

Blackstone / GSO Floating Rate Enhanced Income Fund (“BGFREI”)

Blackstone

January 2019

Blackstone Advisory Partners L.P., Dealer Manager / Member FINRA

An investor should consider the investment objective, risks, and charges and expenses of BGFREI (also, the “Fund”) carefully before investing. The prospectus contains this and other information about the Fund and may be obtained at www.bgfrei.com. The prospectus should be read carefully before investing.

Fund Overview

The Fund’s investment objective is to provide attractive current income with low sensitivity to rising interest rates.

GSO / Blackstone

With \$100B in AUM, 357 employees around the world, and a primary focus on non-investment grade lending, GSO is one of the largest global platforms for alternative credit.†

Portfolio Highlights

\$512M
Managed Assets

7.29% | **6.79%** | **7.04%**
I Share | T Share | D Share
Annualized Distribution Rate ⁽¹⁾

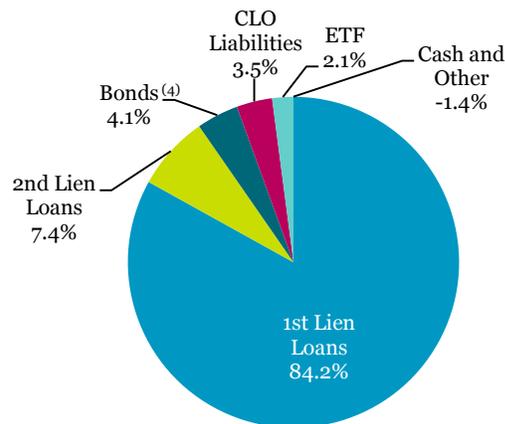
0.27 yr
Avg Duration ⁽²⁾⁽³⁾

Portfolio Snapshot

Avg Market Price ⁽³⁾	\$97.89	Avg All-In Rate ⁽³⁾	6.46%
Avg Duration ⁽²⁾⁽³⁾	0.27 yr	Avg Position Size*	0.32%
Avg Maturity ⁽³⁾	5.7 yr	Leverage*	31.43%
Net Asset Value	\$351M	Managed Assets	\$512M

Share Class	Ticker	NAV / Share	Distribution Rate ⁽¹⁾	Inception
I Share	BGFLX	\$24.05	7.29%	1/18/2018
T Share	BGFTX	\$24.00	6.79%	5/7/2018
D Share	BGFDX	\$24.05	7.04%	9/28/2018

Asset Allocation ^{*(5)}



94%
of Investments
are **Floating
Rate Debt**

Performance (as of 1/31/19)

	1-Month Return	YTD Return	1-Year Return	ITD Return	ITD Volatility	ITD Sharpe Ratio ⁽⁶⁾
BGFREI (I Share)	3.06%	3.06%	1.90%	2.00%	1.75%	0.03
BGFREI (T Share)	3.07%	3.07%	N/A	0.34%	N/A	N/A
BGFREI (T Share) w/ 2.5% Sales Load ⁽⁷⁾	0.49%	0.49%	N/A	-2.17%	N/A	N/A
BGFREI (D Share)	3.08%	3.08%	N/A	-1.56%	N/A	N/A
S&P/LSTA Leveraged Loan Index [^]	2.55%	2.55%	2.02%	2.38%	1.37%	0.32

For more information please visit: www.bgfrei.com

Data is as of 1/31/19 unless otherwise indicated. Financial data is estimated and unaudited. **Past performance is historical and not a guarantee of future results.**

[†]AUM as of 12/31/18.

^{*}As a percentage of Managed Assets. “Managed Assets” means net assets plus the amount of any Borrowings and the liquidation preference of any Preferred Shares that may be outstanding.

[^]ITD return, volatility, and Sharpe ratio for the S&P/LSTA Leveraged Loan Index are based on the I Share inception date of 1/18/18.

