

Blackstone / GSO Strategic Credit Fund  
Form DEF 14A  
March 08, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No. \_\_)

Filed by the Registrant  [X]

Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

- [ ] Preliminary Proxy Statement
- [ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [ ] Definitive Additional Materials
- [ ] Soliciting Material Pursuant to Sec. 240.14a-12

Blackstone / GSO Strategic Credit Fund

(exact name of registrant as specified in charter)

Attn: Marisa Beeney

345 Park Avenue, 31<sup>st</sup> Floor

New York, New York 10154

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required
- [ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

**BLACKSTONE / GSO SENIOR FLOATING RATE TERM FUND**

**BLACKSTONE / GSO LONG-SHORT CREDIT INCOME FUND**

**BLACKSTONE / GSO STRATEGIC CREDIT FUND**

(each a Fund, and collectively, the Funds )

345 Park Avenue, 31<sup>st</sup> Floor

New York, New York 10154

**NOTICE OF JOINT ANNUAL MEETING OF SHAREHOLDERS**

**March 11, 2013**

To the Shareholders of the Funds:

Notice is hereby given that the Joint Annual Meeting of Shareholders (the Meeting ) of the Funds will be held at 345 Park Avenue, 31<sup>st</sup> Floor, New York, New York 10154, on April 24, 2013 at 10:00 a.m. (Eastern time), for the purposes of considering and voting upon the following:

1. Shareholders of the Blackstone / GSO Senior Floating Rate Term Fund are being asked to elect three (3) Trustees of the Fund, to hold office for the term indicated and until his successor shall have been elected and qualified;
2. Shareholders of the Blackstone / GSO Long-Short Credit Income Fund are being asked to elect three (3) Trustees of the Fund, each to hold office for the term indicated and until his successor shall have been elected and qualified;
3. Shareholders of the Blackstone / GSO Strategic Credit Fund are being asked to elect five (5) Trustees of the Fund, each to hold office for the term indicated and until his successor shall have been elected and qualified; and
3. The transaction of such other business as may properly come before the Meeting or any adjournments thereof.

These items are discussed in greater detail in the attached Proxy Statement.

The close of business on March 1, 2013 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and any adjournments thereof.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE SIZE OF YOUR HOLDINGS IN A FUND. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, WE ASK THAT YOU PLEASE COMPLETE AND SIGN THE ENCLOSED PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE, WHICH NEEDS NO POSTAGE IF MAILED IN THE UNITED STATES.

By Order of the Board of Trustees of:

Blackstone / GSO Senior Floating Rate Term Fund

Blackstone / GSO Long-Short Credit Income Fund

Blackstone / GSO Strategic Credit Fund

Daniel H. Smith, Jr.

Chairman, President and Chief Executive Officer

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**BLACKSTONE / GSO SENIOR FLOATING RATE TERM FUND ( BSL )**

**BLACKSTONE / GSO LONG-SHORT CREDIT INCOME FUND ( BGX )**

**BLACKSTONE / GSO STRATEGIC CREDIT FUND ( BGB )**

(Each a Fund, and collectively, the Funds )

JOINT ANNUAL MEETING OF SHAREHOLDERS

To be Held on April 24, 2013

### **PROXY STATEMENT**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Trustees of the Funds for use at the Joint Annual Meeting of Shareholders of the Fund (the Meeting ) to be held on Wednesday, April 24, 2013, at 10:00 a.m. Eastern Time, at 345 Park Avenue, 31<sup>st</sup> Floor, New York, New York 10154, and at any adjournments thereof.

#### **Internet Availability of Proxy Materials**

As permitted by the Securities and Exchange Commission ( SEC ) the Funds are furnishing proxy materials to shareholders on the internet, rather than mailing paper copies to each shareholder. The Notice of Internet Availability of Proxy Materials ( Notice ) tells you how to access and review the proxy materials and vote your shares via the internet. If you would like to receive a paper copy of the Funds proxy statement free of charge, please follow the instructions in the Notice. The Notice of each Fund s Meeting or the Proxy Statement with the accompanying proxy card was mailed to shareholders on or about March 11, 2013.

#### **Other Methods of Proxy Solicitation**

In addition to the solicitation of proxies by internet or mail, officers of the Fund and officers and regular employees of Computershare Shareowner Services, LLC ( Computershare ), the Fund s transfer agent, ALPS Fund Services, Inc. ( ALPS ), the Funds administrator, and affiliates of Computershare, ALPS or other representatives of the Funds may also solicit proxies by telephone, internet or in person. The expenses incurred in connection with preparing the Proxy Statement and its enclosures will be paid by the Funds. The Funds will also reimburse brokerage firms and others for their expenses in forwarding solicitation materials to the beneficial owners of the Funds Shares (as defined below). In addition, the Funds have engaged Broadridge Financial Solutions, Inc. ( Broadridge ) to assist in the proxy effort for the Funds. Under the terms of the engagement, Broadridge will be providing a web site for the dissemination of these proxy materials and tabulation services.

The Funds most recent annual report, including audited financial statements for the fiscal year ended December 31, 2012, is available upon request, without charge, by writing to the Funds at c/o ALPS Fund Services, Inc., 1290 Broadway, Suite 1100, Denver, CO 80203, by calling the Funds at 1.877.876.1121, or via the internet at [www.blackstone-gso.com](http://www.blackstone-gso.com).

If the enclosed proxy card is properly executed and returned in time to be voted at the Meeting, the Shares (as defined below) represented thereby will be voted FOR the proposal listed in the Notice, unless instructions to the contrary are marked thereon, and in the discretion of the proxy holders as to the transaction of any other business that may properly come before the Meeting. Any shareholder who has given a proxy has the right to revoke it at any time prior to its exercise either by attending the Meeting and voting his or her shares in person or by submitting a letter of revocation or a later-dated proxy to the Fund at the above address prior to the date of the Meetings.

The holders of one third of the Shares entitled to vote on any matter at the Meeting present in person or by proxy shall constitute a quorum at the Meeting for purposes of conducting business. If a quorum is not present at the Meeting, or if a quorum is present at the Meeting, but sufficient votes to approve any of the proposed items are not received, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitation of proxies. A shareholder vote may be taken on one or more of the proposals in this Proxy Statement prior to such adjournment if sufficient votes have been received for approval and it is otherwise appropriate. Any such adjournment will require approval of the Chairman, the Trustees or the affirmative vote of a majority of those shares present at the Meeting in person or by proxy. If a quorum is present, the persons named as proxies will vote those proxies that they are entitled to vote FOR any proposal in favor of such adjournment and will vote those proxies required to be voted AGAINST any proposal against such adjournment.

