546,520
Healthcare - 2.80%		
Envision Healthcare Corp. 8.750%, 10/15/2026[(f)]	6,250,000	5,421,875
Surgery Center Holdings, Inc. 8.875%, 04/15/2021[(f)]	5,500,000	5,513,750
Team Health Holdings, Inc. 6.375%, 02/01/2025[(f)]	3,500,000	2,874,375
Tenet Healthcare Corp. 7.000%, 08/01/2025	5,714,000	5,306,877
		19,116,877

Leisure Goods/Activities/Movies - 0.88%		
Mood Media Borrower LLC / Mood Media Co.-Issuer, Inc. 6M US L + 6.00%, 8.00% PIK, 07/01/2024[(a)]	6,070,598	6,009,892
Oil & Gas - 1.12%		
Calumet Specialty Products Partners LP / Calumet Finance Corp. 7.750%, 04/15/2023	6,600,000	5,032,500
CSI Compressco LP / CSI Compressco Finance, Inc. 7.250%, 08/15/2022	800,000	708,000
Talos Production LLC / Talos Production Finance, Inc. 11.000%, 04/03/2022	2,000,000	1,927,500
		7,668,000
Property & Casualty Insurance - 1.46%		
AssuredPartners, Inc. 7.000%, 08/15/2025[(f)]	4,545,000	4,119,043
Solera LLC / Solera Finance, Inc. 10.500%, 03/01/2024[(f)]	5,450,000	5,831,500
		9,950,543

Blackstone / GSO Strategic Credit Fund Portfolio of Investments

December 31, 2018

	Principal Amount	Value
Publishing - 0.50%		
McGraw-Hill Global Education Holdings LLC / McGraw-Hill Global Education Finance 7.875%, 05/15/2024[f]	$4,320,000	$3,385,800
Radio & Television - 0.07%		
CSC Holdings LLC 5.125%, 12/15/2021[f]	500,000	491,250
Telecommunications - 0.71%		
Digicel, Ltd. 6.000%, 04/15/2021[f]	2,250,000	2,030,625
Frontier Communications Corp.:		
10.500%, 09/15/2022	750,000	525,000
7.125%, 01/15/2023	4,000,000	2,280,000
		4,835,625
TOTAL CORPORATE BONDS		
(Cost $160,069,643)		143,010,886
	Shares	
COMMON STOCK - 2.35%		
Building & Development - 0.18%		
Baan Rock Garden PCL[b][h]	164,832	$1,241,185
Business Equipment & Services - 0.14%		
Expanse Energy[b][h]	169,625	929,870
Leisure goods/activities/movies - 0.45%		
Mood Media Corp.[b][h]	3,709,356	3,041,672
Oil & Gas - 1.58%		
Ascent Resources - Equity[b][h]	886,921	2,527,725
Ridgeback Resources Inc.[b][h]	1,201,345	6,115,842
SandRidge Energy, Inc.[h]	135,154	1,028,522
Templar Energy LLC[b][h]	197,643	133,409
Titan Energy LLC[h]	29,318	8,795
Total Safety Holdings, LLC[h]	2,951	1,018,095
		10,832,388
TOTAL COMMON STOCK		

(Cost $42,341,121)		16,045,115
PREFERRED STOCK - 0.06%		
Oil & Gas - 0.06%		
Templar Energy LLC[(b)(h)]	131,013	393,038
TOTAL PREFERRED STOCK		
(Cost $1,310,126)		393,038
WARRANTS - 0.00%[(i)]		
Oil & Gas - 0.00%		
Ascent Resources Marcellus LLC expires 3/30/2023 at $6.15[(b)(h)]	229,630	6,889
TOTAL WARRANTS		
(Cost $25,062)		6,889

Blackstone / GSO Strategic Credit Fund Portfolio of Investments

December 31, 2018

Total Investments - 161.94% (Cost $1,189,961,677)	$1,106,953,832
Liabilities in Excess of Other Assets - (2.44)%	(16,602,538)
Mandatory Redeemable Preferred Shares - (6.62)% (liquidation preference plus distributions payable on term preferred shares)	(45,273,505)
Leverage Facility - (52.88)%	(361,500,000)
Net Assets - 100.00%	$683,577,789

Amounts above are shown as a percentage of net assets as of December 31, 2018.

Investment Abbreviations:

LIBOR - London Interbank Offered Rate

PIK - Payment In Kind

Libor Rates:

1M US L - 1 Month LIBOR as of December 31, 2018 was 2.50%

2M US L - 2 Month LIBOR as of December 31, 2018 was 2.61%

3M US L - 3 Month LIBOR as of December 31, 2018 was 2.81%

6M US L - 6 Month LIBOR as of December 31, 2018 was 2.88%

(a) *Floating or variable rate security. The reference rate is described above. The rate in effect as of December 31, 2018 is based on the reference rate plus the displayed spread as of the security's last reset date.*

(b) *Level 3 assets valued using significant unobservable inputs as a result of unavailable quoted prices from an active market or the unavailability of other significant observable inputs.*

(c)

All or a portion of this position has not settled as of December 31, 2018. The interest rate shown represents the stated spread over the London Interbank Offered Rate ("LIBOR" or "L") or the applicable LIBOR floor; the Fund will not accrue interest until the settlement date, at which point the LIBOR will be established.

(d) *A portion of this position was not funded as of December 31, 2018. The Portfolio of Investments records only the funded portion of each position. As of December 31, 2018, the Fund has unfunded delayed draw loans in the amount of $3,948,287. Fair value of these unfunded delayed draw loans was $3,859,542.*

(e) *Security is in default as of period end and is therefore non-income producing.*

(f) *Security exempt from registration under Rule 144A of the Securities Act of 1933. Total market value of Rule 144A securities amounts to $105,102,657, which represented approximately 15.38% of net assets as of December 31, 2018. Such securities may normally be sold to qualified institutional buyers in transactions exempt from registration.*

(g) *Option to convert to pay-in-kind security.*

(h) *Non-income producing security.*

(i) *Amount represents less than 0.005% of net assets.*

See Notes to Financial Statements.

Blackstone / GSO Funds Statements of Assets and Liabilities

December 31, 2018

	Senior Floating Rate Term Fund	Long-Short Credit Income Fund	Strategic Credit Fund
ASSETS:			
Investments, at fair value (Cost $404,414,161, $351,255,230 and $1,189,961,677, respectively)	$382,343,668	$331,910,598	$1,106,953,832
Cash	5,596,156	6,091,025	24,574,561
Receivable for investment securities sold	4,901,491	4,728,684	18,565,323
Interest receivable	1,553,115	1,973,268	6,615,237
Prepaid expenses and other assets	166,003	45,907	131
Total Assets	394,560,433	344,749,482	1,156,709,084
LIABILITIES:			
Payable for investment securities purchased	12,763,204	12,207,869	48,709,411
Leverage facility	124,000,000	107,500,000	361,500,000
Interest due on leverage facility	369,942	171,387	772,960
Distributions payable to common shareholders	5,115,151	5,919,206	15,453,876
Accrued investment advisory fee payable	298,733	212,393	967,023
Accrued fund accounting and administration fees payable	61,419	44,384	195,247
Accrued trustees' fees payable	20,029	16,040	63,827
Other payables and accrued expenses	287,397	321,195	564,441
Mandatory redeemable preferred shares (net of deferred financing costs of: –, $(163,998) and $(368,995), respectively)[(a)]	–	19,836,002	44,631,005
Distributions payable on mandatory redeemable preferred shares	–	121,558	273,505
Total Liabilities	142,915,875	146,350,034	473,131,295
Net Assets Attributable to Common Shareholders	$251,644,558	$198,399,448	$683,577,789
COMPOSITION OF NET ASSETS ATTRIBUTABLE TO COMMON SHARES:			
Paid-in capital	$286,642,582	$236,805,650	$839,760,850
Total distributable earnings	(34,998,024)	(38,406,202)	(156,183,061)
Net Assets Attributable to Common Shareholders	$251,644,558	$198,399,448	$683,577,789
Common shares outstanding (unlimited shares authorized, par value $0.001 per share)	15,269,106	12,702,160	44,664,382
Net Asset Value per Common Share	$16.48	$15.62	$15.30

(a) *$1,000 liquidation value per share. -, 20,000, and 45,000 shares issued and outstanding, respectively.*

See Notes to Financial Statements.

Blackstone / GSO Funds Statements of Operations

For the Year Ended December 31, 2018

	Senior Floating Rate Term Fund	**Long-Short Credit Income Fund**	**Strategic Credit Fund**
INVESTMENT INCOME:			
Interest	$28,620,042	$26,250,159	$87,615,461
Facility and other fees	624,016	460,430	2,098,735
Total Investment Income	29,244,058	26,710,589	89,714,196
EXPENSES:			
Investment advisory fee	3,625,284	2,615,838	11,870,246
Fund accounting and administration fees	369,909	268,984	1,143,840
Insurance expense	69,975	58,855	176,036
Legal and audit fees	229,506	316,016	448,482
Custodian fees	105,357	64,147	184,878
Trustees' fees and expenses	94,319	77,291	270,978
Printing expense	54,317	27,007	70,727
Transfer agent fees	19,047	31,107	31,043
Interest on leverage facility	4,266,054	3,685,684	11,636,916
Amortization of deferred financing costs	–	35,887	80,745
Other expenses	200,917	236,074	477,044
Distributions to mandatory redeemable preferred shares	–	722,671	1,626,010
Total Expenses	9,034,685	8,139,561	28,016,945
Net Investment Income	20,209,373	18,571,028	61,697,251
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:			
Net realized gain/(loss) on:			
Investment securities	(5,114,704)	(2,764,749)	(20,276,387)
Credit default swap contracts	–	76,306	–
Net realized loss:	(5,114,704)	(2,688,443)	(20,276,387)
Change in unrealized appreciation/(depreciation) on:			
Investment securities	(10,111,102)	(14,061,219)	(45,020,486)
Net unrealized loss:	(10,111,102)	(14,061,219)	(45,020,486)
Net Realized and Unrealized Loss on Investments	(15,225,806)	(16,749,662)	(65,296,873)
Net Increase/(Decrease) in Net Assets Attributable to Common Shares from Operations	$4,983,567	$1,821,366	$(3,599,622)

See Notes to Financial Statements.

Blackstone / GSO Funds Statements of Changes in Net Assets

	Senior Floating Rate Term Fund		Long-Short Credit Income Fund		Strategic Credit Fund	
	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017
FROM OPERATIONS:						
Net investment income[(a)]	$20,209,373	$19,192,156	$18,571,028	$17,072,346	$61,697,251	$56,209,594
Net realized gain/(loss)	(5,114,704)	597,952	(2,688,443)	266,552	(20,276,387)	1,009,084
Change in unrealized appreciation/(depreciation)	(10,111,102)	(2,753,295)	(14,061,219)	192,048	(45,020,486)	3,632,799
Net Increase/(Decrease) in Net Assets Attributable to Common Shares from Operations	4,983,567	17,036,813	1,821,366	17,530,946	(3,599,622)	60,851,477
DISTRIBUTIONS TO COMMON SHAREHOLDERS:						
From distributable earnings	(21,551,497)	(17,740,491)[(b)]	(20,488,583)	(15,699,869)[(c)]	(67,264,559)	(56,277,121
Net Decrease in Net Assets from Distributions to Common Shareholders	(21,551,497)	(17,740,491)	(20,488,583)	(15,699,869)	(67,264,559)	(56,277,121
Net asset value of common shares issued to shareholders from reinvestment of dividends	309,392	453,286	–	–	–	–
Net Increase from Capital Share Transactions	309,392	453,286	–	–	–	–
Net Increase/(Decrease) in Net Assets Attributable to Common Shares	(16,258,538)	(250,392)	(18,667,217)	1,831,077	(70,864,181)	4,574,356
NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS:						
Beginning of period	267,903,096	268,153,488	217,066,665	215,235,588	754,441,970	749,867,61
End of period	$251,644,558	$267,903,096[(e)]	$198,399,448	$217,066,665[(f)]	$683,577,789	$754,441,97

(a) *Includes impact of distributions to preferred shareholders from net investment income. Distributions on the Fund's mandatory redeemable preferred stock ("MRPS") are treated as an operating expense under GAAP and are included in the calculation of net investment income. See Note 9 - Leverage. The Long-Short Credit Income Fund and the Strategic Credit Fund recorded distributions of $722,671 and $1,626,010, respectively, to holders of MRPS for the fiscal year ended December 31, 2018. For the fiscal year ended December 31, 2017, the Long-Short Credit Income Fund and the Strategic Credit Fund recorded distributions of $719,558 and $1,615,664, respectively, to holders of MRPS. See Note 10 for details on tax characterization of distributions.*

(b) *For the year ended December 31, 2017, total distributions from distributable earnings consisted of distributions from net investment income of $17,740,491.*

(c) *For the year ended December 31, 2017, total distributions from distributable earnings consisted of distributions from net investment income of $15,699,869.*

(d) *For the year ended December 31, 2017, total distributions from distributable earnings consisted of distributions from net investment income of $56,277,121.*

(e) *For the year ended December 31, 2017, net assets included accumulated undistributed net investment income of $2,237,934.*

(f) *For the year ended December 31, 2017, net assets included accumulated undistributed net investment income of $2,607,803.*

(g) *For the year ended December 31, 2017, net assets included accumulated undistributed net investment income of $6,539,934.*

See Notes to Financial Statements.

Blackstone / GSO Funds Statements of Cash Flows

For the Year Ended December 31, 2018

	Senior Floating Rate Term Fund	**Long-Short Credit Income Fund**	**Strategic Credit Fund**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net increase/(decrease) in net assets from operations	$4,983,567	$1,821,366	$(3,599,622)
Adjustments to reconcile net increase/(decrease) in net assets from operations to net cash provided by (used in) operating activities:			
Purchases of investment securities	(400,243,000)	(294,873,186)	(1,053,217,560)
Proceeds from disposition of investment securities	399,897,812	293,029,251	1,037,638,042
Net payments on swap contracts	–	31,944	–
Discounts (accreted)/premiums amortized	(851,037)	(695,661)	(2,640,312)
Net realized (gain)/loss on:			
Investment securities	5,114,704	2,764,749	20,276,387
Net change in unrealized (appreciation)/depreciation on:			
Investment securities	10,111,102	14,061,219	45,020,486
Amortization of deferred financing costs	–	35,887	80,745
(Increase)/Decrease in assets:			
Interest receivable	503,109	441,871	2,081,777
Prepaid expenses and other assets	(137,179)	(23,962)	75,407
Increase/(Decrease) in liabilities:			
Distributions payable on mandatory redeemable preferred shares	–	671	1,510
Interest due on loan facility	(326,462)	(210,172)	218,821
Accrued investment advisory fees payable	(1,734)	(10,122)	(8,241)
Accrued fund accounting and administration expense	(89)	614	82
Accrued trustees' fees payable	(6,399)	(10,351)	36,161
Other payables and accrued expenses	(139,500)	99,987	182,496
Net Cash Provided by (Used in) Operating Activities	18,904,894	16,464,105	46,146,179
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from leverage facility	6,000,000	25,000,000	89,500,000
Payments on leverage facility	(14,000,000)	(29,500,000)	(103,000,000)
Distributions paid - common shareholders - net	(17,577,381)	(15,877,699)	(56,500,443)
Net Cash Provided by (Used in) Financing Activities	(25,577,381)	(20,377,699)	(70,000,443)
Net Decrease in Cash	(6,672,487)	(3,913,594)	(23,854,264)
Cash, beginning balance	$12,268,643	$10,004,619	$48,428,825
Cash, ending balance	$5,596,156	$6,091,025	$24,574,561

Supplemental disclosure of cash flow information:

Cash paid on interest on leverage facility	$4,592,516	$3,895,856	$11,418,095
Reinvestment of distributions	$309,392	–	–

See Notes to Financial Statements.

