

GSO Announces Transition Plan for FS Investments Funds

12.21.17



The Firm is representing GSO Capital Partners, the Blackstone credit platform, in connection with the conclusion of its investment sub-advisory relationship with FS Investments' funds (the "FS Funds") effective April 9, 2018. During the interim, GSO will continue to provide investment services to the FS Funds and help ensure a smooth transition. In consideration of such services and GSO's partnership with FS Investments in the FS Funds' business over the last decade, GSO will receive payments totaling \$640 million from FS Investments, substantially all of which are expected to be paid in 2018.

GSO concurrently announced that it will launch a new, fully integrated, internal direct lending business – combining the firm's superior origination and investment capabilities in this area with its industry-leading institutional and retail distribution channels. GSO anticipates that its internal direct lending business will fully replace, and ultimately exceed, the current revenues and earnings to Blackstone shareholders from the FS Funds.

The Simpson Thacher team includes Brian Stadler, Sebastian Tiller, Megan Tweed, Izzy Lubarsky, Todd Noelle and Matthew Freeze (M&A); Rajib Chanda, Benjamin Wells and Nic Ridley (Registered Funds); Alden Millard and Jennifer Levitt (Credit); and Marcy Geller and Drew Purcell (Tax).

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