The close of business on March 1, 2013, has been fixed as the Record Date for the determination of shareholders entitled to notice of and to vote at each Fund's Meeting and all adjournments thereof.

The Blackstone / GSO Senior Floating Rate Term Fund has two classes of capital stock: common shares of beneficial interest, par value \$0.001 (the BSL Common Shares ) and term preferred shares, aggregate liquidation preference of \$48 million ( Preferred Shares ), while each of the Blackstone / GSO Long-Short Credit Income Fund and the Blackstone / GSO Strategic Credit Fund has one class of capital stock: common shares of beneficial interest, par value \$0.001 (the BGX Common Shares and the BGB Common Shares, respectively, and together with the BSL Common Shares and Preferred Shares, the Shares ). The holders of Shares are each entitled to one vote for each full Share and an appropriate fraction of a vote for each fractional Share held on such matters where such respective Shares are entitled to be cast. As of the Record Date, there were 15,198,556.600 BSL Common Shares, 48,000 Preferred Shares, 12,700,949.600 BGX Common Shares and 44,628,107.602 BGB Common Shares outstanding.

In order that your Shares may be represented at the Meeting, you are requested to vote on the following matters:

**PROPOSALS 1, 2 AND 3:**

**ELECTION OF NOMINEES**

**TO EACH FUND'S BOARD OF TRUSTEES**

**Nominees for BSL's Board of Trustees**

BSL's Board is divided into three classes, each class having a term of three years. Each year the term of office for one class will expire. Listed below are the nominees for the Fund. Each nominee is currently a Trustee of the Fund. Mr. Schpero has been nominated by the Board for election to a two-year term to expire at the Fund's 2015 Annual Meeting of Shareholders, and Mr. Holland and Mr. Smith have each been nominated by the Board for election to a three-year term to expire at the Fund's 2016 Annual Meeting of Shareholders, or if later, until such Trustee's successor is duly elected and qualified.

<b>Proposal</b>	<b>Common Shareholders</b>	<b>Preferred Shareholders</b>	<b>Class</b>	<b>Expiration of Term if Elected</b>
<b>Independent Trustee/Nominee</b>	<b>Vote</b>	<b>Vote</b>		
Michael Holland	N/A	X	Class II	2016 Annual Meeting
Gary S. Schpero	X	X	Class I	2015 Annual Meeting
<b>Interested Trustee/Nominee</b>				
Daniel H. Smith, Jr.	X	X	Class II	2016 Annual Meeting

Under BSL's Amended and Restated Agreement and Declaration of Trust (the Declaration of Trust), Statement of Preferences, and the Investment Company Act of 1940, as amended (the 1940 Act), holders of BSL's outstanding Preferred Shares, voting as a separate class, are entitled to elect two Trustees, and holders of BSL's outstanding Common Shares and Preferred Shares, voting as a single class, are entitled to elect the remaining Trustees, subject to the provisions of the 1940 Act and BSL's Declaration of Trust, Statement of Preferences, and Amended and Restated By-Laws (the By-Laws). The holders of BSL's outstanding Preferred Shares would be entitled to elect the minimum number of additional Trustees that would represent a majority of the Trustees if dividends on BSL's Preferred Shares are in arrears for two full years. No dividend arrearages exist at this time.

Unless authority is withheld, it is the intention of the persons named in the proxy to vote the proxy FOR the election of the nominees named above. Each nominee has indicated that he has consented to serve as a Trustee if elected at the Meeting. If a designated nominee declines or otherwise becomes unavailable for election, however, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees.

**Nominees for BGX's Board of Trustees**

BGX's Board is divided into three classes, each class having a term of three years. Each year the term of office for one class will expire. Listed below are the nominees for the Fund. Each nominee is currently a Trustee of the Fund. Mr. Schpero has been nominated by the Board for election to a two-year term to expire at the Fund's 2015 Annual Meeting of Shareholders, and Mr. Holland and Mr. Smith have each been nominated by the Board for election to a three-year term to expire at the Fund's 2016 Annual Meeting of Shareholders, or if later, until such Trustee's successor is duly elected and qualified.

<b>Proposal</b>	<b>Class</b>	<b>Expiration of Term if Elected</b>
<b>Independent Trustee/Nominee</b>		
Michael Holland	Class I	2016 Annual Meeting
Gary S. Schpero	Class III	2015 Annual Meeting
<b>Interested Trustee/Nominee</b>		
Daniel H. Smith, Jr.	Class I	2016 Annual Meeting

Unless authority is withheld, it is the intention of the persons named in the proxy to vote the proxy FOR the election of the nominees named above. Each nominee has indicated that he has consented to serve as a Trustee if elected at the Meeting. If a designated nominee declines or otherwise becomes unavailable for election, however, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees.

**Nominees for BGB's Board of Trustees**

At the Meeting, BGB's Board of Trustees will be classified into three classes – Class I, Class II and Class III – as nearly equal in number as reasonably possible, with the Trustees in each class to hold office until their successors are elected and qualified. At each succeeding annual meeting of shareholders, the successors to the class of Trustees whose terms expire at that meeting shall be elected to hold office for terms expiring at the later of the annual meeting of shareholders held in the third year following the year of their election or the election and qualification of their successors. The following table summarizes the proposed Trustees/Nominees to serve on BGB's Board of Trustees and the class of each Trustee/Nominee:

<b>Proposal</b>	<b>Class</b>	<b>Expiration of Term if Elected</b>
<b>Independent Trustee/Nominee</b>		
Edward H. D Alelio	Class I	2014 Annual Meeting
Michael Holland	Class III	2016 Annual Meeting
Thomas W. Jasper	Class II	2015 Annual Meeting
Gary S. Schpero	Class II	2015 Annual Meeting
<b>Interested Trustee/Nominee</b>		
Daniel H. Smith, Jr.	Class III	2016 Annual Meeting

Unless authority is withheld, it is the intention of the persons named in the proxy to vote the proxy FOR the election of the nominees named above. Each nominee has indicated that he has consented to serve as a Trustee if elected at the Meeting. If a designated nominee declines or otherwise becomes unavailable for election, however, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees.