Blackstone / GSO Senior Floating Rate Term Fund — Financial Highlights

For a Share Outstanding Throughout the Periods Indicated

	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value - beginning of period	$ 17.57	$ 17.61	$ 15.96	$ 18.08	$ 19.27
INCOME/(LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income[(a)]	1.32	1.26	1.24	1.22	0.92
Net realized and unrealized gain/(loss) on investments	(1.00)	(0.14)	1.57	(2.17)	(0.84)
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:					
From net investment income[(a)]	–	–	–	–	(0.06)
From net realized gains	–	–	–	–	–
Total Income/(Loss) from Investment Operations	0.32	1.12	2.81	(0.95)	0.02
DISTRIBUTIONS TO COMMON SHAREHOLDERS:					
From net investment income	(1.41)	(1.16)	(1.16)	(1.17)	(0.86)
From net realized gains	–	–	–	–	(0.08)
From tax return of capital	–	–	–	–	(0.27)
Total Distributions to Common Shareholders	(1.41)	(1.16)	(1.16)	(1.17)	(1.21)
Net asset value per common share- end of period	$ 16.48	$ 17.57	$ 17.61	$ 15.96	$ 18.08
Market price per common share - end of period	$ 15.33	$ 18.00	$ 18.08	$ 14.85	$ 16.74
Total Investment Return - Net Asset Value[(b)]	1.88%	6.67%	18.44%	(5.19%)	0.38%
Total Investment Return - Market Price[(b)]	(7.49%)	6.44%	30.70%	(4.72%)	(4.99%)

RATIOS AND SUPPLEMENTAL DATA:					
Net assets attributable to common shares, end of period (000s)	$ 251,645	$ 267,903	$ 268,153	$ 242,874	$ 275,201
Ratio of expenses to average net assets attributable to common shares	3.35 %	3.01 %	2.59 %	2.48 %	3.02 %(c)
Ratio of net investment income to average net assets attributable to common shares	7.49 %	7.11 %	7.48 %	6.84 %	4.88 %(c)
Ratio of expenses to average managed assets(d)	2.25 %	2.02 %	1.74 %	1.67 %	2.02 %(c)
Portfolio turnover rate	88 %	135 %	99 %	65 %	66 %
TERM PREFERRED SHARES:					
Liquidation value, end of period, including dividends payable on Term Preferred Shares (000s)	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A (e)
Total shares outstanding (000s)	–	–	–	–	–
Asset coverage per share	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A (e)
Liquidation preference per share	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A (e)
SENIOR SECURED NOTES:					
Aggregate principal amount, end of period (000s)	$ N/A	$ N/A	$ N/A	$ N/A	$ – (f)
Average borrowings outstanding during the period (000s)	$ N/A	$ N/A	$ N/A	$ N/A	$ 96,000 (f)
Asset coverage, end of period per $1,000	N/A	N/A	N/A	N/A	N/A(f)
LEVERAGE FACILITY:					
Aggregate principal amount, end of period (000s)	$ 124,000	$ 132,000	$ 131,000	$ 119,500	$ 133,000
Average borrowings outstanding during the period (000s)	$ 132,067	$ 132,323	$ 122,782	$ 132,372	$ 137,412 (g)
Asset coverage, end of period per $1,000(h)	$ 3,029	$ 3,030	$ 3,047	$ 3,032	$ 3,069

Blackstone / GSO Senior Floating Rate Term Fund | Financial Highlights

For a Share Outstanding Throughout the Periods Indicated

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

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

(c) *Ratios do not reflect dividend payments to preferred shareholders.*

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

(e) *On October 8, 2014, BSL redeemed 100% of the term preferred shares at 100% of their liquidation preference.*

(f) *On October 8, 2014, BSL redeemed 100% of the senior secured notes at 100% of their principal amount and entered into a new 364-day revolving credit facility. Average borrowings are shown for the period January 1, 2014 through the redemption date.*

(g) *Since first borrowing was made on October 8, 2014.*

(h) *Calculated by subtracting the Fund's total liabilities (excluding the principal amount of the Leverage Facility) from the Fund's total assets and dividing by the principal amount of the Leverage Facility and then multiplying by $1,000.*

See Notes to Financial Statements.

Blackstone / GSO Long-Short Credit Income Fund — Financial Highlights

For a Share Outstanding Throughout the Periods Indicated

	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value - beginning of period	$ 17.09	$16.94	$15.37	$ 17.82	$ 19.11
INCOME/(LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income(a)(b)	1.46	1.34	1.40	1.48	0.94
Net realized and unrealized gain/(loss) on investments	(1.32)	0.05	1.60	(2.66)	(1.03)
Total Income/(Loss) from Investment Operations	0.14	1.39	3.00	(1.18)	(0.09)
DISTRIBUTIONS TO COMMON SHAREHOLDERS:					
From net investment income	(1.61)	(1.24)	(1.43)	(1.27)	(0.96)
From net realized gains	–	–	–	–	(0.06)
From tax return of capital	–	–	–	–	(0.18)
Total Distributions to Common Shareholders	(1.61)	(1.24)	(1.43)	(1.27)	(1.20)
Net asset value per common share- end of period	$ 15.62	$17.09	$16.94	$ 15.37	$ 17.82
Market price per common share - end of period	$ 13.74	$15.92	$15.92	$ 13.48	$ 15.53
Total Investment Return - Net Asset Value(c)	1.25%	8.85%	21.21%	(6.04%)	(0.06%)
Total Investment Return - Market Price(c)	(4.40%)	7.90%	29.89%	(5.44%)	(6.86%)
RATIOS AND SUPPLEMENTAL DATA:					
Net assets attributable to common shares, end of period (000s)	$ 198,399	$217,067	$215,236	$ 195,204	$ 226,316
Ratio of expenses to average net assets attributable to common shares	3.73%	3.03%	2.58%	2.07%	1.86%
Ratio of expenses to average net assets excluding interest expense on short sales attributable to common shares	3.73%	3.03%	2.58%	2.07%	1.85%
Ratio of net investment income to average net assets attributable to common shares	8.52%	7.82%	8.67%	8.45%	4.99%
Ratio of expenses to average managed assets(d)	2.31%	1.93%	1.73%	1.43%	1.66%
Portfolio turnover rate	75%	126%	103%	72%	66%
MANDATORY REDEEMABLE PREFERRED SHARES:					

Liquidation value, end of period, including dividends payable on Mandatory Redeemable Preferred Shares (000s)	$ 20,122	$20,121	$20,125	$ N/A	$ N/A
Total shares outstanding (000s)	20	20	20	–	–
Asset coverage , end of period per$1,000	$ 2,556 (e)	$2,644 (e)	$2,905 (e)	$ N/A	$ N/A
Liquidation preference per share	$ 1,000	$1,000	$1,000	$ N/A	$ N/A
LEVERAGE FACILITY:					
Aggregate principal amount, end of period (000s)	$ 107,500	$112,000	$93,000	$ 96,000	$ 73,000
Average borrowings outstanding during the period (000s)	$ 115,392	$105,633	$93,684	$ 100,261	$ 66,827 (f)
Asset coverage, end of period per$1,000[g]	$ 3,032	$3,117	$3,314	$ 3,033	$ 4,100

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

(b) *Distributions on the Company's MRPS are treated as an operating expense under GAAP and are included in the calculation of net investment income. See Note 9 - Leverage.*

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

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

Blackstone / GSO Long-Short Credit Income Fund | Financial Highlights

For a Share Outstanding Throughout the Periods Indicated

(e) *Calculated by subtracting the Fund's total liabilities (excluding the liquidation value of the Mandatory Redeemable Preferred Shares and the principal amount of the Leverage Facility) from the Fund's total assets and dividing by the liquidation value of the Mandatory Redeemable Preferred Shares and the principal amount of the Leverage Facility and then multiplying by $1,000.*

(f) *Since first borrowing was made on July 29, 2014.*

(g) *Calculated by subtracting the Fund's total liabilities (excluding Mandatory Redeemable Preferred Shares at liquidation value, including dividends payable on mandatory redeemable preferred shares, and the principal amount of the Leverage Facility) from the Fund's total assets and dividing by the principal amount of the Leverage Facility and then multiplying by $1,000.*

See Notes to Financial Statements.

Blackstone / GSO Strategic Credit Fund Financial Highlights

For a Share Outstanding Throughout the Periods Indicated

	For the Year Ended December 31, 2018		For the Year Ended December 31, 2017		For the Year Ended December 31, 2016		For the Year Ended December 31, 2015		For the Year Ended December 31, 2014	
PER COMMON SHARE OPERATING PERFORMANCE:										
Net asset value - beginning of period	$ 16.89		$ 16.79		$ 15.20		$ 17.98		$ 19.12	
INCOME/(LOSS) FROM INVESTMENT OPERATIONS:										
Net investment income[(a)(b)]	1.38		1.26		1.39		1.48		1.17	
Net realized and unrealized gain/(loss) on investments	(1.46	)	0.10		1.54		(2.89	)	(1.03	)
Total Income/(Loss) from Investment Operations	(0.08	)	1.36		2.93		(1.41	)	0.14	
DISTRIBUTIONS TO COMMON SHAREHOLDERS:										
From net investment income	(1.51	)	(1.26	)	(1.34	)	(1.37	)	(1.17	)
From net realized gains	–		–		–		–		(0.01	)
From tax return of capital	–		–		–		–		(0.10	)
Total Distributions to Common Shareholders	(1.51	)	(1.26	)	(1.34	)	(1.37	)	(1.28	)
Net asset value per common share- end of period	$ 15.30		$ 16.89		$ 16.79		$ 15.20		$ 17.98	
Market price per common share - end of period	$ 13.47		$ 15.71		$ 15.34		$ 13.37		$ 16.48	
Total Investment Return - Net Asset Value[(c)]	(0.02	%)	8.79	%	21.02	%	(7.42	%)	1.27	%
Total Investment Return - Market Price[(c)]	(5.37	%)	10.75	%	25.71	%	(11.15	%)	(0.29	%)
RATIOS AND SUPPLEMENTAL DATA:										
Net assets attributable to common shares, end of period (000s)	$ 683,578		$ 754,442		$ 749,868		$ 679,029		$ 803,029	
Ratio of expenses to average net assets attributable to common shares	3.72	%	3.29	%	2.74	%	2.33	%	2.32	%
Ratio of net investment income to average net assets attributable to common shares	8.20	%	7.38	%	8.73	%	8.41	%	6.16	%
	2.36	%	2.10	%	1.82	%	1.57	%	1.57	%

Ratio of expenses to average managed assets[(d)]										
Portfolio turnover rate	76	%	136	%	93	%	74	%	76	%
MANDATORY REDEEMABLE PREFERRED SHARES:										
Liquidation value, end of period, including dividends payable on Mandatory Redeemable Preferred Shares (000s)	$ 45,274		$ 45,272		$ 45,281		$ N/A		$ N/A	
Total shares outstanding (000s)	45		45		45		–		–	
Asset coverage, end of period per $1,000	$ 2,682	(e)	$ 2,796	(e)	$ 2,777	(e)	$ N/A		$ N/A	
Liquidation preference per share	$ 1,000		$ 1,000		$ 1,000		$ N/A		$ N/A	
LEVERAGE FACILITY:										
Aggregate principal amount, end of period (000s)	$ 361,500		$ 375,000		$ 377,000		$ 331,000		$ 389,500	
Average borrowings outstanding during the period (000s)	$ 387,479		$ 384,195		$ 342,331		$ 382,162		$ 403,727	
Asset coverage, end of period per $1,000[(f)]	$ 3,015		$ 3,132		$ 2,989		$ 3,051		$ 3,062	

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

(b) *Distributions on the Company's MRPS are treated as an operating expense under GAAP and are included in the calculation of net investment income. See Note 9 - Leverage.*

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

Blackstone / GSO Strategic Credit Fund Financial Highlights

For a Share Outstanding Throughout the Periods Indicated

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

(e) *Calculated by subtracting the Fund's total liabilities (excluding the liquidation value of the Mandatory Redeemable Preferred Shares and the principal amount of the Leverage Facility) from the Fund's total assets and dividing by the liquidation value of the Mandatory Redeemable Preferred Shares and the principal amount of the Leverage Facility and then multiplying by $1,000.*

(f) *Calculated by subtracting the Fund's total liabilities (excluding Mandatory Redeemable Preferred Shares at liquidation value, including dividends payable on mandatory redeemable preferred shares, and the principal amount of the Leverage Facility) from the Fund's total assets and dividing by the principal amount of the Leverage Facility and then multiplying by $1,000.*

See Notes to Financial Statements.

Blackstone / GSO Funds Notes to Financial Statements

December 31, 2018

NOTE 1. ORGANIZATION

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

Absent shareholder approval to extend the term of BSL, BSL was initially scheduled to dissolve on or about May 31, 2020. On November 17, 2017, BSL's shareholders approved extending the term of BSL by two years by changing BSL's scheduled dissolution date from May 31, 2020 to May 31, 2022. Upon dissolution, BSL will distribute substantially all of its net assets to shareholders, after making appropriate provision for any liabilities. Pursuant to BSL's Amended and Restated Agreement and Declaration of Trust, prior to the date of dissolution a majority of the Board of Trustees, with the approval of a majority of the shareholders entitled to vote (as defined in the 1940 Act), may extend the life of BSL by a period of two years or such shorter time as may be determined. The dissolution date of BSL may be extended an unlimited number of times. On March 31, 2017, BSL announced an extension of BSL's reinvestment period. The extension will allow BSL to continue to reinvest proceeds generated by maturities, prepayments and sales of investments until one year prior to BSL's scheduled dissolution date, which is currently May 31, 2022.

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

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

"BGB."

BGB will dissolve on or about September 15, 2027, absent shareholder approval to extend such term. Upon dissolution, BGB will distribute substantially all of its net assets to shareholders, after making appropriate provision for any liabilities of BGB. Pursuant to BGB's Amended and Restated Agreement and Declaration of Trust, prior to the date of dissolution a majority of the Board of Trustees, with the approval of a majority of the outstanding voting securities entitled to vote (as defined in the 1940 Act), may extend the life of BGB. If approved, the dissolution date of BGB may be extended by a period of two years or such shorter time as may be determined. The dissolution date of BGB may be extended an unlimited number of times.

The Funds were previously classified as non-diversified investment companies for purposes of the 1940 Act. As a result of ongoing operations, the Funds are now classified as diversified companies; BGX and BSL as of April 1, 2014 and BGB as of September 25, 2015. This means that with respect to 75% of each Fund's total assets, no more than 5% of such Fund's total assets may be invested in any one issuer, excepting cash and cash items, U.S. government securities, and securities of other investment companies. The Funds may not resume operating in a non-diversified manner without first obtaining shareholder approval in accordance with the 1940 Act.

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

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

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

Blackstone / GSO Funds Notes to Financial Statements

December 31, 2018

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Loans are primarily valued by using a composite loan price from a nationally recognized loan pricing service. The methodology used by the Funds' nationally recognized loan pricing provider for composite loan prices is to value loans at the mean of the bid and ask prices from one or more brokers or dealers. Collateralized Loan Obligation securities ("CLOs") are valued at the price provided by a nationally recognized pricing service. The prices provided by the nationally recognized pricing service are typically based on the evaluated mid-price of each of the CLOs. Corporate bonds and convertible bonds, other than short-term investments, are valued at the price provided by a nationally recognized pricing service. The prices provided by the nationally recognized pricing service are typically based on the mean of bid and ask prices for each corporate bond security. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments. Equity securities for which market quotations are available are generally valued at the last sale price or official closing price on the primary market or exchange on which they trade. Futures contracts are ordinarily valued at the last sales price on the securities or commodities exchange on which they are traded. Written and purchased options are ordinarily valued at the closing price on the securities or commodities exchange on which they are traded. 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 by a committee of the Adviser (“Fair Valued Asset Committee”) under procedures established by, and under the general supervision and responsibility of, the Funds’ Boards of Trustees. Such methods may include, but are not limited to, the use of a market comparable and/or income approach methodologies. A Fair Valued Asset Committee meeting may be called at any time by any member of the Fair Valued Asset Committee. The pricing of all Fair Valued Assets and determinations thereof shall be reported by the Fair Valued Asset Committee to the Board at each regularly scheduled quarterly meeting. The Funds have procedures to identify and investigate potentially stale or missing prices for investments which are valued using a nationally recognized pricing service, exchange price or broker-dealer quotations. After performing such procedures, any prices which are deemed to be stale are reviewed by the Fair Valued Asset Committee and an alternative pricing source is determined.