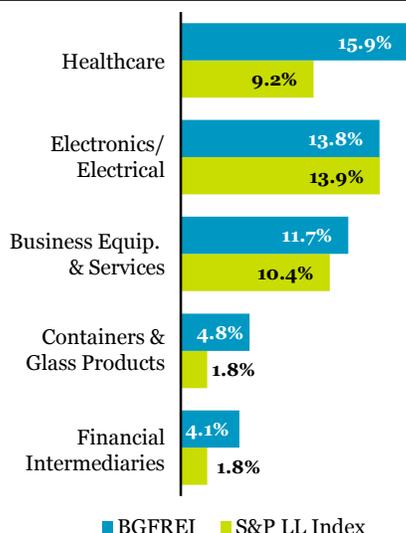
Note: Distribution rates are not performance; details regarding distribution rate calculations can be found in the Endnotes section of this document. The Fund’s distribution rate may be affected by numerous factors, including, but not limited to, changes in realized and projected market returns, Fund performance, and other factors. There can be no assurance that a change in market conditions or other factors will not result in a change in the Fund distribution rate at a future time. Distribution rates may be composed of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. In accordance with generally accepted accounting principles (“GAAP”), the Fund estimates that 100% of the distribution referenced herein is attributable to current fiscal year net investment income and the remaining portion (0%) is paid from return of paid-in capital surplus. Final determination of a distribution rate’s tax character will be made on Form 1099 DIV sent to shareholders each January.

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Top 5 Industry Allocations*

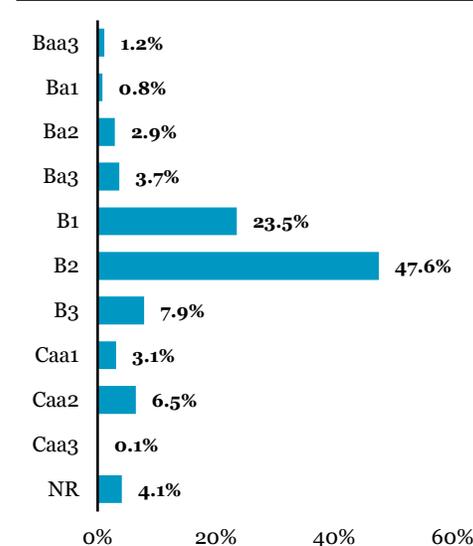


Top 10 Issuers*

Issuer	Sector	Weight
SPDR Blackstone / GSO Senior Loan ETF	Financial Intermediaries	2.1%
Envision Healthcare Corp.	Healthcare	1.0%
Avantor, Inc.	Drugs	0.9%
Rocket Software, Inc.	Electronics/Electric	0.8%
GFL Environmental, Inc.	Ecological Serv. & Equip.	0.8%
Flexera Software	Electronics/Electric	0.8%
DJO Finance LLC	Healthcare	0.8%
Bausch Health Companies, Inc.	Drugs	0.8%
MPH Acquisition Holdings LLC	Health Insurance	0.7%
USI, Inc.	Diversified Insurance	0.7%

Top 10 Total 9.5%

Moody's Rating Distribution*(8)



Portfolio Management

The Adviser utilizes a team approach, with decisions derived from interaction among various investment management sector specialists. Under this team approach, management of the Fund's portfolio reflects consensus views derived from a deep team of 66 professionals dedicated to long credit strategies.



Robert Zable
Sr. Managing Director
21 Years Experience



Robert Post
Vice President
7 Years Experience



Daniel T. McMullen
Sr. Managing Director
25 Years Experience



Gordon McKemie
Principal
13 Years Experience

Key Terms

Minimum Initial Investment ⁽⁹⁾	D/T Shares: \$10,000, I Share: \$1,000,000
Pricing	Daily NAV
Subscriptions	Daily at NAV
Liquidity ⁽¹⁰⁾	5% of shares outstanding monthly; 2% redemption fee on shares repurchased within 12 months
Distributions	Monthly distributions of net investment income; automatic enrollment into DRIP
Management Fee ⁽¹¹⁾	1.0% on NAV
Leverage ⁽¹²⁾	The Fund anticipates using borrowings in an amount not to exceed 33 1/3% of total assets
Tax Reporting	1099-DIV

Share Class-Specific Fees	Class I	Class D	Class T
Sales Load ⁽¹³⁾	None	None	Up to 2.5%
Service Fees	None	0.25%	0.25%
Distribution Fees	None	None	0.25%

Upcoming Share Repurchase Dates	Repurchase Period Opens	Repurchase Request Deadline	Payment By ⁽¹⁴⁾
March 2019	3/1/2019	3/12/2019	3/19/2019
April 2019	4/1/2019	4/10/2019	4/17/2019

Data is as of 1/31/19 unless otherwise indicated. Financial data is estimated and unaudited. **Past performance is historical and not a guarantee of future results.**

⁽⁹⁾As a percentage of Managed Assets. "Managed Assets" means net assets plus the amount of any Borrowings and the liquidation preference of any Preferred Shares that may be outstanding.