**Information about each Trustee s Professional Experience and Qualifications**

Provided below is a brief summary of the specific experience, qualifications, attributes or skills for each Trustee/Nominee that warrant their consideration as a Trustee candidate to the Board of Trustees of each Fund.

The Trustees were selected to join each Board of Trustees based upon the following as to each Trustee: his character and integrity; such person s service as a member of other boards of directors; such person s willingness to serve and willingness and ability to commit the time necessary to perform the duties of a Trustee; as to each Trustee other than Mr. Smith, such person s status as not being an interested person as defined in the 1940 Act; and, as to Mr. Smith, his role with GSO Capital Partners LP (collectively with its affiliates, GSO ) and the Blackstone Group L.P. (collectively with its affiliates, Blackstone ). No factor, by itself, was controlling. In addition to the information provided in the table included below, each Trustee possesses the following attributes: Mr. D Alelio, experience as an investment professional; Mr. Holland, experience as an investment professional and service as a board member of other registered management investment companies; Mr. Jasper, experience as an investment professional in the structured products market and experience concerning risk management; Mr. Schpero, experience as a legal professional specializing in asset management and service as a board member of other registered management investment companies; and Mr. Smith, experience as an executive and portfolio manager and leadership roles with GSO and Blackstone. References to the qualifications, attributes and skills of the Trustees are pursuant to requirements of the U.S. Securities and Exchange Commission ( SEC ), do not constitute holding out the Boards of Trustees or any Trustees as having any special expertise or experience, and shall not impose any greater responsibility or liability on any such person or on the Boards of Trustees by reason thereof.

**Additional Information about each Trustee/Nominee and the Fund s Officers**

Set forth in the table below are the Trustees/Nominees and Officers of the Funds, as well as their birth year, information relating to their respective positions held with each Fund, a brief statement of their principal occupations during the past five years and other directorships, if any.

Name, Address and Year of Birth <sup>(1)</sup>	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal	Number of	Other
			Occupation(s) During Past 5 Years	Portfolios in Fund Complex Overseen by Trustee <sup>(2)</sup>	

**NON-INTERESTED TRUSTEES:**

Edward H. D Alelio Birth Year: 1952	Lead Independent Trustee and member	Trustee Since: BSL: April 2010	Mr D Alelio was formerly a Managing	3	Trump Entertainment
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Name, Address and Year of Birth <sup>(1)</sup>	Position(s) Held with the Funds of Audit and Nominating and Governance Committees	Term of Office and Length of Time	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee <sup>(2)</sup>	Other Directorships Held by Trustee
		Served BGX: November 2010 BGB: May 2012 Term Expires: BSL: 2014 BGX: 2014 BGB: 2014 Trustee Since:	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.	3	Resorts, Inc.
Michael Holland Birth Year: 1944	Trustee and member of Audit and Nominating and Governance Committees	BGX: November 2010 BGB: May 2012 Term Expires: BSL: 2014 BGX: 2014 BGB: 2014 Trustee Since: BSL: April 2010 BGX: November 2010 BGB: May 2012 Term Expires: BSL: 2016 BGX: 2016	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.	3	The China Fund, Inc.; The Taiwan Fund, Inc.; State Street Master Funds; Reaves Utility Income Fund.
Thomas W. Jasper Birth Year: 1948	Trustee, Chairman of Audit Committee and member of Nominating and Governance Committee	BGB: 2016 Trustee Since: BSL: April 2010 BGX: November 2010 BGB: May 2012 Term Expires: BSL: 2015 BGX: 2015 BGB: 2015	Mr. Jasper is the Managing Partner of Manursing Partners LLC. He was Chief Executive Officer of Primus Guaranty,  Ltd. from 2001-2010.	3	None

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<p>Gary S. Schpero Birth Year: 1953</p>	<p>Trustee, Chairman of Nominating and Governance Committee and member of Audit Committee</p>	<p>Trustee Since: BSL: May 2012 BGX: May 2012 BGB: May 2012  Term Expires: BSL: 2015 BGX:2015 BGB: 2015</p>	<p>Retired. Prior to January 2000, Mr. Schpero was a partner at the law firm of Simpson Thacher &amp; Bartlett LLP where he served as managing partner of the Investment Management and Investment Company Practice Group.</p>	<p>3</p>	<p>EQ Advisors Trust</p>
<p><b>INTERESTED TRUSTEE<sup>(3)</sup></b> Daniel H. Smith, Jr. Birth Year: 1963</p>	<p>Chairman of the Board, President, Chief Executive Officer, Trustee and member of Pricing and Valuation Committees</p>	<p>Trustee Since: BSL: April 2010 BGX: November 2010 BGB: May 2012  Term Expires: BSL: 2016</p>	<p>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</p>	<p>3</p>	<p>None</p>

Name, Address and Year of Birth <sup>(1)</sup>	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal	Number of
			Occupation(s) During Past 5 Years	Portfolios in Fund Complex Overseen by Trustee <sup>(2)</sup>
		BGX: 2016 BGB: 2016	Royal Bank of Canada in July 2005 where he was a Managing Partner and Co-head of RBC Capital Market s Alternative Investments Unit.	

Name, Address and Year of Birth	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation During the Past Five Years
<b>OFFICERS</b> 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:	Mr. Smith is a Senior Managing Director of GSO and is Head of GSO /Blackstone Debt Funds Management LLC. Mr. Smith joined GSO from the Royal Bank of Canada in July 2005 where he was a Managing Partner and Co-head of RBC Capital Market s Alternative Investments Unit.
Eric Rosenberg Birth Year: 1968	Chief Financial Officer and Treasurer	Indefinite Officer Since: BSL: April 2010 BGX: November 2010 BGB: May 2012  Term of Office:	Mr. Rosenberg is a Managing Director and Chief Financial Officer of GSO. He joined GSO in 2008. Prior to that time he spent over 10 years in the prime brokerage business of Goldman, Sachs & Co.
Lee M. Shaiman Birth Year: 1956	Executive Vice President and Assistant Secretary	Indefinite Officer Since: BSL: April 2010 BGX: November 2010 BGB: May 2012	Mr. Shaiman is a Managing Director of GSO. Mr. Shaiman joined GSO from Royal Bank of Canada in July 2005 where he was a Managing Partner and Head of Portfolio Management and Credit Research in the Debt Investments group.