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

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

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

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

The categorization of a value determined for investments and other financial instruments is based on the pricing transparency of the investment and other financial instrument and does not necessarily correspond to the Funds’ perceived risk of investing in those securities. Investments measured and reported at fair value are classified and disclosed in one of the following levels within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement.

Blackstone / GSO Funds Notes to Financial Statements

December 31, 2018

The following tables summarize valuation of the Funds' investments under the fair value hierarchy levels as of December 31, 2018:

Blackstone / GSO Senior Floating Rate Term Fund

Investments in Securities at Value*	**Level 1 - Quoted Prices**	**Level 2- Significant Observable Inputs**	**Level 3- Significant Unobservable Inputs**	**Total**
Floating Rate Loan Interests				
Aerospace & Defense	$ –	$6,716,475	$ 2,351,207	$9,067,682
Automotive	–	1,536,902	1,536,896	3,073,798
Brokers, Dealers & Investment Houses	–	433,414	646,461	1,079,875
Building & Development	–	20,193,081	4,627,061	24,820,142
Business Equipment & Services	–	35,139,921	17,925,319	53,065,240
Chemical & Plastics	–	5,899,053	3,155,697	9,054,750
Conglomerates	–	1,427,687	625,839	2,053,526
Containers & Glass Products	–	7,433,181	2,753,919	10,187,100
Drugs	–	4,523,398	1,438,163	5,961,561
Electronics/Electrical	–	51,848,580	12,871,559	64,720,139
Equipment Leasing	–	596,611	2,316,000	2,912,611
Financial Intermediaries	–	4,364,466	1,544,500	5,908,966
Food Service	–	4,612,703	5,247,087	9,859,790
Healthcare	–	46,599,024	11,703,600	58,302,624
Industrial Equipment	–	11,239,713	285,197	11,524,910
Insurance	–	897,392	2,074,050	2,971,442
Lodging & Casinos	–	2,624,361	1,659,460	4,283,821
Oil & Gas	–	10,367,641	1,327,699	11,695,340
Publishing	–	3,641,667	1,440,000	5,081,667
Retailers (except food & drug)	–	7,324,273	8,745	7,333,018
Steel	–	1,830,129	1,830,266	3,660,395
Other	–	58,879,491	–	58,879,491
Collateralized Loan Obligation Securities				
Structured Finance Obligations	–	–	5,338,520	5,338,520
Corporate Bonds	–	10,806,462	–	10,806,462
Common Stock				

Oil & Gas	–	–	554,675	554,675
Preferred Stocks				
Oil & Gas	–	–	144,745	144,745
Warrants				
Oil & Gas	–	–	1,378	1,378
Total	–	298,935,625	83,408,043	382,343,668

Blackstone / GSO Long-Short Credit Income Fund

Investments in Securities at Value*	**Level 1 - Quoted Prices**	**Level 2 - Significant Observable Inputs**	**Level 3 - Significant Unobservable Inputs**	**Total**
Floating Rate Loan Interests				
Aerospace & Defense	$ –	$4,441,217	$ 2,056,993	$6,498,210
Automotive	–	1,130,066	1,024,597	2,154,663
Beverage & Tobacco	–	–	381,503	381,503
Brokers, Dealers & Investment Houses	–	354,611	528,923	883,534
Building & Development	–	14,813,276	3,786,796	18,600,072
Business Equipment & Services	–	28,659,558	13,833,076	42,492,634
Chemical & Plastics	–	4,270,047	2,656,176	6,926,223
Conglomerates	–	1,082,570	513,333	1,595,903
Containers & Glass Products	–	5,269,413	3,610,156	8,879,569
Drugs	–	3,383,151	1,078,624	4,461,775
Electronics/Electrical	–	35,823,386	10,923,553	46,746,939
Equipment Leasing	–	–	2,026,500	2,026,500
Financial Intermediaries	–	3,902,758	1,445,500	5,348,258
Food Service	–	3,342,633	4,406,625	7,749,258
Healthcare	–	35,304,929	10,840,850	46,145,779
Industrial Equipment	–	8,368,896	233,343	8,602,239

Blackstone / GSO Funds Notes to Financial Statements

December 31, 2018

Blackstone / GSO Long-Short Credit Income Fund (continued)

Investments in Securities at Value*	**Level 1 - Quoted Prices**	**Level 2 - Significant Observable Inputs**	**Level 3 - Significant Unobservable Inputs**	**Total**
Insurance	$–	$1,539,036	$1,696,950	$3,235,986
Lodging & Casinos	–	1,686,725	1,357,740	3,044,465
Oil & Gas	–	6,584,006	1,029,021	7,613,027
Publishing	–	2,905,349	1,440,000	4,345,349
Retailers (except food & drug)	–	3,212,877	6,898	3,219,775
Steel	–	1,443,750	1,220,177	2,663,927
Other	–	47,529,083	–	47,529,083
Collateralized Loan Obligation Securities Structured Finance Obligations	–	–	6,630,969	6,630,969
Corporate Bonds	–	43,846,981	–	43,846,981
Common Stock	287,977	–	–	287,977
Total	287,977	258,894,318	72,728,303	331,910,598

Blackstone / GSO Strategic Credit Fund

Investments in Securities at Value*	**Level 1 - Quoted Prices**	**Level 2 - Significant Observable Inputs**	**Level 3 -Significant Unobservable Inputs**	**Total**
Floating Rate Loan Interests				
Aerospace & Defense	$–	$14,095,244	$6,856,644	$20,951,888
Automotive	–	4,406,925	5,122,987	9,529,912
Beverage & Tobacco	–	–	1,313,006	1,313,006
Brokers, Dealers & Investment Houses	–	1,182,037	1,763,077	2,945,114
Building & Development	–	50,035,717	13,698,380	63,734,097
Business Equipment & Services	–	105,096,715	45,816,195	150,912,910
Chemical & Plastics	–	9,977,677	8,799,477	18,777,154
Conglomerates	–	7,498,170	1,706,833	9,205,003

Containers & Glass Products	–	16,234,278	12,506,384	28,740,662
Drugs	–	7,035,741	4,314,492	11,350,233
Electronics/Electrical	–	130,709,663	42,743,605	173,453,268
Equipment Leasing	–	–	7,237,500	7,237,500
Farming/Agriculture	–	–	360,771	360,771
Financial Intermediaries	–	18,370,920	4,485,000	22,855,920
Food Service	–	16,906,695	12,775,911	29,682,606
Healthcare	–	109,125,735	35,188,385	144,314,120
Industrial Equipment	–	27,562,271	777,810	28,340,081
Insurance	–	5,206,736	5,656,500	10,863,236
Lodging & Casinos	–	–	4,525,800	4,525,800
Oil & Gas	–	25,527,435	3,437,166	28,964,601
Publishing	–	10,228,608	4,320,000	14,548,608
Retailers (except food & drug)	–	12,648,119	4,339	12,652,458
Steel	–	5,200,497	6,100,887	11,301,384
Other	–	140,937,572	–	140,937,572
Corporate Bonds	–	143,010,886	–	143,010,886
Common Stock				
Building & Development	–	–	1,241,185	1,241,185
Business Equipment & Services	–	–	929,870	929,870
Leisure goods/activities/movies	–	–	3,041,672	3,041,672
Oil & Gas	1,037,317	1,018,095	8,776,976	10,832,388
Preferred Stocks				
Oil & Gas	–	–	393,038	393,038
Warrants				
Oil & Gas	–	–	6,889	6,889
Total	1,037,317	862,015,736	243,900,779	1,106,953,832

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

Blackstone / GSO Funds Notes to Financial Statements

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

Blackstone/GSO Senior Floating Rate Term Fund	**Floating Rate Loan Interests**	**Collateralized Loan Obligation Securities**	**Common Stock**	**Preferred Stock**	Warrants	Total
Balance as of December 31, 2017	$59,352,858	$ –	$118,278	$446,297	$ –	$59,917,433
Accrued discount/ premium	106,156	336	–	–	–	106,492
Realized Gain/(Loss)	291,736	–	–	–	–	291,736
Change in Unrealized Appreciation/(Depreciation)	(1,841,545)	(529,111)	(178,285)	(301,552)	(3,634)	(2,854,127)
Purchases	61,316,764	5,867,295	614,682	–	5,012	67,803,753
Sales Proceeds	(44,045,782)	–	–	–	–	(44,045,782)
Transfer into Level 3	16,166,143	–	–	–	–	16,166,143
Transfer out of Level 3	(13,977,605)	–	–	–	–	(13,977,605)
Balance as of December 31, 2018	$77,368,725	$ 5,338,520	$554,675	$144,745	$ 1,378	$83,408,043
Net change in unrealized appreciation/(depreciation) included in the Statements of Operations attributable to Level 3 investments held at December 31, 2018	$(1,727,996)	$ (529,111)	$(178,285)	$(301,552)	$ (3,634)	$(2,439,026)

Blackstone/GSO Long-Short Credit Income Fund	**Floating Rate Loan Interests**	**Collateralized Loan Obligation Securities**	Total
Balance as of December 31, 2017	$48,514,020	$ 2,437,391	$50,951,411
Accrued discount/ premium	84,184	102	84,286
Realized Gain/(Loss)	344,236	–	344,236
Change in Unrealized Appreciation/(Depreciation)	(2,211,822)	(585,779)	(2,797,601)
Purchases	49,865,645	4,779,255	54,644,900
Sales Proceeds	(31,649,167)	–	(31,649,167)

Transfer into Level 3	12,424,338	–	12,424,338
Transfer out of Level 3	(11,274,100)	–	(11,274,100)
Balance as of December 31, 2018	$66,097,334	$ 6,630,969	$72,728,303
Net change in unrealized appreciation/(depreciation) included in the Statements of Operations attributable to Level 3 investments held at December 31, 2018	$(1,679,235)	$ (585,779)	$(2,265,014)

Blackstone/GSO Strategic Credit Fund	**Floating Rate Loan Interests**	**Corporate Bonds**	**Common Stock**	**Preferred Stock**	Warrants	Total
Balance as of December 31, 2017	$180,109,500	$5,411,000	$15,121,331	$1,211,867	$–	$201,853,698
Accrued discount/ premium	270,466	10,865	–	–	–	281,331
Realized Gain/(Loss)	(3,592,206)	18,037	–	–	–	(3,574,169)
Change in Unrealized Appreciation/(Depreciation)	(4,100,127)	(58,367)	(5,134,909)	(818,829)	(18,173)	(10,130,405)
Purchases	168,104,356	1,124,217	4,003,281	–	25,062	173,256,916
Sales Proceeds	(122,163,562)	(495,860)	–	–	–	(122,659,422)
Transfer into Level 3	46,820,629	–	–	–	–	46,820,629
Transfer out of Level 3	(35,937,908)	(6,009,892)	–	–	–	(41,947,800)
Balance as of December 31, 2018	$229,511,149	$–	$13,989,703	$393,038	$6,889	$243,900,779
Net change in unrealized appreciation/(depreciation) included in the Statements of Operations attributable to Level 3 investments held at December 31, 2018	$(6,016,506)	$–	$(5,134,909)	$(818,829)	$(18,173)	$(14,111,745)

Blackstone / GSO Funds Notes to Financial Statements

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Blackstone / GSO Senior Floating Rate Term Fund	**Fair Value**	**Valuation Technique(s)**	**Unobservable Input(s)**	**Value/ Range (Weighted Average)**
Assets				
Floating Rate Loan Interests	$77,368,725	Third-party vendor pricing service	Broker quotes	N/A
Collateralized Loan Obligations	$5,338,520	Third-party vendor pricing service	Broker quotes	N/A
Common Stock	$554,675	Third-party vendor pricing service	Broker quotes	N/A
Preferred Stock	$144,745	Third-party vendor pricing service	Broker quotes	N/A
Warrants	$1,378	Third-party vendor pricing service	Broker quotes	N/A

Blackstone / GSO Long-Short Credit Income Fund	Fair Value	Valuation Technique(s)	Unobservable Input(s)	**Value/ Range (Weighted Average)**
Assets				
Floating Rate Loan Interests	$66,097,334	Third-party vendor pricing service	Broker quotes	N/A
Collateralized Loan Obligations	$6,630,969	Third-party vendor pricing service	Broker quotes	N/A

Blackstone / GSO Strategic Credit Fund	Fair Value	Valuation Technique(s)	Unobservable Input(s)	**Value/ Range (Weighted Average)**
Assets				
Floating Rate Loan Interests	$229,511,149		Broker quotes	N/A

		Third-party vendor pricing service		
Common Stock	$1,241,185	Performance Multiple Methodology	EBITDA Multiple[(a)]	8.31x
	$6,115,842	Performance Multiple Methodology	EBITDA Multiple[(a)]	4.07x
			Proved & Probable PV-10[(a)]	0.59x
			Daily Production[(a)]	45.50
			Proved & Probable Reserves[(a)]	8.43
	$3,591,004	Third-party vendor pricing service	Broker quotes	N/A
	$3,041,672	Performance Multiple Methodology	EBITDA Multiple[(a)]	7.30
Preferred Stock	$393,038	Third-party vendor pricing service	Broker quotes	N/A
Warrants	$6,889	Third-party vendor pricing service	Broker quotes	N/A

(a) *A change to the unobservable input at the reporting date would result in a significant change to the value of the investment as follows:*

Unobservable Input	**Impact to Value if Input Increases**	**Impact to Value if Input Decreases**
Daily Production	Increase	Decrease
EBITDA Multiple	Increase	Decrease
Proved & Probable PV-10	Increase	Decrease
Proved & Probable Reserves	Increase	Decrease

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

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

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Blackstone / GSO Funds Notes to Financial Statements

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Federal Income Taxes: It is the policy of the Funds to continue to qualify as regulated investment companies by complying with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of their earnings to their shareholders.

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

As of and during the year ended December 31, 2018, the Funds did not have a liability for any unrecognized tax benefits. The Funds file U.S. federal, state, and local tax returns as required. The Funds' tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations which is generally three years after the filing of the tax return for federal purposes and four years for most state returns. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Distributions to Shareholders: The Funds make monthly cash distributions of all or a portion of their net investment income to common shareholders. The Funds will distribute to common shareholders at least annually all or substantially all of their net investment income after the payment of dividends and interest, if any, owed with respect to outstanding preferred shares and/or borrowings, if applicable. The Funds intend to pay any capital gains distributions at least annually. On November 20, 2018, the Adviser announced that the Funds were transitioning from a strategy that seeks to maintain Fund distributions at stable levels notwithstanding increases or decreases in net income earned to a distribution strategy that is more reflective of the net income earned by the Funds.

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

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

For BSL, the Adviser receives a monthly fee at the annual rate of 0.90% of the average daily value of BSL's total assets (including any assets attributable to any leverage used) minus the sum of the BSL's accrued liabilities (other than Fund liabilities incurred for any leverage) ("BSL Managed Assets"). Effective November 17, 2017, the Adviser agreed to reduce a portion of the previous management fee, which was at an annual rate equal to 1.00% of BSL's Managed Assets, in connection with the extension of BSL's term through May 31, 2022. If BSL's term is extended again by shareholders beyond May 31, 2022, the management fee will return to an annual rate of 1.00% of BSL's Managed Assets unless waived or otherwise modified. For BGX, the Adviser receives a monthly fee at the annual rate of 1.20% of the average daily value of BGX's net assets (total assets of BGX minus liabilities, including accrued expenses or dividends). For BGB, the Adviser receives a monthly fee at the annual rate of 1.00% of the average daily value of BGB's Managed Assets (defined below).