Note: Distribution rates are not performance; details regarding distribution rate calculations can be found in the Endnotes section of this document. The Fund's distribution rate may be affected by numerous factors, including, but not limited to, changes in realized and projected market returns, Fund performance, and other factors. There can be no assurance that a change in market conditions or other factors will not result in a change in the Fund distribution rate at a future time. Distribution rates may be comprised of ordinary income, net capital gains and/or a return of capital (ROC) of your investment in the fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. In accordance with generally accepted accounting principles ("GAAP"), the Fund estimates that 100% of the distribution referenced herein is attributable to current fiscal year net investment income and the remaining portion (0%) is paid from return of paid-in capital surplus. Final determination of a distribution rate's tax character will be made on Form 1099-DIV sent to shareholders each January.

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Endnotes

1. Reflects the current month's cumulative distribution rate annualized. The cumulative distribution rate for the month presented represents the sum of the daily dividend distribution rate as calculated by dividing the daily dividend per share by the daily NAV per share, for each respective class, for each day in the month for which a daily dividend is declared. The amount of the distributions that the Fund may pay, if any, is uncertain. The distribution rate shown may vary from the actual amount paid, due to whether month ends fall on business days. The Fund may pay distributions in significant part from sources that may not be available in the future and that are unrelated to the Fund's performance, such as return of capital.
2. Please note that the duration calculation methodology changed starting with the December 2018 fact card. Previously, loan durations were treated as 3 months because of typical LIBOR resets. Currently, loan durations are based on the actual remaining time until LIBOR is reset for each individual loan. As such, the weighted average loan duration has decreased when compared to months prior to December 2018. We believe this methodology provides a more accurate representation of the portfolio's weighted average duration.
3. Figures exclude any equity and ETF investments in the Fund.
4. “Bonds” include exposure to floating rate notes.
5. As a percentage of Managed Assets, the Fund's Floating Rate Debt is 95%. The Fund's Cash & Other represents net cash and other assets and liabilities, which includes amounts payable for investments purchased but not yet settled and amounts receivable for investments sold but not yet settled. At period end, the amounts payable for investments purchased but not yet settled exceeded the amount of cash on hand. The Fund uses sales proceeds or its leverage program to settle amounts payable for investments purchased, but such amounts are not reflected in the Fund's net cash.
6. Sharpe ratio calculated using the ICE BofAML US 3-month Treasury Bill Index as a proxy for the risk-free rate.
7. Assumes payment of the full front-end 2.5% sales load at initial subscription.
8. Source: Moody's Rating System: <https://www.moody.com/sites/products/ProductAttachments/Moody's%20Rating%20System.pdf>.
9. Select broker-dealers may have different suitability standards, may not offer all share classes, and/or may offer the Fund at a higher minimum initial investment.
10. Since there is no public trading market for our Common Shares, repurchase of shares by us will likely be the only way to dispose of your shares. The Fund is an “interval fund”, a type of fund which, in order to provide liquidity to shareholders conducts periodic repurchase offers. The Fund has been granted exemptive relief from the SEC that permits the Fund to make monthly repurchase offers of 5% of the Fund's outstanding Common Shares at net asset value. The Fund has adopted a fundamental investment policy to make monthly offers to repurchase no less than 5% of its outstanding Common Shares at net asset value, reduced by any applicable repurchase fee. If a repurchase offer is oversubscribed, the Fund may determine to increase the amount repurchased by up to 2% of the Fund's outstanding Common Shares as of the date of the Repurchase Request Deadline. In the event that the Fund determines not to repurchase more than the repurchase offer amount, or if shareholders tender more than the repurchase offer amount plus 2% of the Fund's outstanding Common Shares as of the date of the Repurchase Request Deadline, the Fund will repurchase the Common Shares tendered on a pro rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some shareholders, in anticipation of proration, may tender more Common Shares than they wish to have repurchased in a particular month, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the NAV of Common Shares tendered in a repurchase offer may decline between the Repurchase Request Deadline and the date on which the NAV for tendered Common Shares is determined. In addition, the repurchase of Common Shares by the Fund will generally be a taxable event to Common Shareholders.
11. The Fund has agreed to pay the Adviser a management fee at an annual rate equal to 1.00% of the average daily value of the Fund's net assets. The Adviser voluntarily waived its Management Fee until June 30, 2018, and after that point, it incrementally stepped up its Management Fee over time. Per the Adviser's voluntary temporary reduction, the Management Fee is currently at an annual rate of 0.80% of the average daily value of the Fund's net assets, until February 28, 2019. The Adviser has voluntarily agreed to temporarily reduce its Management Fee to an annual rate of 0.90% of the average daily value of the Fund's net assets from March 1, 2019 until March 31, 2019. Effective April 1, 2019, the Adviser's agreement to temporarily reduce its Management Fee will terminate and the Adviser will receive a Management Fee at an annual rate of 1.00% of the average daily value of the Fund's net assets. The foregoing fee schedule may be extended, terminated or modified by the Adviser in its sole discretion and at any time, including prior to any such date listed above.
12. In the future, the Fund may elect to utilize leverage in an amount up to 50% of the Fund's total assets through the issuance of Preferred Shares. Currently, the Fund has no intention to issue Preferred Shares.
13. Class I Shares and Class D Shares are each not subject to a sales load; however, investors may be required to pay brokerage commissions on purchases and sales of Class I Shares and Class D Shares to their Selling Agent. Investors should consult with their Selling Agent about the sales load and any additional fees or charges their Selling Agent might impose on each class of shares. The actual sales load paid may vary among and within Selling Agents.
14. Payment will be made no later than the seventh calendar day following the Repurchase Request Deadline.