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Marisa Beeney	Chief Compliance Officer, Chief Legal Counsel and Secretary	Term of Office: Indefinite Officer Since:	Ms. Beeney is a Managing Director, Chief Legal Officer and Chief Compliance Officer of GSO. From March 2007 to December 2008, she served as Counsel and Director of GSO. Prior to that time she was with the finance group of DLA Piper since 2005.
Birth Year: 1970		BSL: April 2010 BGX: November 2010 BGB: May 2012	

Jane Lee	Public Relations Officer	Term of Office: Indefinite Officer Since:	Ms. Lee is a Managing Director of GSO. Ms. Lee joined GSO from Royal Bank of Canada in July 2005, where she was most recently a partner in the Debt Investments Group and was responsible for origination of
Birth Year: 1972		BSL: November 2010 BGX: November 2010 BGB: May 2012	

Term of Office:

Indefinite

<b>Name, Address and Year of Birth</b>	<b>Position(s) Held with the Funds</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation During the Past Five Years</b>
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(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, the Blackstone / GSO Senior Floating Rate Term Fund, the Blackstone / GSO Long-Short Credit Income Fund and the Blackstone / GSO Strategic Credit 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 (as defined below).

**Beneficial Ownership of Common Shares Held in the Fund Complex by each Trustee/Nominee**

Set forth in the table below is the dollar range of equity securities held in each Fund and on an aggregate basis for the entire Fund Complex overseen by each Trustee.

<b>Independent Trustee/Nominee</b>	<b>Dollar Range<sup>1</sup> of Equity Securities Held in BSL:</b>	<b>Dollar Range<sup>1</sup> of Equity Securities Held in BGX:</b>	<b>Dollar Range<sup>1</sup> of Equity Securities Held in BGB:</b>	<b>Aggregate Dollar Range of Equity Securities Held in the Fund Complex</b>
Edward H. D Alelio	\$0	\$0	\$0	\$0
Michael Holland <sup>2</sup>	\$10,001-\$50,000	\$10,001-\$50,000	\$10,001-\$50,000	\$10,001-\$50,000
Thomas W. Jasper <sup>2</sup>	\$0	\$5,001-10,000	\$10,001-\$50,000	\$10,001-\$50,000
Gary S. Schpero <sup>2</sup>	\$5,001-10,000	\$5,001-10,000	\$5,001-10,000	\$10,001-\$50,000
<b>Interested Trustee/Nominee</b>				
Daniel H. Smith, Jr. <sup>2</sup>	\$100,001-\$500,000	\$100,001-\$500,000	\$100,001-\$500,000	\$100,001-\$500,000

(1) This information has been furnished by each Trustee and nominee for election as Trustee as of December 31, 2012. Beneficial Ownership is determined in accordance with Section 16a-1(a)(2) under the Securities Exchange Act of 1934, as amended (the 1934 Act ).

(2) Ownership amount constitutes less than 1% of the total shares outstanding.

**Trustee Transactions with Fund Affiliates**

As of December 31, 2012, none of the independent trustees, meaning those Trustees who are not interested persons as defined in Section 2(a)(19) of the 1940 Act and are independent under the New York Stock Exchange s ( NYSE ) Listing Standards (each an Independent Trustee and collectively the Independent Trustees ), nor members of their immediate families owned securities, beneficially or of record, in GSO / Blackstone Debt Funds Management LLC

(the Adviser), or an affiliate or person directly or indirectly controlling, controlled by, or under common control with the Adviser, other than investments in the Funds and investments in affiliated investment vehicles that, pursuant to guidance from the SEC Staff, do not affect such Trustee's independence. Furthermore, over the past five years, neither the Independent Trustees nor members of their immediate families have had any direct or indirect interest, the value of which exceeds \$120,000, in the Adviser or any of its affiliates. In addition, since the beginning of the last two fiscal years, neither the Independent Trustees nor members of their immediate families have conducted any transactions (or series of transactions) or maintained any direct or indirect relationship in which the amount involved exceeds \$120,000 and to which the Adviser or any affiliate of the Adviser was a party.

### Trustee Compensation

The following table sets forth certain information regarding the compensation of the Funds' Trustees for the fiscal year ended December 31, 2012. Trustees and Officers of the Funds who are employed by GSO receive no compensation or expense reimbursement from the Funds.

Compensation Table for the Fiscal Year Ended December 31, 2012.

Name of Trustee/Nominee	Blackstone / GSO Senior Floating Rate Term Fund	Blackstone / GSO Long-Short Credit Income Fund	Blackstone / GSO Strategic Credit Fund	Total Compensation Paid From the Fund Complex
Edward H. D'Allelio	\$24,502	\$24,502	\$10,367	\$59,370
Michael Holland	\$23,417	\$23,417	\$10,367	\$57,200
Thomas W. Jasper	\$25,917	\$25,917	\$10,992	\$62,825
Gary S. Schpero	\$20,042	\$20,042	\$10,992	\$51,075

The Funds pay each trustee an annual base retainer of \$50,000 (\$16,667 from each Fund) in aggregate. The Funds pay each trustee \$7,500 (\$2,500 from each Fund) for each regular board meeting and special board meeting attended that is held jointly with all three Funds. The relevant Fund will pay each trustee \$3,000 for each regular board meeting and special board meeting attended that is not held jointly with the other Funds. Additionally, the chairman of the Audit Committee and the chairman of the Nominating and Governance Committee are paid an additional annual retainer of \$2,500 by each Fund if the chairman is the chairman of the same committee of each Fund. The lead independent trustee is paid an additional annual retainer of \$8,000 (\$2,667 from each Fund). If the chairman is not the chairman of such committee of each Fund, then the relevant Fund pays an annual retainer of \$3,000 to that chairman. The Funds pay \$2,250 (\$750 from each Fund) to each trustee for each committee meeting attended that is held jointly with all three Funds, and the relevant Fund pays \$1,000 to each trustee for each committee meeting attended that is not held jointly with the other Funds; provided that if a committee meeting is held on the same day as a board meeting then the trustees attending the board meeting will not receive additional compensation for attending the committee meeting held that same day.

BSL's Board of Trustees met five times, BGX's Board of Trustees met four times and BGB's Board of Trustees met four times during the fiscal year ended December 31, 2012. Each Trustee then serving in such capacity attended at least 75% of the meetings of Trustees and of any Committee of which he is a member.

