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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) October 14, 2008

Fifth Street Finance Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

814-00755
(Commission File Number)

26-1219283
(IRS Employer Identification No.)

White Plains Plaza
445 Hamilton Avenue, Suite 1206
White Plains, NY
(Address of principal executive offices)

10601
(Zip Code)

Registrant's telephone number, including area code: **(914) 286-6811**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

On October 14, 2008 the Registrant updated it's investor presentation a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1. Investor presentation dated October 2008

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

October 14, 2008
(Date)

Fifth Street Finance Corp.
(Registrant)

/s/ WILLIAM H. CRAIG
William H. Craig
Chief Financial Officer and Chief Compliance Officer

Exhibit Index

99.1 Investor presentation dated October 2008



Fifth Street Finance Corp.

October 2008



Forward Looking Statements

This presentation contains forward-looking statements. These statements include, without limitation, information with respect to future events or our future financial performance, results of operations, and on our financial condition. These forward looking statements are not guarantees of our future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements. Factors that could affect our results and cause them to materially differ from those contained in the forward-looking statements include those that we discuss in "Risk Factors" and "Special Note Regarding Forward-Looking Statements" in our final prospectus, dated June 11, 2008, that we have filed with the SEC.



Fifth Street Overview

- Specialty finance company providing financing for small and mid-sized companies
- \$141 million IPO in June 2008 led by Goldman Sachs, UBS and Wachovia; listed on the NYSE as ticker "FSC"
- Invest in conjunction with private equity sponsors
- Shareholders include Genworth Financial and Greenlight Capital
- Total investments of \$282.8¹ million as of September 30, 2008
- IPO proceeds fully invested within three to six months of IPO

History

Fund I
1998



Fifth Street
Fund II
2005



Fifth Street
Fund III
2007



Fifth Street
Fund III BDC
Conversion
2008



Fifth Street
Finance Corp.
IPO
June 2008



¹ Investments closed prior to July 1, 2008 at fair value and subsequent investments through September 30, 2008 at cost.

Key Investment Highlights

■ Why Fifth Street Today

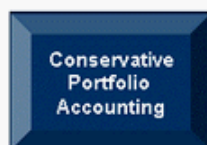
- Superior Portfolio – Business model allows us to capture Alpha
- Inefficient Market – Opportunity to invest at premium rates
- Built-in Earnings – High yielding existing portfolio, 100% originated in house

■ How Fifth Street will continue to Deliver

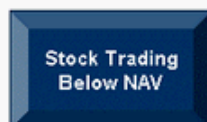
- Team – Expertise and experience with a scaleable methodology
- Brand – Premium provider of funds in the lower middle market
- Relationships – Deep relationships with key group of sponsors
- Transparency – Focus on a high degree of disclosure



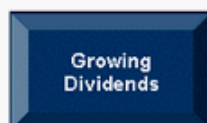
Strong Value Proposition



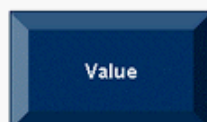
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- Net unrealized depreciation of \$12.4 million since inception on total investment portfolio of \$282.8 million¹

- Primarily due to general economic conditions
- 100% performing loans

- Stock trading at 60% of June 30, 2008 Net Asset Value²

- Paid a third quarter dividend of \$0.30 per share and a fourth quarter dividend of \$0.31 per share

- Len Tannenbaum (CEO & President) has purchased 158,234 shares of stock since the IPO in June 2008



¹ Investments closed prior to July 1, 2008 at fair value and subsequent investments through September 30, 2008 at cost. Net unrealized depreciation as of June 30, 2008.

² At closing share price of \$7.90 on October 3, 2008.