Important Disclosure Information and Risk Factors

Blackstone

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Investment Objective. *The Fund's investment objective is to provide attractive current income with low sensitivity to rising interest rates. There can be no assurance that the Fund will achieve its investment objective.*

S&P/LSTA Leveraged Loan Index is an unmanaged index of the institutional leveraged loan market.

Sharpe Ratio: Measures risk-adjusted return as a ratio of returns to risk. The Sharpe Ratio (i) is used to express how much return is achieved for the amount of risk taken in an investment and (ii) may be used to compare funds with similar return characteristics. The higher a Sharpe ratio, the less risk is taken per unit return. The Sharpe Ratio formula is the investment return less the risk free return divided by the standard deviation of the investment. The Sharpe Ratio uses the 3-Month Yield US T-Bill as a reference for the risk free rate.

Volatility: Volatility is measured by standard deviation, or how far returns stray from the mean. It is a historical measure of the variability of return earned by an investment. The higher the standard deviation, the larger the variance of returns and the greater the financial risk. Low volatility means the returns are tightly clustered around the mean return and higher volatility means the returns are dispersed at greater distances from the mean.

Investment Strategies. Under normal market conditions, the Fund will invest at least 80% of its Managed Assets in floating rate loans, notes, or bonds. In addition, the Fund may invest up to 20% of its Managed Assets in each of (i) structured products (including, without limitation, the rated debt tranches of collateralized loan obligations ("CLOs"), floating rate mortgage-backed securities and credit linked notes), (ii) derivatives, including credit derivatives, (iii) warrants and equity securities that are incidental to the Fund's purchase of floating rate instruments or acquired in connection with a reorganization of a Borrower or issuer and (iv) fixed rate instruments (including, without limitation, high-yield corporate debt securities, or bonds, or U.S. government debt securities). To the extent that a structured product or a security underlying a derivative is, or is composed of, a floating rate instrument, the Fund will not include it for purposes of the Fund's 80% policy.

The Fund may invest in securities of any credit quality, maturity and duration. The Fund may invest in U.S. dollar and non-U.S. dollar denominated securities of issuers located anywhere in the world, and of issuers that operate in any industry. In pursuing the Fund's investment objective, the GSO / Blackstone Debt Funds Management LLC (the "Adviser") will seek to enhance the Fund's return by the use of leverage.

Limited Operating History. The Fund is a non-diversified, closed-end management investment company with limited operating history. As a result, prospective investors have limited track record or history on which to base their investment decision. The Adviser acts as an investment adviser for collateralized loan obligation vehicles, separately managed accounts, listed investment companies (including closed-end funds and an exchange traded fund) and other investment vehicles.