### **Leadership Structure of the Board of Trustees**

Each Board of Trustees is currently comprised of four Trustees. Daniel H. Smith, Jr. serves as Chairman of each Board. Mr. Smith is an interested person of the Funds. The appointment of Mr. Smith as Chairman reflects each Board of Trustees' belief that his experience, familiarity with the relevant Fund's day-to-day operations and access to individuals with responsibility for the relevant Fund's management and operations will provide each Board of Trustees with insight into the relevant Fund's business and activities and, with his access to appropriate administrative support, will facilitate the efficient development of meeting agendas that address the relevant Fund's business, legal and other needs and the orderly conduct of board meetings. Each Board of Trustees has appointed Mr. D. Alelio as lead Independent Trustee. Each Board of Trustees has determined that its leadership structure is appropriate in light of the relevant Fund's circumstances and provides for the informed and independent exercise of its responsibilities.

### **Oversight of Risk Management**

Each Board of Trustees' role in risk oversight of the Funds reflects its responsibility under applicable state law to oversee generally, rather than to manage, the operations of the relevant Fund. In line with its oversight responsibility, the Board of Trustees receives reports and makes inquiries at its regular meetings and as needed regarding the nature and extent of significant Fund risks (including investment, compliance and valuation risks) that potentially could have a materially adverse impact on the business operations, investment performance or reputation of the relevant Fund, but relies upon the Fund's management (including the Fund's portfolio managers) and Chief Compliance Officer, who reports directly to the Board of Trustees, and the Adviser to assist it in identifying and understanding the nature and extent of such risks and determining whether, and to what extent, such risks may be eliminated or mitigated. In addition to reports and other information received from Fund management and the Adviser regarding the Fund's investment program and activities, the Board of Trustees as part of its risk oversight efforts expects to meet at its regular meetings and as needed with the Fund's Chief Compliance Officer to discuss, among other things, risk issues and issues regarding the policies, procedures and controls of the Fund. The Board of Trustees may be assisted in performing aspects of its role in risk oversight by the Audit Committee and such other standing or special committees as may be established from time to time by the Board of Trustees. For example, the Audit Committee of the Board of Trustees will meet regularly with the Funds' independent public accounting firm to review, among other things, reports on the Funds' internal controls for financial reporting.

Each Board of Trustees believes that not all risks that may affect the Funds can be identified, that it may not be practical or cost-effective to eliminate or mitigate certain risks, that

it may be necessary to bear certain risks (such as investment-related risks) to achieve the Fund's goals, and that the processes, procedures and controls employed to address certain risks may be limited in their effectiveness. Moreover, reports received by the Trustees as to risk management matters may be summaries of relevant information and may be inaccurate or incomplete. As a result of the foregoing and other factors, the Board of Trustees risk management oversight is expected to be subject to substantial limitations.

### **Audit Committee Reports**

The Audit Committee acts according to the Audit Committee charter (the Charter). Thomas W. Jasper has been appointed as Chair of the Audit Committee of each Fund's Board of Trustees. The Audit Committee is responsible for assisting the Board of Trustees of the Funds in fulfilling its oversight responsibilities relating to accounting and financial reporting policies and practices of each Fund, including, but not limited to, the adequacy of each Fund's accounting and financial reporting processes, policies and practices; the integrity of each Fund's financial statements; the adequacy of each Fund's overall system of internal controls; each Fund's compliance with legal and regulatory requirements; the qualification and independence of each Fund's independent registered public accounting firm; the performance of each Fund's internal audit function provided by the Adviser and each Fund's other service providers; and the review of the report required to be included in the Funds' annual proxy statement by the rules of the SEC. The Audit Committee is also required to prepare an audit committee report to be included in the Funds' annual proxy statement as required by Item 407(d)(3)(i) of Regulation S-K. The Audit Committee operates pursuant to the Charter that was most recently reviewed and approved by each Fund's Board of Trustees on November 29, 2012. The Charter is available at the Funds' website, [www.blackstone-gso.com](http://www.blackstone-gso.com). As set forth in the Charter, the function of the Committee is oversight; it is the responsibility of the Adviser to maintain appropriate systems for accounting and internal control, and the independent auditors' responsibility to plan and carry out a proper audit. The independent accountant is ultimately accountable to each Fund's Board of Trustees and Audit Committee, as representatives of each Fund's shareholders. The independent accountant for the Funds reports directly to the Audit Committee.

In performing its oversight function, at a meeting held on February 25, 2013, each Audit Committee reviewed and discussed with management of each Fund and the independent accountant, Deloitte & Touche LLP (Deloitte), the audited financial statements of each Fund as of and for the fiscal year ended December 31, 2012, and discussed the audit of such financial statements with the independent accountant.

In addition, each Audit Committee discussed with the independent accountant the accounting principles applied by each Fund and such other matters brought to the attention of the Audit Committee by the independent accountant required by Statement of Auditing Standards No. 114, (*The Auditor's communication with those charged with Governance*) as currently modified or supplemented and No. 61, as amended (AICPA, *Professional Standards*, Vol. 1 AU section 380), as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T. The Audit Committee also received from the independent accountant the written disclosures and letters required by Independence Standards Board Standard No. 1, (*Independence Discussions with Audit Committees*), as adopted by the PCAOB in Rule 3526 and

discussed the relationship between the independent accountant and each Fund and the impact that any such relationships might have on the objectivity and independence of the independent accountant.

The members of each Audit Committee are not, and do not represent themselves to be, professionally engaged in the practice of auditing or accounting and are not employed by the Fund for accounting, financial management or internal control purposes. Moreover, each Audit Committee relies on and makes no independent verification of the facts presented to it or representations made by management or the independent verification of the facts presented to it or representation made by management or the Fund's independent accountant. Accordingly, each Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and/or financial reporting principles and policies, or internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, each Audit Committee's considerations and discussions referred to above do not provide assurance that the audit of each Fund's financial statements has been carried out in accordance with generally accepted accounting standards or that the financial statements are presented in accordance with generally accepted accounting principles.

Based on its consideration of the audited financial statements and the discussions referred to above with management and the Funds' independent accountant, and subject to the limitations on the responsibilities and role of the Audit Committee set forth in the Charter and those discussed above, each Audit Committee recommends to the Funds' Board of Trustees that each Fund's audited financial statements be included in the Funds' Annual Report for the fiscal year ended December 31, 2012.