Investment Highlights

- High-quality debt investments with substantial cash yields¹
 - Weighted average debt yield of 16.5%; cash yield of 13.5%²
 - 100% 1st and 2nd lien debt securities
 - 100% performing loans
 - 83% of this portfolio originated after July 1, 2007³
 - 92% fixed rate debt securities; 100% of floating rate debt securities have interest rate floors of at least 9%²
- Strong relationships with private equity sponsors
- Intense focus on managing credit risk and a dual underwriting methodology
- Experienced management team that is aligned with shareholders



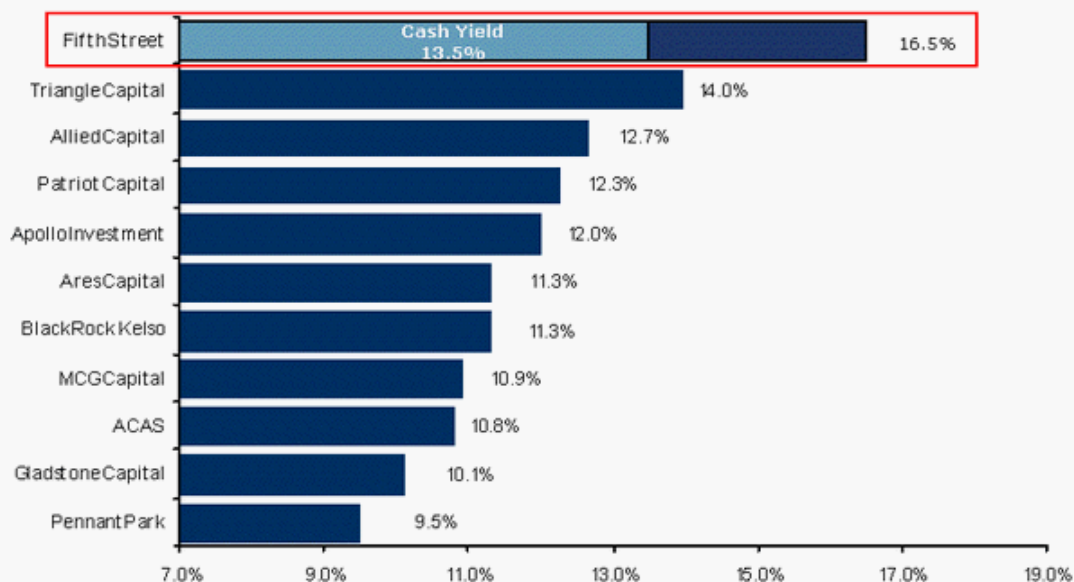
¹ As of September 30, 2008 unless otherwise noted.

² As of June 30, 2008.

³ Investments at cost.

High-Quality Investments with Substantial Cash Yields Higher Weighted Average Yield with Lower Leverage

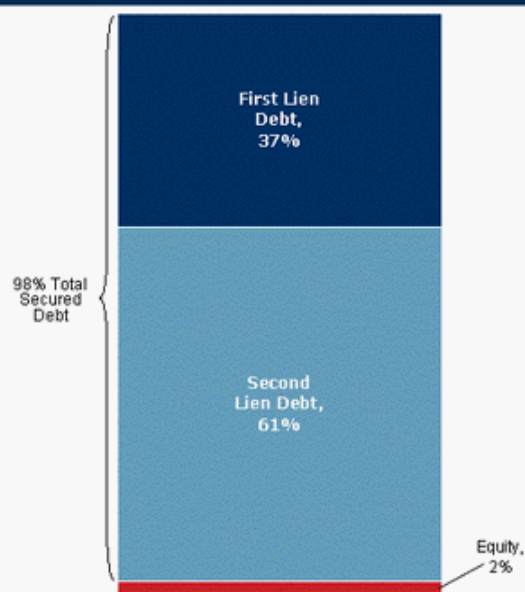
Weighted Average Debt Yield versus Other BDCs¹



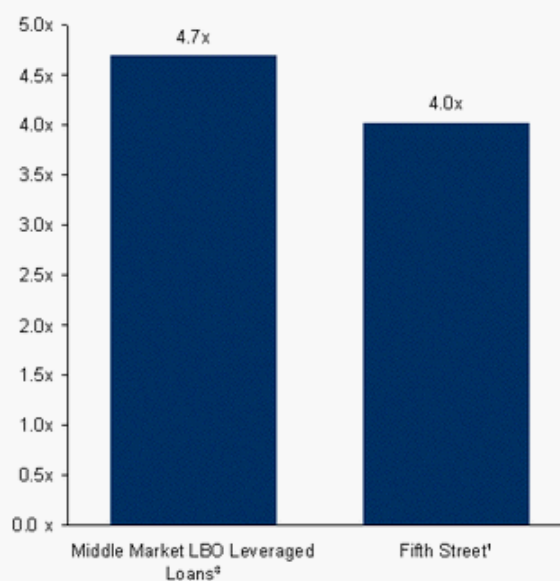
¹ Source: Represents weighted average debt yield per public filings for period ending June 30, 2008.