Repurchase Offers Risk. An investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the Common Shares. The Fund is an interval fund, which conducts periodic repurchase offers to provide liquidity to shareholders. The Fund will offer to repurchase 5% of outstanding Common Shares at net asset value monthly. The Fund will provide notification of each repurchase offer at least 7 calendar days before the repurchase request deadline. The Fund may impose a repurchase fee of up to 2% on Common Shares that are accepted for repurchase by the Fund and have been held by an investor for less than one year. The Fund believes that these repurchase offers are generally beneficial to the Fund's shareholders, and repurchases generally will be funded from available cash, cash from the sale of Common Shares or sales of portfolio securities. However, repurchase offers and the need to fund repurchase obligations may affect the ability of the Fund to be fully invested or force the Fund to maintain a higher percentage of its assets in liquid investments, which may harm the Fund's investment performance. Moreover, diminution in the size of the Fund through repurchases may result in untimely sales of portfolio securities (with associated imputed transaction costs, which may be significant), and may limit the ability of the Fund to participate in new investment opportunities or to achieve its investment objective. The Fund may accumulate cash by holding back (i.e., not reinvesting) payments received in connection with the Fund's investments and cash from the sale of Common Shares. The Fund believes that it can meet the maximum potential amount of the Fund's repurchase obligations. If at any time cash and other liquid assets held by the Fund are not sufficient to meet the Fund's repurchase obligations, the Fund intends, if necessary, to sell investments. In addition, if the Fund borrows to finance repurchases, interest on that borrowing will negatively affect Common Shareholders who do not tender their Common Shares by increasing the Fund's expenses and reducing any net investment income.

Loans Risk. Under normal market conditions, the Fund will invest primarily in Loans. The Loans that the Fund may invest primarily in Loans. The Loans that the Fund may invest in include Loans that are first lien, second lien, third lien or that are unsecured. In addition, the Loans the Fund will invest in will usually be rated below investment grade or may also be unrated. Loans are subject to a number of risks, including credit risk, liquidity risk, below investment grade instruments risk and management risk. Although certain Loans in which the Fund may invest will be secured by collateral, there can be no assurance that such collateral could be readily liquidated or that the liquidation of such collateral would satisfy the Borrower's obligation in the event of non-payment of scheduled interest or principal. In the event of the bankruptcy or insolvency of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Loan. In the event of a decline in the value of the already pledged collateral, if the terms of a Loan do not require the Borrower to pledge additional collateral, the Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower's obligations under the Loans. To the extent that a Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose some or all of its value in the event of the bankruptcy or insolvency of the Borrower. Those Loans that are under-collateralized involve a greater risk of loss. In general, the secondary trading market for Loans is not fully-developed. No active trading market may exist for certain Loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Fund may not be able to sell certain Loans quickly or at a fair price. To the extent that a secondary market does exist for certain Loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

Below Investment Grade, or High Yield, Instruments Risk. The Fund anticipates that it may invest substantially all of its assets in instruments that are rated below investment grade. Below investment grade instruments are commonly referred to as "junk" or high yield instruments and are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. Lower grade instruments may be particularly susceptible to economic downturns, which could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon, increase the incidence of default for such instruments and severely disrupt the market value of such instruments.

Leverage Risk. Under current market conditions, the Fund generally intends to utilize leverage in an amount up to 33 1/3% of the Fund's total assets principally through Borrowings. In the future, the Fund may elect to utilize leverage in an amount up to 50% of the Fund's total assets through the issuance of Preferred Shares. Leverage may result in greater volatility of the net asset value and distributions on the Common Shares because changes in the value of the Fund's portfolio investments, including investments purchased with the proceeds from Borrowings or the issuance of Preferred Shares, if any, are borne entirely by Common Shareholders. Common Share income may fall if the interest rate on Borrowings or the dividend rate on Preferred Shares rises, and may fluctuate as the interest rate on Borrowings or the dividend rate on Preferred Shares varies. In addition, the Fund's use of leverage will result in increased operating costs. Thus, to the extent that the then-current cost of any leverage, together with other related expenses, approaches the net return on the Fund's investment portfolio, the benefit of leverage to Common Shareholders will be reduced, and if the then-current cost of any leverage together with related expenses were to exceed the net return on the Fund's portfolio, the Fund's leveraged capital structure would result in a lower rate of return to Common Shareholders than if the Fund were not so leveraged. In addition, the costs associated with the Fund's incurrence and maintenance of leverage could increase over time. There can be no assurance that the Fund's leveraging strategy will be successful. Any decline in the net asset value of the Fund will be borne entirely by Common Shareholders. Therefore, if the market value of the Fund's portfolio declines, the Fund's use of leverage will result in a greater decrease in net asset value to Common Shareholders than if the Fund were not leveraged.

There can be no assurance that the Fund will achieve its investment objectives. Please see the Prospectus of the Fund for a full description of the risk factors listed above. Capitalized terms used, but not defined herein shall have the meanings assigned to them in the Prospectus.