SUBMITTED BY THE AUDIT COMMITTEE OF EACH FUND'S BOARD OF TRUSTEES

Thomas W. Jasper, Audit Committee Chairman

Edward H. D'Alenio

Michael Holland

Gary S. Schpero

February 25, 2013

BSL's Audit Committee met three times, BGX's Audit Committee met three times and BGB's Audit Committee met two times during the fiscal year ended December 31, 2012. Each Audit Committee is composed of four Independent Trustees, namely Messrs. D'Alenio, Jasper, Holland and Schpero. None of the members of the Audit Committee is an interested person of the Fund.

Based on the findings of each Audit Committee, each Board of Trustees has determined that Thomas W. Jasper is each Fund's audit committee financial expert, as defined in the rules promulgated by the SEC, and as required by NYSE Listing Standards. Thomas W. Jasper serves as the Chairman of each Audit Committee for the Funds.

### **Nominating and Governance Committee**

Each Fund's Board of Trustees has a Nominating and Governance Committee that is responsible for selecting and nominating candidates for election as Trustees to the Board of Trustees of the Fund. On February 25, 2013, each Fund's Board of Trustees approved a new Nominating and Governance Committee charter, which, among other things, changed the name of the former Nominating Committee to the Nominating and Governance Committee. The members of the Nominating and Governance Committee are Edward H. D'Alenio, Michael Holland, Thomas W. Jasper and Gary S. Schpero, all of whom have been determined not to be interested persons of the Fund under the 1940 Act and who are independent as defined in the NYSE listing standards. Mr. Schpero serves as Chairman of each Nominating and Governance Committee. BSL and BGX's Nominating and Governance Committee met twice and BGB's Nominating and Governance Committee met once during the fiscal year ended December 31, 2012.

When vacancies or creations occur, each Nominating and Governance Committee will consider Trustee candidates recommended by a variety of sources to include each Fund's shareholders. Each Nominating and Governance Committee may accept nominees recommended by a shareholder as it deems appropriate. Shareholders who wish to recommend a nominee for a Fund's Board of Trustees should send recommendations to the relevant Fund's Secretary that include all information relating to such person that is required to be disclosed in solicitations of proxies for the election of Trustees. A recommendation must be accompanied by a written consent of the individual to stand for election if nominated by the Board of Trustees and to serve if elected by the shareholders. In considering Trustee candidates, each Nominating and Governance Committee will take into consideration the interest of shareholders, the needs of the Board of Trustees and the Trustee candidate's qualifications, which include but are not limited to, the diversity of the individual's professional experience, education, individual qualification or skills.

Any shareholder recommendation described above must be sent to the relevant Fund's Secretary at 345 Park Avenue, 31<sup>st</sup> Floor, New York, New York 10154. Each Fund's Nominating and Governance Committee charter is available on the Funds' website ([www.blackstone-gso.com](http://www.blackstone-gso.com)).

### **Valuation Committee**

Each Valuation Committee is responsible for advising the Board with respect to the valuation of portfolio assets. The members of each Valuation Committee are Daniel H. Smith, Jr. and any one of the Independent Trustees. BSL's Valuation Committee met zero times, BGX's Valuation Committee met zero times and BGB's Valuation Committee met two times during the fiscal year ended December 31, 2012.

### **Compensation Committee**

None of the Funds has a compensation committee, however the Nominating and Governance Committee also reviews compensation arrangements for the Independent Trustees and submits its recommendations to the Board of Trustees.

### **Other Board Related Matters**

The Funds do not require Trustees to attend the Annual Meeting of Shareholders.

## **REQUIRED VOTE**

### **Blackstone / GSO Senior Floating Rate Term Fund**

The election of each of Messrs. Schpero (Class I) and Smith (Class II) for Trustee of the Fund requires the affirmative vote of the holders of a plurality of the votes cast by holders of Common Shares and Preferred Shares (voting together as a single class) represented at the Meeting, if a quorum is present. The election of each of Mr. Holland (Class II) for Trustee of the Fund requires the affirmative vote of the holders of a plurality of the votes cast by holders of Preferred Shares (voting as a single class) represented at the Meeting, if a quorum is present.

### **Blackstone / GSO Long-Short Credit Income Fund**

The election of each Trustee of the Fund requires the affirmative vote of the holders of a plurality of the votes cast by holders of Common Shares represented at the Meeting, if a quorum is present.

### **Blackstone / GSO Strategic Credit Fund**

The election of each Trustee of the Fund requires the affirmative vote of the holders of a plurality of the votes cast by holders of Common Shares represented at the Meeting, if a quorum is present.

EACH FUND'S BOARD OF TRUSTEES, INCLUDING THE NON-INTERESTED TRUSTEES, UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE ELECTION OF THE FUND'S RESPECTIVE NOMINEES.

The following table shows the ownership of Common Shares and Preferred Shares, as applicable, by each of the Trustees, the Trustees and officers of each Fund as a group and the persons or organizations known to each Fund to be beneficial owners of more than 5% of a Fund's outstanding Common Shares or Preferred Shares, as applicable.

Name & Address <sup>1</sup>	<u>Trustees</u>	
	Percentage of Shares Held	Total Shares Owned
<b>BSL Common Shares<sup>2</sup></b>		
Edward H. D Alelio	0%	0
Michael Holland	<1%	1,000
Thomas W. Jasper	0%	0
Gary S. Schpero	<1%	250
Daniel H. Smith, Jr.	<1%	11,800
All Trustees and Executive Officers as a group	<1%	20,710
<b>BSL Preferred Shares<sup>2</sup></b>		
Edward H. D Alelio	0%	0
Michael Holland	0%	0
Thomas W. Jasper	0%	0
Gary S. Schpero	0%	0
Daniel H. Smith, Jr.	0%	0
All Trustees and Executive Officers as a group	0%	0
<b>BGX Common Shares<sup>2</sup></b>		
Edward H. D Alelio	0%	0
Michael Holland	<1%	1,000
Thomas W. Jasper	0%	0
Gary S. Schpero	<1%	265
Daniel H. Smith, Jr.	<1%	7,800
All Trustees and Executive Officers as a group	<1%	11,815
<b>BGB Common Shares<sup>2</sup></b>		
Edward H. D Alelio	0%	0
Michael Holland	<1%	1,000
Thomas W. Jasper	<1%	2,500
Gary S. Schpero	<1%	265
Daniel H. Smith, Jr.	<1%	8,500
All Trustees and Executive Officers as a group	<1%	12,265
<b><u>5% or Greater Shareholders</u></b>		
<b>BSL Common Shares<sup>3</sup></b>		
First Trust Portfolios L.P.	21.54% <sup>(a)</sup>	3,269,314 <sup>(a)</sup>
120 East Liberty Drive, Suite 400		
Wheaton, Illinois 60187		
First Trust Advisors L.P.		
120 East Liberty Drive, Suite 400		