High-Quality Investments with Substantial Cash Yields Predominantly Secured Portfolio with Low Leverage

Predominantly Secured Portfolio¹



Total Debt to EBITDA²



Investment Portfolio: \$217.7 Million¹



¹ At June 30, 2008.

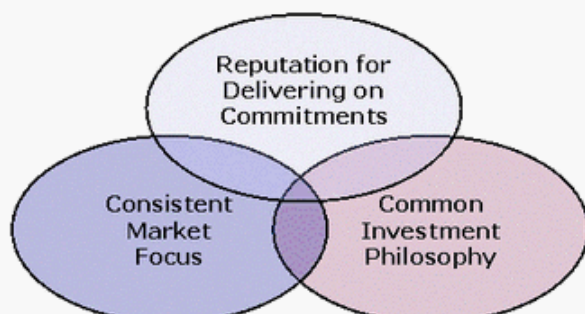
² At loan inception for Middle Market LBO Leveraged Loans. Total debt to EBITDA of debt securities for Fifth Street as of June 30, 2008.

³ Source: Standard & Poor's Leveraged Lending Review Q3 2008. Represents average of LBOs in Q3 2008 where target had less than \$50mm in EBITDA.

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Strong Relationships

Established Relationships with Leading Middle Market Sponsors

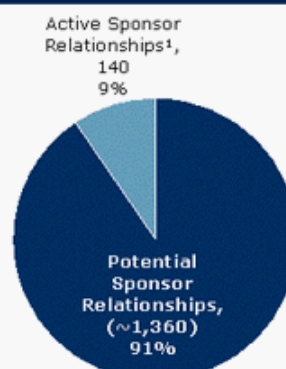


- "Lender of choice" for sponsors that invest in small and mid-sized companies
- Significant benefits of strategic partnerships including:
 - Incremental due diligence
 - Additional layer of monitoring
 - Additional source of operating expertise



¹ As of June 11, 2008 per Fifth Street Finance Corp. Prospectus.

Opportunity to Expand Network of Relationships

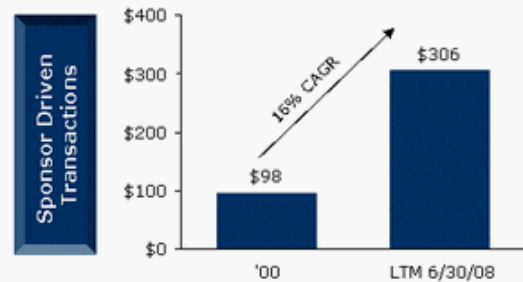


- Significant opportunity to increase market penetration and enhance investment pipeline
 - Our Investment Adviser has active relationships with over 140¹ of these sponsors
- Additional opportunity to grow with sponsors as they expand

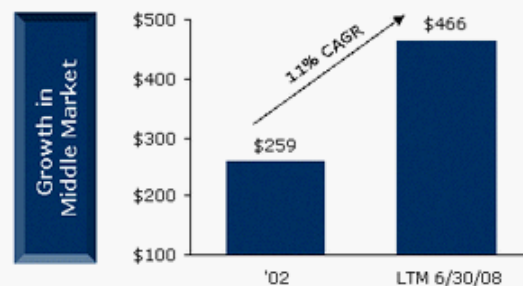
Growing Target Market

- Large pool of private equity capital focused on investments in small and mid-sized companies
- These private equity firms have less access to capital
 - Smaller deal size
 - Fragmented market
 - Recent credit market dislocation
- Less access to capital has resulted in favorable lending environment

Private Equity Transaction Volume¹
(\$ in bn)



Middle Market M&A² (\$ in bn)



¹ Source: Thomson Financial. Represents all publicly announced M&A deals involving sponsors.

² Source: Thomson Financial. Represents publicly announced M&A deals with enterprise values between \$25mm and \$250mm.