Effective January 1, 2018, the Funds and the Blackstone / GSO Floating Rate Enhanced Income Fund paid every Trustee who is not a director, officer, employee, or affiliate of GSO or ALPS, a retainer fee of $120,000 per annum. The Chairman of the Audit Committee and the Chairman of the Nominating and Governance Committee also will receive a retainer fee of $10,000 per annum. The Lead Independent Trustee will also receive a retainer fee of $14,000 per annum.

ALPS Fund Services, Inc. ("ALPS") serves as administrator to the Funds. Under the administration agreement, ALPS is responsible for calculating the net asset value of the common shares and generally managing the administrative affairs of the Funds. For BSL and BGB, ALPS receives a monthly fee based on the average daily value of the Funds' respective Managed Assets, plus out-of-pocket expenses. For BGX, ALPS receives a monthly fee based on the average daily value of the Fund's net assets, plus out-of-pocket expenses. ALPS is not considered an affiliate of the Funds, as defined under the 1940 Act.

The Bank of New York Mellon serves as the Funds' custodian. Computershare Shareowner Services, LLC, serves as the Funds' transfer agent. The Bank of New York Mellon and Computershare Shareowner Services, LLC, are not considered affiliates of the Funds as defined under the 1940 Act.

NOTE 4. SECURITIES TRANSACTIONS

Investment transactions for the year ended December 31, 2018, excluding temporary short-term investments, were as follows:

Fund	**Cost of Investments Purchased**	**Proceeds from Investments Sold**
Blackstone / GSO Senior Floating Rate Term Fund	$360,027,847	$369,485,041
Blackstone / GSO Long-Short Credit Income Fund	267,718,297	268,454,185
Blackstone / GSO Strategic Credit Fund	914,724,938	955,236,205

Blackstone / GSO Funds Notes to Financial Statements

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NOTE 5. RELATED PARTY TRANSACTIONS

The Adviser is a related party. Fees payable to the related parties are disclosed in Note 3 and accrued amounts are disclosed in the Statement of Operations.

During the year ended December 31, 2018 none of the Funds engaged in cross trades with an affiliate pursuant to Rule 17a-7.

Blackstone Holdings Finance Co. L.L.C ("FINCO"), an affiliate of the investment adviser, pays expenses on behalf of the Funds from time to time. The Funds reimburse FINCO for such expenses paid on behalf of the Funds. FINCO does not charge any fees for providing such services. The amounts of $78,996, $78,294, and $100,319 for BSL, BGX, and BGB, respectively, as of year ended of December 31, 2018 is recorded as other payables and accrued expenses to the Funds' Statement of Assets and Liabilities.

NOTE 6. CAPITAL

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

Transactions in shares were as follows:

Blackstone / GSO Senior Floating Rate Term Fund	**For the Year Ended December 31, 2018**	**For the Year Ended December 31, 2017**
Common shares outstanding - beginning of period	15,251,298	15,225,178
Common shares issued as reinvestment of dividends	17,808	26,120
Common shares outstanding - end of period	15,269,106	15,251,298

Blackstone / GSO Long-Short Credit Income Fund	**For the Year Ended December 31, 2018**	**For the Year Ended December 31, 2017**
Common shares outstanding - beginning of period	12,702,160	12,702,160
Common shares issued as reinvestment of dividends	–	–
Common shares outstanding - end of period	12,702,160	12,702,160

Blackstone / GSO Strategic Credit Fund	**For the Year Ended December 31, 2018**	**For the Year Ended December 31, 2017**
Common shares outstanding - beginning of period	44,664,382	44,664,382
Common shares issued as reinvestment of dividends	–	–
Common shares outstanding - end of period	44,664,382	44,664,382

NOTE 7. LOANS AND OTHER INVESTMENTS

BSL defines “Senior Loans” as first lien senior secured, floating rate loans that are made to U.S. and, to a limited extent, non-U.S. corporations, partnerships and other business entities (“Borrowers”), which operate in various industries and geographical regions. BGX includes first and second lien secured, floating rate loans in its definition of “Secured Loans.” Under normal market conditions, at least 80% of BSL’s Managed Assets will be invested in Senior Loans and 70% of BGX’s Managed Assets (defined below) will be invested in Secured Loans. BGB defines its managed assets as net assets plus any borrowings for investment purposes, which includes effective leverage obtained through total return swaps, securities lending arrangements, credit default swaps or other derivative transactions (“BGB Managed Assets”). Under normal market conditions, at least 80% of BGB's Managed Assets will be invested in credit investments comprised of corporate fixed income instruments and other investments (including derivatives) with similar economic characteristics. BGX defines its managed assets as net assets plus any borrowings for investment purposes, which includes effective leverage obtained through securities lending, swap contract arrangements, and short selling or other derivative transactions (“BGX Managed Assets”). At December 31, 2018, 83.64% of BSL’s Managed Assets were held in Senior Loans, 86.25% of BGX's Managed Assets were held in Secured Loans, and 100.05% of BGB’s Managed Assets were held in corporate fixed income instruments including Senior Secured Loans.

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

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

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

Second lien loans generally are subject to similar risks as those associated with investments in first lien loans except that such loans are subordinated in payment and/or lower in lien priority to first lien holders. In the event of default on a second lien loan, the first priority lien holder has first claim to the underlying collateral of the loan. Second lien loans are subject to the additional risk that the cash flow of the Borrower and property securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior obligations of the Borrower. At December 31, 2018, BSL, BGX and BGB had invested $51,125,494, $55,003,535 and $191,515,369, respectively, in second lien secured loans. Second lien secured loans are considered Secured Loans for BGX and Senior Secured Loans for BGB, but are not considered Senior Loans for BSL.

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

The Funds may acquire Loans through assignments or participations. The Funds typically acquire these Loans through assignment, and if a Fund acquires a Loan through participation, it will seek to elevate a participation interest into an assignment as soon as practicably possible. 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. 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 which seek to mitigate credit and counterparty risk in the atypical situation when the Funds must acquire a Loan through a participation.

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

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NOTE 8. CREDIT DEFAULT SWAPS

BGX entered into credit default swaps during the year ended December 31, 2018.

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

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

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

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions. The Adviser selects only those counterparties that it believes are credit-worthy.

The effect of credit default swaps on the Statements of Operations as of December 31, 2018 is as follows:

Risk Exposure	Statement of Operations Location	Net Realized Gain/(Loss)	Net Change in Unrealized Appreciation/ (Depreciation)
Blackstone / GSO Long-Short Credit Income Fund			
Credit Contracts Centrally Cleared Credit Default Swap Contracts on Index - Sell protection	Net realized gain/(loss) on credit default swap contracts/Net change in unrealized appreciation/(depreciation) on credit default swap contracts	$ 76,306	$N/A
Total		$ 76,306	$N/A

During the period held, the average notional value of the credit default swaps was $860,250.

NOTE 9. LEVERAGE

On July 27, 2016 BGX and BGB issued 7-year Mandatory Redeemable Preferred Shares (“MRPS”). BGX issued 20,000 MRPS with a total liquidation value of $20,000,000 and BGB issued 45,000 MRPS with a total liquidation value of $45,000,000, rated “AA” by Fitch Ratings. BGB and BGX used the proceeds of the offerings to make additional investments for their portfolios. The final redemption date of the MRPS is July 27, 2023. BGB and BGX make quarterly dividend payments on the MRPS at an annual dividend rate of 3.61%. Due to the terms of the MRPS, face value approximates fair value at December 31, 2018. This fair value is based on Level 2 inputs under the three-tier fair valuation hierarchy (see Note 2).

In connection with BGB and BGX’s issuance of MRPS, certain costs were incurred by BGB and BGX and have been recorded net against the outstanding liability. These costs are being amortized over the period beginning July 27, 2016 (day of issuance) through July 27, 2023, the final redemption date. The net deferred financing costs as of December 31, 2018 are shown on BGB and BGX’s Statement of Assets and Liabilities. The amount of expense amortized during the year ended December 31, 2018 is shown on BGB and BGX’s Statement of Operations under amortization of deferred financing costs.

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December 31, 2018

Except for matters which do not require the vote of Holders of MRPS under the 1940 Act and except as otherwise provided in BGB's and BGX's Declaration of Trust, Bylaws, or the applicable Securities Purchase Agreement or as otherwise required by applicable law, each holder of MRPS shall be entitled to one vote for each MRPS held on each matter submitted to a vote of shareholders of the Fund, and the holders of outstanding preferred shares and common shares shall vote together as a single class on all matters submitted to shareholders; provided, however, that the holders of outstanding preferred shares shall be entitled, as a class, to the exclusion of the holders of shares of all other classes of beneficial interest of the Fund, to elect two Trustees of the applicable Fund at all times.

Each Fund has entered into a separate Credit Agreement (each, an "Agreement") with a bank to borrow money pursuant to a two-year revolving line of credit ("Leverage Facility") for BSL, BGX and BGB. BSL entered into an agreement dated October 8, 2014, as amended on October 7, 2015, October 5, 2016, and October 4, 2017 and as further amended and restated on June 20, 2018 to borrow up to a limit of $142 million. BGX entered into an agreement dated July 29, 2014, as amended on January 26, 2015, July 28, 2015, July 26, 2016, July 25, 2017, and February 23, 2018 and as further amended and restated on June 20, 2018, to borrow up to a limit of $122 million. BGB entered into an agreement dated December 21, 2012, as amended at December 20, 2013, December 19, 2014, December 18, 2015, July 26, 2016, December 16, 2016, December 20, 2017, as amended and restated on June 20, 2018 and as further amended on December 4, 2018 to borrow up to a limit of $415 million. Borrowings under each Agreement are secured by the assets of each Fund. Interest is charged at a rate of 1.15% above LIBOR for short-term (one (1) month) LIBOR loans and 1.00% above LIBOR for long term (three (3) month, six (6) month or nine (9) month) LIBOR loans for each of BSL and BGX and 0.975% above LIBOR for BGB, with LIBOR measured for the period commencing on the date of the making of such LIBOR loan (or the last date upon which any other Loan was converted to, or continued as, such LIBOR loan) and ending on the numerically corresponding day in the calendar month that is one (1) week or one (1), two (2), three (3), six (6) or nine (9) months thereafter, as each Fund may elect, as applicable, or such other period as the lender may agree in its sole and absolute discretion. Under the terms of the applicable Agreement, each Fund must pay a commitment fee on any undrawn amounts. The commitment fee payable in BSL and BGX is 0.20% on the undrawn amounts and in BGB is 0.15% on the undrawn amounts when drawn amounts exceed 75% of the borrowing limit and 0.25% on the undrawn amounts at any other time. Interest and fees are payable quarterly. Each Fund may elect to extend the applicable Agreement for a further period with the consent of the lending bank. At December 31, 2018, BSL, BGX, and BGB had borrowings outstanding under its respective Leverage Facility of $124,000,000, $107,500,000, and $361,500,000, at an interest rate of 3.50%, 3.61%, and 3.37%, respectively. Due to the short term nature of each Agreement, face value approximates fair value at December 31, 2018. This fair value is based on Level 2 inputs under the three-tier fair valuation hierarchy (see Note 2). For the period of January 1, 2018 through December 31, 2018, the average borrowings under BSL's, BGX's and BGB's Leverage Facility and the average interest rates were $132,067,123, and 3.16%, $115,391,781, and 3.12%, and $387,479,452, and 2.95%, respectively.

Under each Agreement and each governing document of the MRPS, each Fund has agreed to certain covenants and additional investment limitations while the leverage is outstanding. Each Fund agreed to maintain asset coverage of three times over borrowings and BGX and BGB have agreed to maintain 225% asset coverage over borrowings plus

MRPS. Compliance with the investment restrictions and calculations are performed by the Funds' custodian, The Bank of New York Mellon.

The use of borrowings to leverage the common shares of the Funds can create risks. Changes in the value of the Funds' portfolios, including securities bought with the proceeds of leverage, are borne entirely by the holders of common shares of the Funds. All costs and expenses related to any form of leverage used by the Funds are borne entirely by common shareholders. If there is a net decrease or increase in the value of the Funds' investment portfolios, 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 Funds did not utilize leverage. During periods when BSL and BGB are using leverage, the fees paid to the Adviser for advisory services and to ALPS for administrative services are higher than if BSL and BGB did not use leverage because the fees paid are calculated on the basis of BSL and BGB's Managed Assets, which include the assets purchased through leverage. As of December 31, 2018, BSL's, BGX's, and BGB's leverage represented 33.01%, 39.12% and 37.29% of each Fund's Managed Assets, respectively. The leverage amounts in BGX and BGB include 6.14% and 4.13% of Managed Assets attributable to the MRPS, respectively.

NOTE 10. TAX BASIS DISTRIBUTIONS

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

Blackstone / GSO Funds Notes to Financial Statements

December 31, 2018

As determined on December 31, 2018, certain permanent differences between financial and tax accounting were reclassified. These differences were primarily due to the differing tax treatment of certain investments. The amounts reclassified did not affect net assets. The reclassifications were as follows:

Fund	**Decrease** **Paid-in capital**	**Increase** **Total Distributable Earnings**
Blackstone / GSO Senior Floating Rate Term Fund	$(129,867)	$ 129,867
Blackstone / GSO Long-Short Credit Income Fund	$(88,152)	$ 88,152
Blackstone / GSO Strategic Credit Fund	$(245,787)	$ 245,787

The tax character of distributions paid by the Funds during the fiscal years ended December 31, 2018 and December 31, 2017 was as follows:

2018	**Blackstone / GSO Senior Floating Rate Term Fund**	**Blackstone / GSO Long-Short Credit Income Fund**	**Blackstone / GSO Strategic Credit Fund**
Distributions Paid From: Ordinary Income	$21,551,497	$21,211,254 (a)	$68,890,569 (a)
Total	$21,551,497	$21,211,254	$68,890,569

2017	Blackstone / GSO Senior Floating	Blackstone / GSO Long-Short Credit Income	Blackstone / GSO Strategic Credit Fund

	Rate Term Fund	Fund	
Distributions Paid From: Ordinary Income	$17,740,491	$16,419,427 (a)	$57,892,785 (a)
Total	$17,740,491	$16,419,427	$57,892,785

(a) *Distributions paid include common shares and mandatory redeemable preferred shares.*

Under the Regulated Investment Company Modernization Act of 2010 (the "RIC Mod Act"), net capital losses recognized by the Fund may get carried forward indefinitely, and retain their character as short-term and/or long-term losses. Any such losses, will be deemed to arise on the first day of the next taxable year.

Fund	Short Term	Long Term
Blackstone / GSO Senior Floating Rate Term Fund	$–	$13,408,320
Blackstone / GSO Long-Short Credit Income Fund	$1,075,555	$18,473,239
Blackstone / GSO Strategic Credit Fund	$1,884,756	$67,764,612

Capital losses arising in the post-October period of the current fiscal year may be deferred to the next fiscal year if the fund elects to defer the recognition of these losses. When this election is made any losses recognized during the period are treated as having occurred on the first day of the next fiscal year separate from and in addition to the application of normal capital loss carryovers as described above.