Wheaton, Illinois 60187

The Charger Corporation

120 East Liberty Drive, Suite 400

Wheaton, Illinois 60187

Morgan Stanley	5.5%	833,519 <sup>(b)</sup>
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1585 Broadway

New York, New York 10036

Morgan Stanley Smith Barney LLC	5.4%	822,849
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1585 Broadway

New York, New York 10036

**BSL Preferred Shares**

Metropolitan Life Insurance Company	83.33%	40,000
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1095 Avenue of the Americas

New York, New York 10036

Mass Mutual Life and CM Life	16.67%	8,000
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1295 State St.

Springfield, MA 01105

**BGX Common Shares<sup>3</sup>**

First Trust Portfolios L.P.	22.61% <sup>(a)</sup>	2,870,239 <sup>(a)</sup>
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120 East Liberty Drive, Suite 400

Wheaton, Illinois 60187

First Trust Advisors L.P.

120 East Liberty Drive, Suite 400

Wheaton, Illinois 60187

The Charger Corporation

120 East Liberty Drive, Suite 400

Wheaton, Illinois 60187

UBS AG

10.45%

1,327,377

Bahnhofstrasse 45

PO Box CH-8021

Zurich, Switzerland

**BGB Common Shares<sup>3</sup>**

None

(a) First Trust Portfolios L.P., First Trust Advisors L.P. and The Charger Corporation filed their schedule 13G jointly and did not differentiate holdings as to each entity.

(b) Includes shares beneficially owned by Morgan Stanley subsidiary, Morgan Stanley Smith Barney LLC.

(1) The address for each Trustee of each Fund is 345 Park Avenue, 31<sup>st</sup> Floor, New York, NY 10154.

(2) The table above shows Trustees and Executive Officers ownership of Shares of each Fund as of March 2, 2012.

(3) The table above shows 5% or greater shareholders ownership of Shares as of March 1, 2013. The information contained in this table is based on Schedule 13G filings made on or before March 1, 2013.

**ADDITIONAL INFORMATION**

**Independent Registered Public Accounting Firm**

Deloitte, 555 17th Street, Suite 3600, Denver, Colorado 80202, served as each Fund's independent registered public accounting firm for the Funds' fiscal year ending December 31, 2013. None of the Funds knows of any direct financial or material indirect financial interest of Deloitte in any Fund. A representative of Deloitte will not be present at the Meeting, but will be available by telephone and will have an opportunity to make a statement, if asked, and will be available to respond to appropriate questions.

**Principal Accounting Fees and Services**

The following table sets forth for each Fund the aggregate fees billed by Deloitte for BSL's and BGX's last two fiscal years, and for BGB for the period September 26, 2012 (inception) to December 31, 2012, as a result of professional services rendered for:

(1) **Audit Fees** for professional services provided by Deloitte for the audit of the Fund's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements;

(2) **Audit-Related Fees** for assurance and related services by Deloitte that are reasonably related to the performance of the audit of the Fund's financial statements and are not reported under Audit Fees ;

(3) **Tax Fees** for professional services by Deloitte for tax compliance, tax advice and tax planning; and

(4) **All Other Fees** for products and services provided by Deloitte other than those services reported in above under Audit Fees, Audit Related Fees and Tax Fees .

**Blackstone / GSO Senior Floating Rate Term Fund**

<b>Audit Fees</b>		<b>Audit-Related Fees</b>		<b>Tax Fees</b>		<b>All Other Fees</b>	
2012	2011	2012	2011	2012	2011	2012	2011
\$75,000	\$75,000	\$0	\$0	\$6,300	\$6,000	\$33,200	\$32,400

**Blackstone / GSO Long-Short Credit Income Fund**

<b>Audit Fees</b>		<b>Audit-Related Fees</b>		<b>Tax Fees</b>		<b>All Other Fees</b>	
2012	January 27, 2011 (inception) December 31, 2011	2012	January 27, 2011 (inception) December 31, 2011	2012	January 27, 2011 (inception) December 31, 2011	2012	January 27, 2011 (inception) December 31, 2011
\$75,000	\$75,000	\$0	\$0	\$6,300	\$6,000	\$0	\$0

**Blackstone / GSO Strategic Credit Fund**

<b>Audit Fees</b>		<b>Audit-Related Fees</b>		<b>Tax Fees</b>		<b>All Other Fees</b>	
September 26, 2012 (inception) December 31, 2012	September 26, 2012 (inception) December 31, 2012	September 26, 2012 (inception) December 31, 2012	September 26, 2012 (inception) December 31, 2012	September 26, 2012 (inception) December 31, 2012	September 26, 2012 (inception) December 31, 2012	September 26, 2012 (inception) December 31, 2012	September 26, 2012 (inception) December 31, 2012
\$75,000	\$75,000	\$0	\$0	\$6,300	\$6,000	\$12,000	\$12,000

Each Fund's Audit Committee Charter requires that the Audit Committee pre-approve (i) all audit and non-audit services that the Fund's independent auditors provide to the Fund, and (ii) all non-audit services that the Fund's independent auditors provide to the Adviser and any entity controlling, controlled by, or under common control with the Adviser that provides ongoing services to the Fund, if the engagement relates directly to the operations and financial reporting of the Fund; provided that the Committee may implement policies and procedures by which such services are approved other than by the full Committee prior to their ratification by the Committee. All of the audit, audit-related, tax and other services described above for which Deloitte billed each Fund fees for the fiscal year ended December 31, 2012 were pre-approved by the Audit Committee.

**The Investment Adviser and Administrator**

GSO / Blackstone Debt Funds Management LLC is each Fund's investment adviser.