Experienced Management Team that is Aligned with Shareholders

Executive Officers	Executive	Title	Relevant Experience	Prior Experience
	Leonard M. Tannenbaum <i>Managing Partner of Investment Adviser</i>	President and CEO	12+	<ul style="list-style-type: none"> ▪ Led the investment of over \$450 million since 1998 ▪ Served on the board of 5 public companies ▪ Formerly an equity analyst for Merrill Lynch
	Marc A. Goodman <i>Senior Partner of Investment Adviser</i>	Chief Investment Officer	18+	<ul style="list-style-type: none"> ▪ Significant experience advising, restructuring and negotiating investments ▪ Formerly with the law firm of Kramer, Levin, Naftalis & Frankel
	Bernard D. Berman <i>Partner of Investment Adviser</i>	Executive Vice President and Secretary	12+	<ul style="list-style-type: none"> ▪ Substantial legal experience focusing on corporate transactions ▪ Formerly with the law firm Riemer & Braunstein
	William H. Craig	Chief Financial Officer and Chief Compliance Officer	20+	<ul style="list-style-type: none"> ▪ Former CFO of Vital-Signs (NASDAQ listed) ▪ Prior merchant banking experience and 5 years at GE Capital
	Stacey L. Thorne	Vice President, Investor Relations	2+	<ul style="list-style-type: none"> ▪ Prior experience at a hedge fund



Experienced Management Team that is Aligned with Shareholders

	Executive	Title	Relevant Experience	Prior Experience
Origination	Juan E. Alva <i>Partner of Investment Adviser</i>	Head of Origination	14+	<ul style="list-style-type: none"> Formerly a senior investment banker at Trinity Capital Previously an investment banker at Goldman Sachs
	Jonathan S. Miller	Director	10+	<ul style="list-style-type: none"> Experience originating, structuring, and executing debt financings Formerly a senior investment banker at Bear Stearns
	Karin A. McKittrick	Vice President	10+	<ul style="list-style-type: none"> Formerly involved in institutional sales and relationship management at UBS Previously a sales associate at Smith Barney
Execution / Portfolio Management	Ivelin M. Dimitrov <i>Partner of Investment Adviser</i>	Chairman of Investment Adviser's Internal Valuation Committee	6+	<ul style="list-style-type: none"> Experience in financial analysis, valuation and investment research working with companies in the U.S. and Europe
	Brian Finkelstein	Senior Associate	5+	<ul style="list-style-type: none"> Previously analyzed middle market companies as an associate at Aleutian Capital Partners (private equity firm)
	Kyde S. Sharp	Associate	3+	<ul style="list-style-type: none"> Prior experience as a corporate attorney and as a consultant analyzing and structuring investments



Direct Origination Platform

Origination Strategy

- Direct origination of portfolio loans
- Focus on private equity sponsor relationships
- Recurring investment opportunities from add-on sponsor investments
- Divide the country geographically
- We are currently seeing more attractive investment opportunities and less competition than we have in many years



Intense Focus on Managing Credit Risk

Conservative Underwriting Criteria

Target Transaction Characteristics

- Substantial excess enterprise value
- Significant investment by private equity sponsor
- Predictable positive operating cash flow
- On-going and available liquidity