Fund	Capital Losses
Blackstone / GSO Senior Floating Rate Term Fund	$117,519
Blackstone / GSO Strategic Credit Fund	$4,288,118

At December 31, 2018, the components of distributable earnings on a tax basis for the Funds were as follows:

	Blackstone / GSO Senior Floating Rate Term Fund	**Blackstone / GSO Long-Short Credit Income Fund**	**Blackstone / GSO Strategic Credit Fund**
Undistributed ordinary income	$617,538	$639,202	$1,122,033
Accumulated capital losses	(13,525,839)	(19,548,794)	(73,937,486)
Unrealized depreciation	(22,089,723)	(19,375,052)	(83,094,103)

Other Cumulative effect of timing differences	–	(121,558)	(273,505)
Total	$(34,998,024)	$(38,406,202)	$(156,183,061)

Blackstone / GSO Funds Notes to Financial Statements

December 31, 2018

The amount of net unrealized appreciation/(depreciation) and the cost of investment securities for tax purposes, including short-term securities at December 31, 2018, were as follows:

	Blackstone / GSO Senior Floating Rate Term Fund	**Blackstone / GSO Long-Short Credit Income Fund**	**Blackstone / GSO Strategic Credit Fund**
Cost of investments for income tax purposes	$404,433,391	$351,285,650	$1,190,047,935
Gross appreciation (excess of value over tax cost)	$446,471	$653,954	$2,795,431
Gross depreciation (excess of tax cost over value)	(22,536,194)	(20,029,006)	(85,889,534)
Net unrealized depreciation	$(22,089,723)	$(19,375,052)	$(83,094,103)

11. RECENT ACCOUNTING PRONOUNCEMENT

In November 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-18, *Statement of Cash Flows (Topic 230) - Restricted Cash*. The new guidance is intended to change the presentation of restricted cash on the statement of cash flows. The new standard affects all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. The new guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those annual periods. The adoption of ASU No. 2016-18 did not have an impact on the Funds' financial statements.

In March 2017, the FASB issued ASU 2017-08, *Receivables - Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities,* which provides guidance related to the amortization period for certain purchased callable debt securities purchased at a premium. Specifically, it required the premium to be amortized to the earliest call date. The ASU is effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods. Management is currently evaluating the implication of this amendment and its impact to the Funds' financial statements and related disclosures.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurements,* which amended guidance on the disclosure requirements for fair value measurement. The update to Topic 820 includes added, eliminated and modified disclosure requirements for investments measured at fair value. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019, including interim periods. Early adoption is permitted for any eliminated or modified disclosures. The impact of the amended guidance on the Funds was the removal of the requirements to disclose (a) amount of and reasons for transfers between Level 1 and 2 (b) the valuation processes for Level 3 fair value measurements, and (c) the policy for timing of transfers between levels. Management has evaluated the impact of this ASU and has adopted the changes into the Funds' financial statements.

On October 17, 2018, the Securities and Exchange Commission ("SEC") adopted changes to Regulation S-X to simplify the reporting of information by registered investment companies in financial statements. The amendments require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities and also require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, if any, on the Statement of Changes in Net Assets. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets. These Regulation S-X amendments are reflected in the Funds' financial statements for the year ended December 31, 2018. The distributions to shareholders in the December 31, 2017 Statement of Changes in Net Assets presented herein conform to the current year presentation.

NOTE 12. SUBSEQUENT EVENTS

In preparing these financial statements, the Funds' management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

Shareholder Distributions for BSL: On January 31, 2019, BSL paid the regularly scheduled distribution in the amount of $0.107 per share to shareholders of record as of December 31, 2018. On January 31, 2019, BSL paid a special distribution in the amount of $0.228 per share to shareholders of record as of December 31, 2018. On February 20, 2019, BSL went ex with respect to the regularly scheduled monthly distribution of $0.107 to stockholders of record as of February 21, 2019.

Shareholder Distributions for BGX: On January 31, 2019, BGX paid the regularly scheduled distribution in the amount of $0.117 per share to shareholders of record as of December 31, 2018. On January 31, 2019, BGX paid a special distribution in the amount of $0.349 per share to shareholders of record as of December 31, 2018. On February 20, 2019, BGX went ex with respect to the regularly scheduled monthly distribution of $0.117 to stockholders of record as of February 21, 2019.

Shareholder Distributions for BGB: On January 31, 2019, BGB paid the regularly scheduled distribution in the amount of $0.110 per share to shareholders of record as of December 31, 2018. On January 31, 2019, BGB paid a special distribution in the amount of $0.236 per share to shareholders of record as of December 31, 2018. On February 20, 2019, BGB went ex with respect to the regularly scheduled monthly distribution of $0.110 to stockholders of record as of February 21, 2019.

	Report of Independent Registered
Blackstone / GSO Funds	Public Accounting Firm

To the Board of Trustees and Shareholders of Blackstone / GSO Senior Floating Rate Term Fund, Blackstone / GSO Long-Short Credit Income Fund and Blackstone / GSO Strategic Credit Fund:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statements of assets and liabilities of Blackstone / GSO Senior Floating Rate Term Fund, Blackstone / GSO Long-Short Credit Income Fund and Blackstone / GSO Strategic Credit Fund (the "Funds"), including the portfolios of investments, as of December 31, 2018, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Funds as of December 31, 2018, and the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. 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, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2018, by correspondence with the custodian, brokers and agent banks; when replies were not received from brokers or agent banks, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

DELOITTE & TOUCHE LLP

Denver, Colorado

February 25, 2019

We have served as the auditor of one or more investment companies advised by Blackstone / GSO since 2010.

Blackstone / GSO Funds Summary of Dividend Reinvestment Plan

December 31, 2018 (Unaudited)

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

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

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

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

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

(2) If 98% of the net asset value per common share exceeds the market price of the common shares plus any brokerage commissions on the determination date, the DRIP administrator will receive the distribution in cash and will buy common shares in the open market, on the New York Stock Exchange or elsewhere, for your account as soon as practicable commencing on the trading day following the determination date and terminating no later than the earlier of (a) 30 days after the distribution payment date, or (b) the record date for the next succeeding distribution to be made to the shareholders; except when necessary to comply with applicable provisions of the federal securities laws. If during this period: (i) the market price plus any brokerage commissions rises so that it equals or exceeds 98% of the

net asset value per common share at the close of trading on the New York Stock Exchange on the determination date before the DRIP administrator has completed the open market purchases or (ii) the DRIP administrator is unable to invest the full amount eligible to be reinvested in open market purchases, the DRIP administrator will cease purchasing common shares in the open market and the Fund will issue the remaining common shares at a price per share equal to the greater of (a) 98% of the net asset value per share at the close of trading on the New York Stock Exchange on the determination date or (b) 95% of the then current market price per share.

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

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

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

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

Blackstone / GSO Funds Additional Information

December 31, 2018 (Unaudited)

Portfolio Information. The Funds file their complete schedules of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Form N-Q. Beginning April 30, 2019, the Funds will be required to use new Form N-PORT on a monthly basis to disclose portfolio holdings, with every third month made available to the public by the SEC 60 days after the end of the Funds' fiscal quarter, and Form N-Q filings will no longer be required. The Funds' Forms N-Q or Form N-PORT will be available (1) on the Funds' website located at http://www.blackstone-gso.com; (2) on the SEC's website at http://www.sec.gov; or (3) for review and copying at the SEC's Public Reference Room (the "PRR") in Washington, DC. Information regarding the operation of the PRR may be obtained by calling 1-800-SEC-0330.

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

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

Tax Information. For the fiscal year ended December 31, 2018, the qualified interest related dividend percentages for foreign shareholders were:

Fund Name	**Percentage**
Blackstone / GSO Senior Floating Rate Term Fund	85.89%
Blackstone / GSO Long Short Credit Income Fund	83.47%
Blackstone / GSO Strategic Credit Fund	82.19%

In early 2019, if applicable, shareholders of record will receive information for the distributions paid to them by the Funds during the calendar year 2018 via Form 1099.

Blackstone / GSO Funds Privacy Procedures

December 31, 2018 (Unaudited)

This privacy policy sets forth the Investment Manager's policies with respect to nonpublic personal information of individual investors, shareholders, prospective investors and former investors of investment funds managed by the Investment Manager. These policies apply to individuals only and are subject to change.

FACTS	**WHAT DO BLACKSTONE REGISTERED FUNDS DO WITH YOUR PERSONAL INFORMATION?**
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: Social Security number and income Assets and investment experience Risk tolerance and transaction history
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Blackstone Registered Funds (as defined below) choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	**Do Blackstone Registered Funds share?**	**Can you limit this sharing?**
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share

For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions? Email us at GLB.privacy@blackstone.com

Who We Are

Who is providing this notice?	Blackstone Registered Funds include Blackstone Alternative Alpha Fund, Blackstone Alternative Alpha Fund II, Blackstone Real Estate Income Fund, Blackstone Real Estate Income Fund II, Blackstone Alternative Investment Funds, on behalf of its series Blackstone Alternative Multi-Strategy Fund, Blackstone Diversified Multi-Strategy Fund, a sub-fund of Blackstone Alternative Investment Funds plc, and the GSO Funds, consisting of Blackstone / GSO Senior Floating Rate Term Fund, Blackstone / GSO Long-Short Credit Income Fund, Blackstone / GSO Strategic Income Fund and Blackstone / GSO Floating Rate Enhanced Income Fund and Blackstone / GSO Secured Lending Fund.

What We Do

How do Blackstone Registered Funds protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

Blackstone / GSO Funds Privacy Procedures

December 31, 2018 (Unaudited)

How do Blackstone Registered Funds collect my personal information?	We collect your personal information, for example, when you: open an account or give us your income information provide employment information or give us your contact information tell us about your investment or retirement portfolio We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: sharing for affiliates' everyday business purposes—information about your creditworthiness affiliates from using your information to market to you sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account—unless you tell us otherwise.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. Our affiliates include companies with a Blackstone name and financial companies such as GSO Capital Partners LP and Strategic Partners Fund Solutions.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.

	Blackstone Registered Funds do not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you.
	Our joint marketing partners include financial services companies.

Other Important Information

California Residents — In accordance with California law, we will not share information we collect about California residents with nonaffiliates except as permitted by law, such as with the consent of the customer or to service the customer's accounts. We will also limit the sharing of information about you with our affiliates to the extent required by applicable California law.

Vermont Residents — In accordance with Vermont law, we will not share information we collect about Vermont residents with nonaffiliates except as permitted by law, such as with the consent of the customer or to service the customer's accounts. We will not share creditworthiness information about Vermont residents among Blackstone Registered Funds' affiliates except with the authorization or consent of the Vermont resident.

DATA PRIVACY NOTICE FOR INVESTORS

Why are you seeing this notice?

This Data Privacy Notice applies to you to the extent that European Union ("**EU**") data protection legislation applies to our processing of your Personal Data (defined below) or to the extent you are a resident of the EU or the European Economic Area ("**EEA**"). If this Data Privacy Notice applies to you, you have certain rights with respect to your Personal Data which are contained in this Data Privacy Notice.

You may need to provide Personal Data to us as part of your investment into **Blackstone / GSO Senior Floating Rate Term Fund, Blackstone / GSO Long-Short Credit Income Fund, and Blackstone / GSO Strategic Credit Income Fund** (each, the "**Fund**").

We want you to understand how and why we use, store and otherwise process your Personal Data when you deal with us or our relevant affiliates.

"**Personal Data**" has the meaning given in the EU data protection legislation and includes any information relating to an identifiable individual (such as name, address, date of birth or economic information).

Blackstone / GSO Funds Privacy Procedures

December 31, 2018 (Unaudited)

Please read the information below carefully. It explains how and why Personal Data is processed by us.

Who is providing this notice?

The Fund is committed to protecting and respecting your privacy.

The Fund-related entities on whose behalf this privacy statement is made are: (i) the Fund, (ii) GSO / Blackstone Debt Funds Management LLC, (the "**Investment Advisor**"), (iii), their respective affiliates, and in each case such persons' legal and other advisors and agents (together, the "**Fund Parties**").

Where we use the terms "**we**", "**us**" and "**our**" in this Data Privacy Notice, we are referring to the Fund and the Fund Parties.

When you provide us with your Personal Data, the Fund acts as a "**data controller**". In simple terms, this means that:

we "control" the Personal Data that you provide - including making sure that it is kept secure

we make certain decisions on how to use and protect your Personal Data - but only to the extent that we have informed you about the use or are otherwise permitted by law

What Personal Data do we collect about you?

The types of Personal Data we collect and share depends on the product or service you have with us and the nature of your investment. This information can include or be related to:

name, date of birth, country(ies) of citizenship, mailing and permanent address, email address, and telephone number

photo identification, including passports, driving license, and other government-issued IDs

bank and brokerage account information, including routing and account numbers

national insurance number and tax identification number

source of wealth, employment information, education history, number of dependents and income

assets and liabilities

investment strategy, experience, and activity

risk tolerance and transaction history

internet protocol address

cookie identification

information about your third-party representatives

The Personal Data collected about you will help us provide you with a better service and facilitate our business relationship.

We may combine Personal Data that you provide to us with Personal Data that we collect from, or about you, in some circumstances.

This will include Personal Data collected in an online or offline context.

Where do we obtain your Personal Data?

We collect, and have collected, Personal Data about you from a number of sources, including from you directly:

WHAT	**HOW**
Personal Data that you give us	from the forms and any associated documentation that you complete when subscribing for an investment, shares and/or opening an account with us. This will include information about your name, address, date of birth, passport details or other national identifier, driving license, your national insurance or social security number and income, employment information and details about your investment or retirement portfolio(s)

when you provide it to us in correspondence and conversations

when you make transactions with respect to the Fund

when you purchase shares from us and/or tell us where to send money

Blackstone / GSO Funds Privacy Procedures

December 31, 2018 (Unaudited)

Personal Data we obtain from others	publicly available and accessible directories and sources bankruptcy registers tax authorities, including those that are based outside the United Kingdom and the EEA if you are subject to tax in another jurisdiction governmental and competent regulatory authorities to whom we have regulatory obligations

Why do we process your Personal Data?

We process your Personal Data for the following reasons:

WHY	**HOW**
Contract	It is **necessary to perform our contract** with you to: administer, manage and set up your investor account(s) to allow you to purchase your holding (of shares) in our funds meet the resulting contractual obligations we have to you facilitate the continuation or termination of the contractual relationship between you and the Fund facilitate the transfer of funds, and administering and facilitating any other transaction, between you and the Fund
Compliance with law	It is **necessary for compliance with an applicable legal or regulatory obligation** to which we are subject to: undertake our client and investor due diligence, and on-boarding checks carry out verification, know your client (KYC), terrorist financing and anti-money laundering checks

verify the identity and addresses of our investors (and, if applicable their beneficial owners)

comply with requests from regulatory, governmental, tax and law enforcement authorities

surveillance and investigation

carry out audit checks

maintain statutory registers

prevent and detect fraud

comply with sanctions laws

Our legitimate interests

For our **legitimate interests** or those of a third party to:

manage and administer your holding in any funds in which you are invested, and any related accounts on an ongoing basis

assess and process any applications or requests made by you

open, maintain or close accounts in connection with your investment in, or withdrawal from, the Fund

send updates, information and notices or otherwise correspond with you in connection with your investment in the Fund

address or investigate any complaints, claims, proceedings or disputes

provide you with, and inform you about, our investment products and services

monitor and improve our relationships with investors

comply with applicable regulatory obligations

manage our risk and operations

comply with our accounting and tax reporting requirements

comply with our audit requirements

assist with internal compliance with our policies and process

ensure appropriate group management and governance

keep our internal records

prepare reports on incidents / accidents

protect our business against fraud, breach of confidence, theft of proprietary materials, and other financial or business crimes (to the extent that this is not required of us by law) analyze and manage commercial risks

seek professional advice, including legal advice

enable any actual or proposed, assignee or transferee, participant or sub-participant of the Fund's or Fund vehicles' rights or obligations to evaluate proposed transactions

facilitate business asset transactions involving the Fund or Fund-related vehicles

monitor communications to/from us using our systems

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protect the security and integrity of our IT systems

We only rely on these interests where we have considered that, on balance, our legitimate interests are not overridden by your interests, fundamental rights or freedoms.

Monitoring as described at (3) above

We monitor communications where the law requires us to do so. We will also monitor where we are required to do so to comply with our regulatory rules and practices and, where we are permitted to do so, to protect our business and the security of our systems.