ALPS is the administrator for each Fund, and its business address is 1290 Broadway, Suite 1100, Denver, Colorado 80203.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the 1934 Act and Section 30(h) of the 1940 Act, and the rules thereunder, require each Fund's officers, portfolio managers and Trustees, the Adviser, affiliated persons of the Adviser, and persons who beneficially own more than 10% of a registered class of a Fund's Shares to file reports of ownership and changes in ownership with the SEC and the NYSE and to furnish the relevant Fund with copies of all Section 16(a) forms they file. Based solely on a review of the reports filed with the SEC and upon representations that no applicable Section 16(a) forms were required to be filed, each Fund believes that during fiscal year ended December 31, 2012, all Section 16(a) filing requirements applicable to the Fund's officers, Trustees and greater than 10% beneficial owners were complied with.

#### **Broker Non-Votes and Abstentions**

The affirmative vote of a plurality of votes cast for each nominee by the holders entitled to vote for a particular nominee is necessary for the election of a nominee.

For the purpose of electing nominees, abstentions or broker non-votes will not be counted as votes cast and will have no effect on the result of the election. Abstentions or broker non-votes, however, will be considered to be present at the Meeting for purposes of determining the existence of each Fund's quorum.

Shareholders of each Fund will be informed of the voting results of the Meeting in the Funds' Semi-Annual Report dated June 30, 2013.

#### **OTHER MATTERS TO COME BEFORE THE MEETING**

The Trustees of each Fund do not intend to present any other business at the Meeting, nor are they aware that any shareholder intends to do so. If, however, any other matters, including adjournments, are properly brought before the Meeting, the persons named in the accompanying form of proxy will vote thereon in accordance with their judgment.

#### **Shareholder Communications with Board of Trustees**

Shareholders may mail written communications to a Fund's full Board of Trustees, to committees of the Board or to specified individual Trustees in care of the Secretary of the relevant Fund, 345 Park Avenue, 31<sup>st</sup> Floor, New York, New York 10154. All shareholder communications received by the Secretary will be forwarded promptly to the relevant Board of Trustees, the relevant Board of Trustees' committee or the specified individual Trustees, as applicable, except that the Secretary may, in good faith, determine that a shareholder communication should not be so forwarded if it does not reasonably relate to a Fund or its operations, management, activities, policies, service providers, Board of Trustees, officers, shareholders or other matters relating to an investment in a Fund or is purely ministerial in nature.

## SHAREHOLDER PROPOSALS

Any shareholder proposal to be considered for inclusion in the Funds' proxy statement and form of proxy for the annual meeting of shareholders to be held in 2013 should have been received by the Secretary of the relevant Fund no later than January 24, 2013. In addition, pursuant to each Fund's By-Laws, a shareholder is required to give to a Fund notice of, and specified information with respect to, any proposals that such shareholder intends to present at the 2014 annual meeting not less than ninety (90) nor more than one hundred-twenty (120) days prior to the first anniversary date of the date on which a Fund first mailed its proxy materials for the 2013 annual meeting. Under the circumstances described in, and upon compliance with, Rule 14a-4(c) under the 1934 Act, a Fund may solicit proxies in connection with the 2014 annual meeting which confer discretionary authority to vote on any shareholder proposals of which the Secretary of the relevant Fund does not receive notice in accordance with the aforementioned date. Timely submission of a proposal does not guarantee that such proposal will be included.

**IF VOTING BY PAPER PROXIES, IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND A MEETING ARE THEREFORE URGED TO COMPLETE, SIGN, DATE, AND RETURN THE PROXY CARD AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE.**

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**PROXY TABULATOR**

**P.O. BOX 9112**

**FARMINGDALE, NY 11735**

**To vote by Internet**

- 1) Read the Proxy Statement and have the proxy card below at hand.
- 2) Go to website **www.proxyvote.com**
- 3) Follow the instructions provided on the website.

**To vote by Telephone**

- 1) Read the Proxy Statement and have the proxy card below at hand.
- 2) Call **1-800-690-6903**
- 3) Follow the instructions.

**To vote by Mail**

- 1) Read the Proxy Statement.
- 2) Check the appropriate box on the proxy card below.
- 3) Sign and date the proxy card.
- 4) Return the proxy card in the envelope provided.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M54453-P36329

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION  
ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

1. To Elect Five (5) Trustees of the Fund:

**For All**   **Withhold All**   **For All Except**

To withhold authority to vote for any individual nominee(s), mark **For All Except** and write the name(s) of the nominee(s) on the line below.

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- 01) Edward H. D Alelio
- 02) Michael F. Holland
- 03) Thomas W. Jasper
- 04) Gary S. Schpero
- 05) Daniel H Smith, Jr.

Please be sure to sign and date this proxy.

Please sign this proxy exactly as your name(s) appear(s) in the records of the Fund. If joint owners, either may sign. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, this signature should be that of an authorized officer who should state his or her title.

Signature [PLEASE SIGN WITHIN BOX]    Date

Signature [Joint Owners]

Date

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS**

**FOR THE ANNUAL MEETING OF SHAREHOLDERS: THE PROXY STATEMENT IS AVAILABLE AT [www.proxyvote.com](http://www.proxyvote.com)**

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**BLACKSTONE / GSO STRATEGIC CREDIT FUND**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF TRUSTEES**

The undersigned hereby appoints Daniel H. Smith, Jr., Marisa J. Beeney, Lee M. Shaiman, and Jane Lee, and each of them, attorneys and proxies of the undersigned, with full powers of substitution and revocation, to represent the undersigned and to vote on behalf of the undersigned all shares of Blackstone / GSO Strategic Credit Fund (the Fund ) which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Fund to be held at the offices of the Fund, 345 Park Avenue, 31st Floor, New York, New York 10154, on Wednesday, April 24, 2013 at 10:00 a.m. (Eastern time), and at any adjournments thereof. The undersigned hereby acknowledges receipt of the Notice of Meeting and Proxy Statement and hereby instructs said attorneys and proxies to vote said shares as indicated herein. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting.

A majority of the proxies present and acting at the Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

This proxy, if properly executed, will be voted in the manner directed by the undersigned shareholder. If no direction is made, this proxy will be voted FOR Proposal 3 and in the discretion of the proxy holder as to any other matter that may properly come before the Meeting. Please refer to the Proxy Statement for a discussion of Proposal 3.

PLEASE VOTE, DATE AND SIGN ON REVERSE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.