Who we share your Personal Data with

We will share your Personal Data with the following persons for the following reasons:

WHO	**WHY**
Fund associates	We share your Personal Data with our associates, related parties and members of our group. This is to: manage our relationship with you the purposes set out in this Data Privacy Notice
Fund Managers, Depositories, Administrators, Custodians, Investment Advisors	delivering the services you require managing your investment supporting and administering investment-related activities

	complying with applicable investment laws and regulations Fund and investment specific details of these third parties can be found in the relevant subscription documents you have been provided with
Tax Authorities	to comply with applicable laws and regulations where required by EEA tax authorities (who, in turn, may share your Personal Data with foreign tax authorities) where required by foreign tax authorities, including outside of the EEA
Service Providers	delivering and facilitating the services needed to support our business relationship with you supporting and administering investment-related activities
Our lawyers, auditors and other professional advisors	providing you with investment-related services to comply with applicable legal and regulatory requirements

In exceptional circumstances, we will share your Personal Data with:

competent regulatory, prosecuting and other governmental agencies or litigation counterparties, in any country or territory

organisations and agencies - where we are required to do so by law

Do you have to provide us with this Personal Data?

Unless otherwise indicated, you should assume that we require the Personal Data for business and/or compliance purposes.

Where we collect Personal Data from you that is purely voluntary and there are no implications for you if you do not wish to provide us with it, we will indicate as such.

Some of the Personal Data we request is necessary for us to perform our contract with you and if you do not wish to provide us with this Personal Data, it will affect our ability to provide our services to you and manage your investment.

Blackstone / GSO Funds Privacy Procedures

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Sending your Personal Data internationally

We will transfer your Personal Data to our group members, shareholders of the Fund and related parties, and to third party service providers outside of the EEA, which do not have similarly strict data protection and privacy laws.

Where we transfer Personal Data to other members of our group, or our service providers, we have put in place data transfer agreements and safeguards using European Commission approved terms.

Please contact us if you would like to know more about these agreements or receive a copy of them. Please see below for our contact details.

Consent – and your right to withdraw it

We do not generally rely on obtaining your consent to process your Personal Data.

If we do, you have the right to withdraw this consent at any time.

Please contact us or send us an email at GDPRqueries@blackstone.com at any time if you wish to do so.

Retention and deletion of your Personal Data

We keep your Personal Data for as long as it is required by us for our legitimate business purposes, to perform our contractual obligations, or where longer, such longer period as is required by law or regulatory obligations which apply to us.

We will generally retain Personal Data about you throughout the life cycle of any investment you are involved in Some Personal Data will be retained after your relationship with us ends As a general principle, we do not retain your Personal Data for longer than we need it.

We will usually delete your Personal Data (at the latest) after you cease to be an investor in any investment vehicle related to the Fund and there is no longer any legal or regulatory requirement or other legitimate business purpose for retaining your Personal Data.

Your rights

You have certain data protection rights, including:

the right to access your Personal Data
the right to restrict the use of your Personal Data
the right to have incomplete or inaccurate Personal Data corrected
the right to ask us to stop processing your Personal Data
the right to require us to delete your Personal Data in some limited circumstances

From 25 May 2018, you also have the right in some circumstances to request for us to "port" your Personal Data in a portable, re-usable format to other organizations (where this is possible).

Concerns or queries

We take your concerns very seriously. We encourage you to bring it to our attention if you have any concerns about our processing your Personal Data.

This Data Privacy Notice was drafted with simplicity and clarity in mind. We are, of course, happy to provide any further information or explanation needed. Our contact details are below.

If you want to make a complaint, you can also contact the body regulating data protection in your country, where you live or work, or the location where the data protection issue arose. A list of the EU data protection authorities is available by clicking this link: http://ec.europa.eu/newsroom/article29/item-detail.cfm?item_id=612080.

Contact us

Please contact us if you have any questions about this Data Privacy Notice or the Personal Data we hold about you.

Contact us by **email** at GDPRqueries@blackstone.com.

Contact us in **writing** using the address below:

Address	The Blackstone Group Attn: Legal and Compliance 345 Park Avenue New York, NY 10154

Changes to this Data Privacy Notice

We keep this Data Privacy Notice under regular review.

This Data Privacy Notice was last updated on 24 May 2018.

Blackstone / GSO Funds Trustees & Officers

December 31, 2018 (Unaudited)

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

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

NON-INTERESTED TRUSTEES

Name, Address and Year of Birth(1)	**Position(s) Held with the Funds**	**Term of Office and Length of Time Served**	**Principal Occupation(s) During Past 5 Years**	**Number of Portfolios in Fund Complex Overseen by Trustee(2)**	**Other Directorships Held by Trustee**
Edward H. D'Alelio Birth Year: 1952	Lead Independent Trustee and member of Audit and Nominating and Governance Committees	Trustee Since: BSL: April 2010 BGX: November 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.	7	Owl Rock Capital Corp. business development companies (3 portfolios overseen in Fund Complex).

		BGB: May 2012 Term Expires: BSL: 2020 BGX: 2020 BGB: 2020			
Michael F. Holland Birth Year: 1944	Trustee and member of Audit and Nominating and Governance Committees	Trustee Since: BSL: April 2010 BGX: November 2010 BGB: May 2012 Term Expires: BSL: 2019 BGX: 2019 BGB: 2019	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.	7	The China Fund, Inc.; State Street Master Funds; Reaves Utility Income Fund; The Taiwan Fund, Inc. (until 2017).
Thomas W. Jasper Birth Year: 1948	Trustee, Chairman of Audit Committee and member of Nominating and Governance Committee	Trustee Since: BSL: April 2010 BGX: November 2010 BGB: May 2012	Mr. Jasper is the Managing Partner of Manursing Partners LLC, a consulting firm. He was Chief Executive Officer of Primus Guaranty, Ltd. from 2001-2010.	7	Ciner Resources LP (master limited partnership).

		Term Expires: BSL: 2021 BGX:2021 BGB: 2021			
Gary S. Schpero Birth Year: 1953	Trustee, Chairman of Nominating and Governance Committee and member of Audit Committee	Trustee Since: BSL: May 2012 BGX: May 2012 BGB: May 2012 Term Expires: BSL: 2021 BGX:2021 BGB: 2021	Retired. Prior to January 2000, Mr. Schpero was a partner at the law firm of Simpson Thacher & Bartlett LLP where he served as managing partner of the Investment Management and Investment Company Practice Group.	4	AXA Premier VIP Trust; EQ Advisors Trust; 1290 Funds.

Blackstone / GSO Funds Trustees & Officers

December 31, 2018 (Unaudited)

INTERESTED TRUSTEE[3]

Name, Address and Year of Birth[1]	**Position(s) Held with the Funds**	**Term of Office and Length of Time Served**	**Principal Occupation(s) During Past 5 Years**	**Number of Portfolios in Fund Complex Overseen by Trustee**[2]	**Other Directorships Held by Trustee**
Daniel H. Smith, Jr. Birth Year: 1963	Chairman of the Board, President, Chief Executive Officer, Trustee	Trustee Since: BSL: April 2010 BGX: November 2010 BGB: May 2012 Term Expires: BSL: 2019 BGX: 2019 BGB: 2019	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.	4	Blackstone/GSO Secured Lending Fund.

OFFICERS

Name, Address and Year of Birth[(1)]	**Position(s) Held with the Funds**	**Term of Office and Length of Time Served**	**Principal Occupation During the Past Five Years**
Daniel H. Smith, Jr. Birth Year: 1963	Trustee, Chairman of the Board, President, Chief Executive Officer	Officer Since: BSL: April 2010 BGX: November 2010 BGB: May 2012 Term of Office: Indefinite	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.
Dohyun (Doris) Lee-Silvestri Birth Year: 1977	Chief Financial Officer and Treasurer	Officer Since: BSL: March 2016 BGX: March 2016 BGB: March 2016 Ms. Lee-Silvestri will resign from the Funds and GSO on or before March 15, 2019 to pursue other opportunities. It is expected that Robert Busch will be appointed as Chief Financial Officer and Treasurer of the Funds on the date of Ms. Lee-Silvestri's departure from the Funds.	Doris Lee-Silvestri is a Managing Director and Chief Financial Officer of GSO. At GSO, Ms. Lee-Silvestri was most recently the head of the fund accounting and financial reporting group. Before joining GSO in 2006, Ms. Lee-Silvestri held a variety of positions at Merrill Lynch Investment Advisors and JP Morgan Partners within the respective finance and accounting teams. In addition, Ms. Lee-Silvestri worked at McGladrey LLP, a global public accounting firm.
Robert Zable Birth Year: 1972	Executive Vice President and Assistant Secretary	Officer Since: BSL: September 2015 BGX: September 2015 BGB: September 2015	Mr. Zable is a Senior Managing Director of The Blackstone Group L.P. Before joining GSO, Mr. Zable was a Vice President at FriedbergMilstein LLC, where he was responsible for credit opportunity investments and junior capital origination and execution. Prior to that, Mr. Zable was a Principal with Abacus Advisors Group, a restructuring and distressed investment firm. Mr. Zable began

Term of Office: Indefinite	his career at JP Morgan Securities Inc., where he focused on leveraged finance in New York and London.

Blackstone / GSO Funds Trustees & Officers

December 31, 2018 (Unaudited)

OFFICERS (continued)

Name, Address and Year of Birth[(1)]	**Position(s) Held with the Funds**	**Term of Office and Length of Time Served**	**Principal Occupation During the Past Five Years**
Marisa Beeney Birth Year: 1970	Chief Compliance Officer, Chief Legal Officer and Secretary	Officer Since: BSL: April 2010 BGX: November 2010 BGB: May 2012	Ms. Beeney is a Senior Managing Director of The Blackstone Group L.P. and General Counsel of GSO. Before joining GSO, she was with the finance group of DLA Piper. Ms. Beeney began her career at Latham & Watkins LLP working primarily on project finance and development transactions, as well as other structured credit products.
Jane Lee Birth Year: 1972	Public Relations Officer	Term of Office: Indefinite Officer Since: BSL: November 2010 BGX: November	Ms. Lee is a Senior Managing Director of The Blackstone Group L.P. and Head of GSO's capital formation efforts. 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.

2010

BGB: May 2012

Term of Office:

Indefinite

(1) *The address of each Trustee/Nominee and Officer, unless otherwise noted, is GSO Capital Partners LP, 345 Park Avenue, 31st Floor, New York, NY 10154.*

(2) *The "**Fund Complex**" consists of the Funds, Blackstone / GSO Senior Floating Rate Term Fund, Blackstone / GSO Long-Short Credit Income Fund, Blackstone / GSO Strategic Credit Fund and Blackstone / GSO Floating Rate Enhanced Income Fund, as well as the "**Blackstone Real Estate Funds**," (Blackstone Real Estate Income Fund, Blackstone Real Estate Income Fund II and Blackstone Real Estate Income Master Fund), the "**Blackstone Alternative Alpha Funds**" (Blackstone Alternative Alpha Fund, Blackstone Alternative Alpha Fund II and Blackstone Alternative Alpha Master Fund), and the "**Blackstone Alternative Investment Funds**" (Blackstone Alternative Multi-Manager Fund and Blackstone Alternative Multi-Strategy Fund).*

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

Item 2. **Code of Ethics.**

(a) The registrant, as of the end of the period covered by the report, has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller or any persons performing similar functions on behalf of the registrant.

(b) Not applicable.

(c) During the period covered, by this report, no amendments were made to the provisions of the code of ethics adopted in 2 (a) above.

(d) During the period covered by this report, no implicit or explicit waivers to the provision of the code of ethics adopted in 2 (a) above were granted.

(e) Not applicable.

(f) The registrant's Code of Ethics is attached as Exhibit 13.A.1 hereto.

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

The registrant's Board of Trustees has determined that the registrant has at least one audit committee financial expert serving on its audit committee. The Board of Trustees has designated Thomas W. Jasper as the registrant's "audit committee financial expert." Mr. Jasper is "independent" as defined in paragraph (a)(2) of Item 3 to Form N-CSR.

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

(a) <u>Audit Fees</u>: The aggregate fees billed for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the fiscal years ended December 31, 2018 and December 31, 2017 were $87,900 and $87,900, respectively.

(b) <u>Audit-Related Fees</u>: The aggregate fees billed for the fiscal years ended December 31, 2018 and December 31, 2017 for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item were $0 and $0, respectively.

(c) Tax Fees: The aggregate fees billed for the fiscal years ended December 31, 2018 and December 31, 2017 for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning were $7,750 and $8,663, respectively.

(d) All Other Fees: The aggregate fees billed for the fiscal years ended December 31, 2018 and December 31, 2017 for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item were $0 and $0, respectively.

(e)(1) Audit Committee Pre-Approval Policies and Procedures: All services to be performed by the Registrant's principal auditors must be pre-approved by the registrant's audit committee.

(e)(2) There were no non-audit services approved or required to be approved by the registrant's audit committee pursuant to (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not applicable.

(g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser, and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for the fiscal years ended December 31, 2018 and December 31, 2017 were $7,750 and $8,663, respectively.

(h) Not applicable.

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

The registrant has a separately designated standing audit committee established in accordance with Section 3 (a)(58)(A) of the Exchange Act and is comprised of the following members:

Thomas W. Jasper, Chairman

Edward H. D'Alelio

Michael Holland

Gary S. Schpero

Item 6. **Schedule of Investments.**

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

(b) Not applicable.

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

Attached, as Exhibit Item 7, is a copy of the registrant's policies and procedures.

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

(a)(1) As of: March 8, 2019

The lead portfolio manager for the registrant (also referred to as the "Fund") is Robert Zable, who is primarily responsible for the day-to-day management of the Fund and is a member of the U.S. Syndicated Credit Investment Committee (the "Investment Committee") of GSO / Blackstone Debt Funds Management LLC (the "Adviser"). The Investment Committee approves core investments made by the Fund, but is not primarily responsible for the Fund's day-to-day management.

Portfolio Managers Name	Title	Length of Service	Business Experience During Past 5 Years
Robert Zable	Portfolio Manager	Since September 2015	Mr. Zable is a Senior Managing Director of The Blackstone Group L.P. and a Senior Portfolio Manager for GSO's Customized Credit Strategies business unit ("CCS"). Mr. Zable is Senior Portfolio Manager of GSO's U.S. CLOs, high yield separately managed accounts, and closed-end funds and Lead Portfolio Manager of the Fund. Mr. Zable serves as a member of several of GSO's committees, including the CCS Management Committee, the U.S. Syndicated Credit Investment Committee, and the Global Structured Credit Investment Committee. Before joining GSO in 2007, Mr. Zable was a Vice President at FriedbergMilstein LLC, where he was responsible for credit opportunity investments and junior capital origination and execution. Prior to that, Mr. Zable was a Principal with Abacus Advisors Group, a boutique restructuring and distressed investment firm. Mr. Zable began his career at JP Morgan Securities Inc., where he focused on leveraged finance in New York and London. Mr. Zable received a B.S. from Cornell University, and an M.B.A. in Finance from The Wharton School at the University of Pennsylvania.
Gordon McKemie	Portfolio Manager	Since April 2015	Mr. McKemie is a Principal of The Blackstone Group L.P. and a Portfolio Manager for CCS. Mr. McKemie is a Portfolio Manager of GSO's closed-end funds and bank loan ETF and a Portfolio Manager of the Fund. Mr. McKemie sits on CCS's U.S. Syndicated Credit Investment Committee. Prior to joining GSO, Mr. McKemie was an Associate in Leveraged Finance at Citigroup and an Assistant Vice President in high yield research at Barclays Capital. He

began his career at Lehman Brothers. Mr. McKemie received a B.B.A. from Goizueta Business School at Emory University and is a CFA Charterholder.

(a)(2) As of December 31, 2018, the Portfolio Managers listed above are also responsible for the day-to-day management of the following:

			Advisory Fee Based on Performance		
Type of Accounts	**Number of Accounts**	**Total Assets**	**Number of Accounts**	**Total Assets**	**Material Conflicts if Any**
Robert Zable					See below(1)
Registered Investment Companies	4*	$2,298 million*	0	0	
Other Pooled Accounts	30	$17,365 million	30	$17,365 million	
Other Accounts	1	$713 million	0	0	
Gordon McKemie					See below(1)
Registered Investment Companies	5*	$4,523 million*	0	0	
Other Pooled Accounts	0	0	0	0	
Other Accounts	0	0	0	0	

*Including the registrant.

(1) Potential Conflicts of Interest

The purchase of common shares of beneficial interest ("Common Shares") in the Fund involves a number of significant risks that should be considered before making any investment. The Fund and the holders of Common Shares ("Common Shareholders") will be subject to a number of actual and potential conflicts of interest involving the Adviser, a wholly-owned subsidiary of GSO Capital Partners LP (collectively with its affiliates in the credit-focused business of The Blackstone Group L.P., "GSO"), and The Blackstone Group L.P. (collectively with its affiliates as the context requires, "Blackstone" and together with GSO, the "Firm"). GSO, including the Adviser, provides investment management services to other registered investment companies, investment funds, client accounts and proprietary accounts that GSO may establish (other than the Fund) (collectively the "Other GSO Clients"). In addition, Blackstone provides investment management services to other registered investment companies, investment funds, client accounts and proprietary accounts that Blackstone may establish (together with the Other GSO Clients, the "Other Clients").

In addition, as a consequence of Blackstone holding a controlling interest in GSO and Blackstone's status as a public company, the officers, directors, members, managers and employees of GSO will take into account certain additional considerations and other factors in connection with the management of the business and affairs of the Fund that would not necessarily be taken into account if Blackstone were not a public company. The following discussion enumerates certain, but not all, potential conflicts of interest that should be carefully evaluated before making an investment in the Fund, but is not intended to be an exclusive list of all such conflicts. The Firm and its personnel may in the future engage in further activities that may result in additional conflicts of interest not addressed below. Any references to the Firm, GSO, Blackstone or the Adviser in this section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees, except that portfolio companies of managed clients shall only be included to the extent the context shall require and references to GSO affiliates shall only be to affiliates operating as a part of Blackstone's credit focused business group.

Broad and Wide-Ranging Activities. The Firm engages in a broad spectrum of activities. In the ordinary course of its business activities, the Firm will engage in activities where the interests of certain divisions of the Firm or the interests of its clients will conflict with the interests of the Common Shareholders in the Fund. Other present and future activities of the Firm will give rise to additional conflicts of interest. In the event that a conflict of interest arises, the Adviser will attempt to resolve such conflict in a fair and equitable manner, subject to the limitations of the Investment Company Act of 1940, as amended (the "1940 Act"). Common Shareholders should be aware that conflicts will not necessarily be resolved in favor of the Fund's interests.

The Firm's Policies and Procedures. Certain policies and procedures implemented by the Firm to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions will from time to time reduce the synergies across the Firm's various businesses that the Fund expects to draw on for purposes of pursuing attractive investment opportunities. Because the Firm has many different asset management and advisory businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, the Firm has implemented certain policies and procedures (e.g., information walls) that reduce the positive synergies that GSO may utilize for purposes of managing the Fund. For example, the Firm will from time to time come into possession of material non-public information with respect to companies in which the Fund may be considering making an investment or companies that are the Firm's advisory clients. As a consequence, that information, which could be of benefit to the Fund, is likely to be restricted to those other businesses of the Firm and otherwise be unavailable to the Fund, and will also restrict the Fund's investment opportunities. Additionally, the operations of the Firm's policies may restrict or otherwise limit the Fund from entering into agreements with, or related to, companies that either are advisory clients of the Firm or in which any Other Clients have invested or has considered making an investment. Furthermore, there will be circumstances in which affiliates of the Firm (including Other Clients) may refrain from taking certain confidential information in order to avoid trading restrictions. Finally, the Firm has and will enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although possibly intended to provide greater opportunities for the Fund, may require the Fund to share such opportunities or otherwise limit the amount of an opportunity the Fund can otherwise take.

Other Firm Businesses, Activities and Relationships. As part of its regular business, Blackstone provides a broad range of investment banking, advisory and other services. In addition, Blackstone and its affiliates may provide services in the future beyond those currently provided. Common Shareholders will not receive any benefit from any fees received by Blackstone. In the regular course of its capital markets, investment banking, real estate, advisory and other businesses, Blackstone represents potential purchasers, sellers and other involved parties, including corporations, financial buyers, management, shareholders and institutions, with respect to transactions that could give rise to investments that are suitable for the Fund. In such a case, a Blackstone client would typically require Blackstone to act exclusively on its behalf. This advisory client request may preclude all Blackstone-affiliated clients, including the Fund, from participating in related transactions that would otherwise be suitable. Blackstone will be under no obligation to decline any such engagements in order to make an investment opportunity available to the Fund. In connection with its capital markets, investment banking, real estate, advisory and other businesses, Blackstone comes into possession of information that limits its ability to engage in potential transactions. The Fund's activities are expected to be constrained as a result of the inability of Blackstone personnel to use such information. For example, employees of Blackstone from time to time are prohibited by law or contract from sharing information with members of the Fund's investment team. Additionally, there are expected to be circumstances in which one or more individuals associated with Blackstone affiliates (including clients) will be precluded from providing services related to the Fund's activities because of certain confidential information available to those individuals or to other parts of Blackstone (e.g., trading may be restricted). Where Blackstone affiliates are engaged to find buyers or financing sources for potential sellers of assets, the seller may permit the Fund to act as a participant in such transactions (as a financing partner), which would raise certain conflicts of interest inherent in such a situation (including as to the negotiation of the purchase price). The Firm has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on behalf of the Fund, the Adviser will consider those relationships and may decline to participate in a transaction as a result of one or more of such relationships. The Firm is under no obligation to decline any engagements or investments in order to make an investment opportunity available to the Fund. The Fund may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that the Firm may have or transactions or investments the Firm may make or have made. Subject to the 1940 Act, the Fund may also co-invest with clients of the Firm in particular investment opportunities, and the relationship with such clients could influence the decisions made by the Adviser with respect to such investments. There can be no assurance that all potentially suitable investment opportunities that come to the attention of the Firm will be made available to the Fund.

Blackstone will from time to time participate in underwriting or lending syndicates with respect to current or potential portfolio companies, or may otherwise be involved in the public offering and/or private placement of debt or equity securities issued by, or loan proceeds borrowed by, such portfolio companies, or otherwise in arranging financing (including loans) for such portfolio companies or advise on such transactions. Such underwritings or engagements may be on a firm commitment basis or may be on an uncommitted "best efforts" basis. There may also be circumstances in which the Fund commits to purchase a portion of an issuance by such a portfolio company for which a Blackstone broker-dealer intends to syndicate to third parties and, in connection therewith and as a result thereof, subject to the limitations of the 1940 Act, Blackstone may receive commissions or other compensation.

Blackstone will also from time to time, on behalf of the Fund or other parties to a transaction involving the Fund, effect transactions, including transactions in the secondary markets where it will from time to time have a potential conflict of interest regarding the Fund and the other parties to those transactions to the extent it receives commissions or other compensation from such other parties. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, lending arrangement and syndication fees (or, in each case, rebates of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone or an Other Client is purchasing debt) or other compensation with respect to the foregoing activities, none of which are required to be shared with the Fund or its Common Shareholders. In addition, the advisory fee generally will not be reduced by such amounts. Therefore, Blackstone will from time to time have a potential conflict of interest regarding the Fund and the other parties to those transactions to the extent it receives commissions, discounts or such other compensation from such other parties. Subject to applicable law, the Fund may approve any transactions in which a Blackstone broker-dealer acts as an underwriter, as broker for the Fund, or as dealer, broker or advisor, on the other side of a transaction with the Fund. Firm employees, including employees of GSO, are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including potential competitors of the Fund. Common Shareholders will not receive any benefit from any such investments. Additionally, it can be expected that GSO and/or Blackstone will, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provide for referral or sharing of investment opportunities. It is possible that the Fund will, along with GSO and/or Blackstone itself, benefit from the existence of those arrangements and/or relationships. It is also possible that investment opportunities that otherwise would be presented to or made by the Fund would instead be referred (in whole or in part) to such third party. For example, a firm with which GSO and/or Blackstone has entered into a strategic relationship may be afforded with "first-call" rights on a particular category of investment opportunities.

On October 1, 2015 Blackstone spun-off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners, an independent financial advisory firm founded by Paul J. Taubman. While the new combined business will operate independently from Blackstone and will not be an affiliate thereof, nevertheless conflicts may arise in connection with transactions between or involving the Fund and the entities in which it invests on the one hand and the spun-off firm on the other. Specifically, given that the spun-off firm will not be an affiliate of Blackstone, there may be fewer or no restrictions or limitations placed on transactions or relationships engaged in by the new advisory business as compared to the limitations or restrictions that might apply to transactions engaged in by an affiliate of Blackstone. It is expected that there will be substantial overlapping ownership between Blackstone and the spun-off firm for a considerable period of time going forward. Therefore, conflicts of interest in doing transactions involving the spun-off firm will still arise. The preexisting relationship between Blackstone and its former personnel involved in such financial and strategic advisory services, the overlapping ownership, co-investment and other continuing arrangements, may influence GSO in deciding to select or recommend such new company to perform such services for the Fund (the cost of which will generally be borne directly or indirectly by the Fund). Nonetheless, the Adviser and GSO will be free to cause the Fund to transact with PJT Partners notwithstanding such overlapping interests in, and relationships with, PJT Partners. See "Service Providers and Counterparties" below.

In addition, other present and future activities of the Firm and its affiliates (including GSO and the Adviser) will from time to time give rise to additional conflicts of interest relating to the Firm and its investment activities. In the event that any such conflict of interest arises, the Adviser will attempt to resolve such conflict in a fair and equitable manner. Common Shareholders should be aware that conflicts will not necessarily be resolved in favor of the Fund's interests.

Other Affiliate Transactions and Investments in Different Levels of Capital Structure. From time to time, the Fund and the Other Clients may make investments at different levels of an issuer's capital structure or otherwise in different classes of an issuer's securities, subject to the limitations of the 1940 Act. Such investments may inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities. To the extent the Fund holds securities that are different (including with respect to their relative seniority) than those held by an Other Client, the Adviser and its affiliates may be presented with decisions when the interests of the Fund and Other Clients are in conflict. For example, conflicts could arise where the Fund lends funds to a portfolio company while an Other Client invests in equity securities of such portfolio company. In this circumstance, for example, if such portfolio company goes into bankruptcy, becomes insolvent or is otherwise unable to meet its payment obligations or comply with its debt covenants, conflicts of interest could arise between the holders of different types of securities as to what actions the portfolio company should take. In addition, purchases or sales of securities for the account of the Fund (particularly marketable securities) will be bunched or aggregated with orders for Other Clients. It is frequently not possible to receive the same price or execution on the entire volume of securities sold, and the various prices may be averaged, which may be disadvantageous to the Fund. Further conflicts could arise after the Fund and other affiliates have made their respective initial investments. For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the Fund to provide such additional financing. If the other affiliates were to lose their respective investments as a result of such difficulties, the ability of the Adviser to recommend actions in the best interests of the Fund might be impaired. GSO may in its discretion take steps to reduce the potential for adversity between the Fund and the Other Clients, including causing the Fund and/or such Other Clients to take certain actions that, in the absence of such conflict, it would not take, including selling Fund assets (possibly at disadvantageous times or disadvantageous conditions) or taking other actions in order to comply with the 1940 Act. In addition, there may be circumstances where GSO agrees to implement certain procedures to ameliorate conflicts of interest that may involve a forbearance of rights relating to the Fund or Other Clients, such as where GSO may cause Other Clients to decline to exercise certain control- and/or foreclosure-related rights with respect to a portfolio company. In addition, conflicts may arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that any conflict will be resolved in favor of the Fund. There can be no assurance that the return on the Fund's investment will be equivalent to or better than the returns obtained by the Other Clients participating in the transaction. The Common Shareholders will not receive any benefit from fees paid to any affiliate of the Adviser from a portfolio company in which an Other Client also has an interest to the extent permitted by the 1940 Act.

Other Blackstone and GSO Clients; Allocation of Investment Opportunities. Certain inherent conflicts of interest arise from the fact that GSO and Blackstone provide investment management and sub-advisory services to the Fund and Other Clients.

The respective investment programs of the Fund and the Other Clients may or may not be substantially similar. GSO and/or Blackstone may give advice to, and recommend securities for, Other Clients that may differ from advice given to, or securities recommended or bought for, the Fund, even though their investment objectives may be the same as or similar to those of the Fund. While GSO will seek to manage potential conflicts of interest in a fair and equitable manner, the portfolio strategies employed by GSO and Blackstone in managing their respective Other Clients could conflict with the transactions and strategies employed by GSO in managing the Fund and may affect the prices and availability of the securities and instruments in which the Fund invests. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the Fund and Other Clients. In any event, it is the policy of GSO to allocate investment opportunities and sale opportunities on a basis deemed by GSO, in its sole discretion, to be fair and equitable over time.

Allocation Methodology Considerations

GSO will share any investment and sale opportunities with such Other Clients and the Fund in accordance with the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and Firm-wide allocation policies, which generally provide for sharing pro rata based on targeted acquisition size or targeted sale size.

Notwithstanding the foregoing, GSO may also consider the following factors in making any allocation determinations, and such factors may result in a different allocation of investment and/or sale opportunities:

(a) the risk-return and target return profile of the proposed investment relative to the Fund’s and the Other Clients’ current risk profiles;

(b) the Fund’s and/or the Other Clients’ investment objectives, policies, guidelines, restrictions and terms, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of the respective portfolios’ overall holdings;

(c) the need to re-size risk in the Fund's or the Other Clients' portfolios (including the potential for the proposed investment to create an industry, sector or issuer imbalance in the Fund's and Other Clients' portfolios, as applicable) and taking into account any existing non-pro rata investment positions in the portfolio of the Fund and Other Clients;

(d) liquidity considerations of the Fund and the Other Clients, including during a ramp-up of the Fund or such Other Clients or wind-down of Other Clients, proximity to the end of the Other Clients' specified term or investment period, any redemption/withdrawal/repurchase requests, anticipated future contributions and available cash;

(e) tax consequences;

(f) regulatory or contractual restrictions or consequences;

(g) avoiding a de minimis or odd lot allocation;

(h) availability and degree of leverage and any requirements or other terms of any existing leverage facilities;

(i) the Fund's or Other Clients' investment focus on a classification attributable to an investment or issuer of an investment, including, without limitation, investment strategy, geography, industry or business sector;

(j) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals dedicated to the Fund or such Other Clients;

(k) the management of any actual or potential conflict of interest;

(l) with respect to investments that are made available to GSO by counterparties pursuant to negotiated trading platforms (e.g., ISDA contracts), the absence of such relationships that may not be available for the Fund and all Other Clients; and

(m) any other considerations deemed relevant by GSO in good faith.

GSO shall not have any obligation to present any investment opportunity to the Fund if GSO determines in good faith that such opportunity should not be presented to the Fund for any one or a combination of the reasons specified above, or if GSO is otherwise restricted from presenting such investment opportunity to the Fund. Subject to the Advisers Act, and as further set forth herein, certain Other Clients may receive certain priority or other allocation rights with respect to certain investments, subject to various conditions set forth in such Other Clients' respective governing agreements, provided, however, the Adviser does not anticipate that such priority or other allocation rights will impact the investments available to the Fund in the ordinary course. Moreover, with respect to GSO's ability to allocate investment opportunities, including where such opportunities are within the common objectives and guidelines of the Fund and an Other Client (which allocations are to be made on a basis that GSO believes in good faith to be fair and reasonable), GSO and Blackstone have established general guidelines for determining how such allocations are to be made, which, among other things, set forth priorities and presumptions regarding what constitutes "debt" investments, ranges of rates of returns for defining "core" investments, presumptions regarding allocation for certain types of investments (e.g., distressed investments) and other matters. The application of those guidelines may result in the Fund not participating (and/or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines and/or based only on the circumstances of those particular investment. Orders may be combined for the Fund and all other participating Other Clients, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis that GSO or its affiliates consider equitable.

Co-Investment Opportunities. As a registered investment company under the 1940 Act, the Fund is subject to certain limitations relating to co-investments and joint transactions with affiliates, which likely will in certain circumstances limit the Fund's ability to make investments or enter into other transactions alongside the Other Clients. There can be no assurance that such regulatory restrictions will not adversely affect the Fund's ability to capitalize on attractive investment opportunities. However, subject to the 1940 Act, the Fund may co-invest with Other Clients (including co-investment or other vehicles in which the Firm or its personnel invest and that co-invest with such Other Clients) in investments that are suitable for the Fund and one or more of such Other Clients. Even if the Fund and any such Other Clients and/or co-investment or other vehicles invest in the same securities, conflicts of interest may still arise.

The Fund has received an exemptive order from the SEC that permits it, among other things, to co-invest with certain other persons, including certain affiliates of the Adviser and certain funds managed and controlled by the Adviser and its affiliates, subject to certain terms and conditions. Such order may restrict the Fund's ability to enter into follow-on investments or other transactions. Pursuant to such order, the Fund may co-invest in a negotiated deal with certain affiliates of the Adviser or certain funds managed and controlled by the Adviser and its affiliates, subject to certain terms and conditions. The Fund may also receive an allocation in such a deal alongside affiliates pursuant to other mechanisms to the extent permitted by the 1940 Act.

Debt Financings in connection with Acquisitions and Dispositions. To the extent permitted by the 1940 Act, the Fund may from time to time provide financing as part of a third party purchaser's bid for, or acquisition of, a portfolio entity or the underlying assets thereof owned by one or more Other Clients. This generally would include the circumstance where the Fund is making commitments to provide financing at or prior to the time such third-party purchaser commits to purchase such investments or assets from one or more Other Clients. While the terms and conditions of any such arrangements will generally be at arms' length terms negotiated on a case by case basis, the involvement of the Fund and/or such Other Clients or affiliates may affect the terms of such transactions or arrangements and/or may otherwise influence the Adviser's decisions with respect to the management of the Fund and/or such Other Clients or the relevant portfolio company, which may give rise to potential or actual conflicts of interest and which could adversely impact the Fund.

The Fund may from time to time dispose of all or a portion of an investment where the Firm or one or more Other Clients is providing financing to repay debt issued to the Fund. Such involvement may give rise to potential or actual conflicts of interest.

Service Providers and Counterparties. Certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms) to the Fund, the Firm and/or obligors or issuers of investments held by the Fund also provide goods or services to, or have business, personal, financial or other relationships with, the Firm, its affiliates and portfolio companies. Such advisors and service providers (or their affiliates) may be investors in the Fund, affiliates of the Firm, sources of investment opportunities, co-investors, commercial counterparties and/or portfolio companies in which the Firm and/or the Fund has an investment. Accordingly, payments by the Fund and/or such entities may indirectly benefit the Fund and/or its affiliates, including the Firm and any Other Clients. In addition, the retention of such entities as advisors or service providers may give rise to actual or potential conflicts of interest, such as those described herein. Additionally, certain employees of the Firm may have family members or relatives employed by such advisors and service providers (or their affiliates). These relationships may influence GSO and/or the Adviser in deciding whether to select or recommend such advisors or service providers to perform services for the Fund or obligors or issuers of investments held by the Fund (the cost of which will generally be borne directly or indirectly by the Fund or such obligors or issuers of investments held by the Fund, as applicable). Notwithstanding the foregoing, investment transactions relating to the Fund that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider’s provision of certain investment-related services and research that the Adviser believes to be of benefit to the Fund.

Because the Firm has many different businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would be subject if it had just one line of business. Service providers affiliated with the Firm, which are generally expected to receive competitive market rate fees (as determined by GSO or its affiliates) with respect to certain investments, include, without limitation:

COE. The Blackstone Center of Excellence, located in Gurgaon, India (the “COE”) is a captive center of resources administered by Blackstone and ThoughtFocus Technologies LLC (“ThoughtFocus”), an independent firm in which Blackstone holds a minority position and participates as a member of the board. The COE is expected to perform services for certain funds that may have historically been performed by Blackstone personnel, such as funds’ administrative services, data collection and management services, and technology implementation and support services, which may be paid for by the funds that receive such services on a similar basis as a third party providing such services. Blackstone, through its interest in ThoughtFocus, receives an indirect benefit resulting from the funds’ payments for such services. These fees do not offset management fees payable by shareholders.

Entic. Entic Inc. ("Entic") provides a cloud-based software that uses proprietary wireless sensors and advanced analytics to reduce energy consumption. Entic is anticipated to provide such services to certain of the assets of the Fund's obligors or issuers of investments held by the Fund in exchange for fees at competitive market rates. Blackstone, which holds a minority position in and participates as a member of the board of Entic, receives an indirect benefit resulting from payments for such services. These fees do not offset the management fees payable by shareholders. Part of Blackstone's investment includes performance-based warrants giving Blackstone managed funds, including the Fund, the ability to earn shares of stock based on usage of Entic.

Equity Healthcare. Equity Healthcare LLC ("Equity Healthcare") is a Blackstone affiliate that negotiates with providers of standard administrative services for health benefit plans and other related services for cost discounts, quality of service monitoring, data services and clinical consulting. Because of the combined purchasing power of its client participants, which include unaffiliated third parties, Equity Healthcare is able to negotiate pricing terms from providers that are believed to be more favorable than those that the obligors or issuers of investments held by the Fund could obtain on an individual basis. The fees received by Equity Healthcare in connection with services provided to investments will not offset the management fee payable by shareholders.

Intertrust Group. In 2013, certain Blackstone private equity funds acquired Intertrust Group. From time to time, Intertrust Group is expected to perform corporate and trust services on an arms-length basis for Blackstone funds, intermediate entities or obligors or issuers of investments held by the Fund.

Optiv. Optiv is a portfolio company held by certain Blackstone private equity funds that provides a full slate of information security services and solutions and may provide goods and services for the Blackstone funds and obligors or issuers of investments held by the Fund.

BTIG. In December 2016, certain funds made a strategic minority investment in BTIG. BTIG is a global financial services firm that provides institutional trading, investment banking, research and related brokerage services and may provide goods and services for the Fund, Other Clients or obligors or issuers of investments held by the Fund and the Blackstone Tactical Opportunities Program.

Refinitiv. In October 2018, a consortium led by Blackstone acquired a 55% equity stake of Refinitiv, formerly the Financial & Risk division of Thomson Reuters, which includes the Evaluated Pricing Service (formerly known as Thomson Reuters Pricing Service). From time to time, Refinitiv is expected to provide valuation and other services to the Fund on an arms-length basis.

Advisors and service providers, or their affiliates, often charge different rates, including below market or no fee, or have different arrangements for different types of services. With respect to service providers, for example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by the Fund and/or obligors or issuers of investments held by the Fund are different from those used by GSO and/or the Firm and their respective affiliates, GSO and/or the Firm or their respective affiliates (including personnel) may pay different amounts or rates than those paid by the Fund and/or obligors or issuers of investments held by the Fund. However, GSO and its affiliates have a longstanding practice of not entering into any arrangements with advisors or service providers that could provide for lower rates or discounts than those available to the Fund, Other Clients and/or portfolio companies for the same services. Furthermore, advisors and service providers may provide services exclusively to the Firm and its affiliates, including the Fund, Other Clients and their portfolio companies, although such advisors and service providers would not be considered employees of Blackstone or GSO. Similarly, Blackstone, GSO each of their respective affiliates, the Fund, the Other Clients and/or their portfolio companies may enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with the Firm) from time to time whereby such counterparty may charge lower rates (or no fee) and/or provide discounts or rebates for such counterparty’s products and/or services depending on certain factors, including without limitation, volume of transactions entered into with such counterparty by the Firm, its affiliates, the Fund, the Other Clients and their portfolio companies in the aggregate. For example, certain obligors or issuers of investments held by the Fund enter into agreements regarding group procurement (such as CoreTrust, an independent group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled across obligors or issuers of investments held by the Fund and discounted due to scale) from a third party or an affiliate of GSO and/or the Firm, and other similar operational, administrative or management related initiatives that result in commissions, discounts, rebates or similar payments to GSO and/or the Firm or their affiliates (including personnel), including related to a portion of the savings achieved by the obligor or issuer of investments held by the Fund. However, GSO and its affiliates have a longstanding practice of not entering into any arrangements with advisors or service providers that could provide for lower rates or discounts than those available to the Fund and/or obligors or issuers of investments held by the Fund for the same services.

In addition, certain advisors and service providers (including law firms) may temporarily provide their personnel to GSO and/or the Firm, the Fund, Other Clients or their portfolio companies pursuant to various arrangements, including at cost or at no cost. While often the Fund, Other Clients and their portfolio companies are the beneficiaries of these types of arrangements, GSO and/or the Firm are from time to time the beneficiaries of these arrangements as well, including in circumstances where the advisor or service provider also provides services to the Fund in the ordinary course. Such personnel may provide services in respect of multiple matters, including in respect of matters related to GSO and/or the Firm, their affiliates and/or portfolio companies and any costs of such personnel may be allocated accordingly.

Allocation of Personnel. The Adviser will devote as much of its time to the activities of the Fund as they deem necessary and appropriate. By the terms of the Investment Advisory Agreement, the Adviser is not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Fund and/or may involve substantial time and resources of the Adviser. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Adviser and GSO, and their officers and employees will not be devoted exclusively to the business of the Fund, but will be allocated between the business of the Fund and the management of the monies of such other advisees of the Adviser and GSO.

Portfolio Company Data. The Firm receives various kinds of portfolio company/entity data and information (including from portfolio companies and/or entities of the Fund), such as data and information relating to business operations, trends, budgets, customers and other metrics (this data is sometimes referred to as "big data"). In furtherance of the foregoing, the Firm may seek to enter into information sharing and use arrangements with portfolio companies and/or entities.

The Firm believes that access to this information furthers the interests of the Common Shareholders by providing opportunities for operational improvements across portfolio companies and/or entities and in connection with the Fund's investment management activities. Subject to appropriate contractual arrangements, the Firm may also utilize such information outside of the Fund's activities in a manner that provides a material benefit to the Firm and/or its affiliates, but not the Fund. The sharing and use of such information presents potential conflicts of interest, and investors acknowledge and agree that any corresponding/resulting benefits received by the Firm and/or its affiliates will not be subject to a management fee offset. As a result, the Adviser may have an incentive to pursue investments in companies and/or entities based on their data and information and/or to utilize such information in a manner that benefits the Firm and/or its affiliates.

Material, Non-Public Information. GSO may come into possession of material non-public information with respect to an issuer. Should this occur, GSO would likely be restricted from buying, originating or selling securities, loans of, or derivatives with respect to, the issuer on behalf of the Fund until such time as the information becomes public or is no longer deemed material such that it would preclude the Fund from participating in an investment. Disclosure of such information to the Adviser's personnel responsible for the affairs of the Fund will be on a need-to-know basis only, and the Fund may not be free to act upon any such information. Therefore, the Fund may not have access to material non-public information in the possession of GSO that might be relevant to an investment decision to be made by the Fund. In addition, GSO, in an effort to avoid buying or selling restrictions on behalf of the Fund or Other Clients, may choose to forgo an opportunity to receive (or elect not to receive) information that other market participants or counterparties, including those with the same positions in the issuer as the Fund, are eligible to receive or have received, even if possession of such information would be advantageous to the Fund.

In addition, affiliates of GSO within Blackstone may come into possession of material non-public information with respect to an issuer. Should this occur, GSO may be restricted from buying, originating or selling securities, loans of, or derivatives with respect to, the issuer on behalf of the Fund if the Firm deemed such restriction appropriate. Disclosure of such information to the Adviser's personnel responsible for the affairs of the Fund will be on a need-to-know basis only, and the Fund may not be free to act upon any such information. Therefore, the Fund may not have access to material non-public information in the possession of the Firm that might be relevant to an investment decision to be made by the Fund. Accordingly, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Other Trading and Investing Activities. Certain Other Clients may invest in securities of publicly traded companies that are actual or potential issuers. The trading activities of those vehicles may differ from or be inconsistent with activities that are undertaken for the account of the Fund in such securities or related securities. In addition, the Fund might not pursue an investment in an issuer as a result of such trading activities by Other Clients.

Possible Future Activities. The Firm and its affiliates may expand the range of services that it provides over time. Except as provided herein, the Firm and its affiliates will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. The Firm and its affiliates have, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by the Fund. These clients may themselves represent appropriate investment opportunities for the Fund or may compete with the Fund for investment opportunities.

Restrictions Arising under the Securities Laws. The Firm's activities (including, without limitation, the holding of securities positions or having one of its employees on the board of directors of a portfolio company) could result in securities law restrictions (including under the 1940 Act) on transactions in securities held by the Fund, affect the prices of such securities or the ability of such entities to purchase, retain or dispose of such investments, or otherwise create conflicts of interest, any of which could have an adverse impact on the performance of the Fund and thus the return to the Common Shareholders.

In addition, the 1940 Act limits the Fund's ability to enter into certain transactions with certain of the Fund's affiliates. As a result of these restrictions, the Fund may be prohibited from buying or selling any security directly from or to any portfolio company of a fund or account managed by the Firm. However, the Fund may under certain circumstances purchase any such portfolio company's securities in the secondary market, which could create a conflict for the Adviser between its interests in the Fund and the portfolio company, in that the ability of the Adviser to act in the Fund's best interest might be restricted by applicable law. The 1940 Act also prohibits certain "joint" transactions with certain of the Fund's affiliates, which could include investments in the same portfolio company (whether at the same or different times). These limitations may limit the scope of investment opportunities that would otherwise be available to the Fund.

Additional Potential Conflicts. The officers, directors, members, managers, and employees of the Adviser and GSO may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law or the Firm's policies, or otherwise determined from time to time by the Adviser or GSO, as applicable.

(a)(3) Portfolio Manager Compensation as of December 31, 2018.

The Adviser's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary and a discretionary bonus.

Base Compensation. Generally, portfolio managers receive base compensation and employee benefits based on their individual seniority and/or their position with the firm.

Discretionary Compensation. In addition to base compensation, portfolio managers may receive discretionary compensation. Discretionary compensation is based on individual seniority, contributions to the Adviser and performance of the client assets that the portfolio manager has primary responsibility for. The discretionary compensation is not based on a precise formula, benchmark or other metric. These compensation guidelines are structured to closely align the interests of employees with those of the Adviser and its clients.

(a)(4) Dollar Range of Securities Owned as of December 31, 2018.

Portfolio Managers	Dollar Range of the Registrant's Securities Owned by the Portfolio Managers
Robert Zable	$0
Gordon McKemie	$10,001-$50,000

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

None

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

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

Item 11. **Controls and Procedures.**

(a) The registrant's principal executive officer and principal financial officer have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There was no change in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) during the Registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 12. **Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

Not applicable.

Item 13. **Exhibits.**

(a)(1) The Code of Ethics that applies to the registrant's principal executive officer and principal financial officer is attached hereto as Exhibit 13.A.1.

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

(a)(3) Not applicable.

(a)(4) Not applicable.

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

(c) The Proxy Voting Policies and Procedures are attached hereto as Ex99. Item 7.

SIGNATURES

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

Blackstone / GSO Long-Short Credit Income Fund

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

Date: March 8, 2019

By: /s/ Doris Lee-Silvestri
Doris Lee-Silvestri
(Principal Financial Officer)
Treasurer and Chief Financial Officer

Date: March 8, 2019

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

Blackstone / GSO Long-Short Credit Income Fund

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

Date: March 8, 2019

By: /s/ Doris Lee-Silvestri
Doris Lee-Silvestri
(Principal Financial Officer)
Treasurer and Chief Financial Officer

Date: March 8, 2019