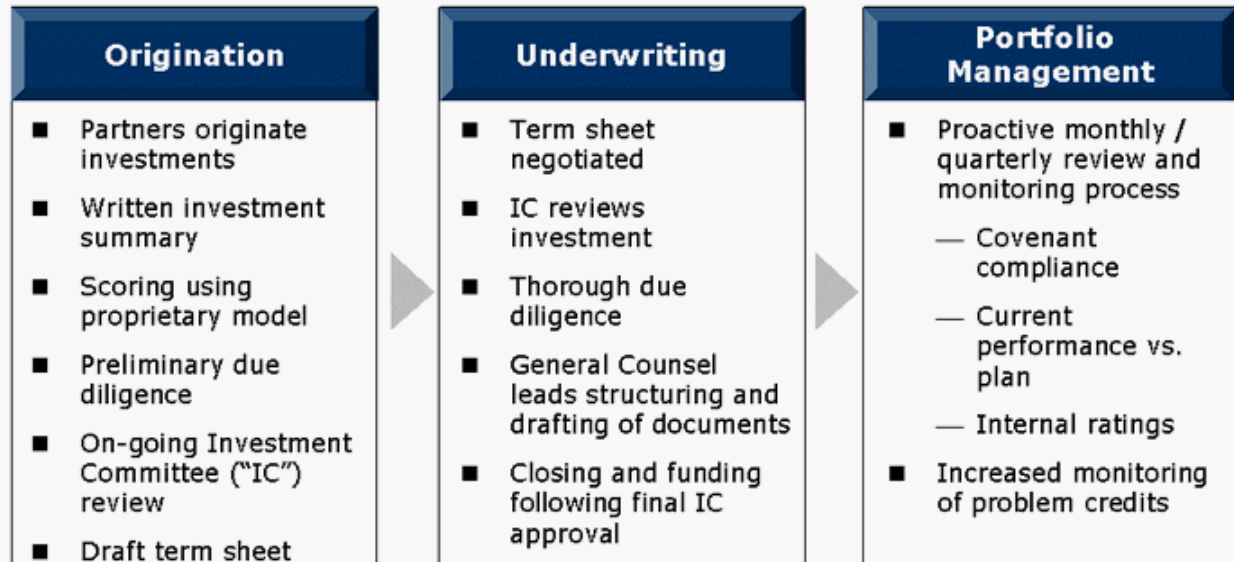
Structuring Methodology

- First or second lien positions
- Low leverage levels
- Strong covenants and collateral packages

Sponsor-led transactions enhance the credit quality of the loan

Intense Focus on Managing Credit Risk Comprehensive Investment Process

- Established and proven investment process
- Dual underwriting methodology with stringent underwriting standards
- Active portfolio management



Diversified Portfolio As of June 30, 2008

\$ in millions

Company	Security	Debt Investment ¹	Industry
Caregiver Services	Second Lien	\$22.6	Healthcare Facilities
Traffic Control & Safety	Second Lien	18.6	Construction & Engineering
Boot Barn	Second Lien	18.0	Footwear and Apparel
Premier Trailer	Second Lien	17.1	Trailer Leasing Services
Central Industrial Supply	First Lien	16.4	Mechanical Products
O'Curran	First Lien	13.8	Outsourced Call Centers
TBA Global	Second Lien	12.4	Media & Advertising
Filet of Chicken	Second Lien	12.1	Food Distributors
Lighting by Gregory	First Lien	11.8	Housewares & Specialties
Rose Tarlow	First Lien	10.3	Home Furnishing
Pacific Press Technologies	Second Lien	9.4	Capital Goods
MedKnowledge	First Lien	9.2	Healthcare Services
Nicos Polymers	First Lien	8.8	Commodity Chemicals
Goldco	Second Lien	7.6	Restaurants
Fitness Edge	First Lien	7.6	Operator of Fitness Clubs
Elephant and Castle	Second Lien	7.2	Restaurants
Best Vinyl	Second Lien	6.8	Building Products
CPAC	Second Lien	5.9	Household Products
Rossi American Hardwoods	Second Lien	5.3	Lumber Products
Martini Park	First Lien	3.4	Restaurants
Average		\$11.2	

Portfolio Fair Value at 6/30/08	\$217.7
Originations (4Q 2008)	65.1²



¹ At fair value as of June 30, 2008 plus interim draws.

² At cost.

Asset Quality¹

- No loan delinquencies
- Portfolio is performing well
- 91.7% of portfolio valued by an outside valuation firm
- Portfolio loans are assessed and rated quarterly on a scale from 1 to 5 based on underlying credit and performance statistics

Loan Ratings as of June 30, 2008

Investment Rating	Description	Investments at Fair Value	Percentage of Total Portfolio	Debt/ EBITDA Leverage Ratio
1	Investment performing above expectations	\$ 14.1	6.5%	3.59x
2	Investment performing substantially within expectations and its risk remains neutral or favorable	183.5	84.3	3.73
3	Investment performing below expectations and requires closer monitoring, but no loss is expected	20.1	9.2	7.07
4	Investment performing below expectations; expect some loss of investment return, but no loss of principal is expected	0.0	0.0	--
5	Investment performing substantially below expectations; some loss of principal is expected	0.0	0.0	--
Total		\$ 217.7	100.0%	4.03x



¹ As of June 30, 2008.

Summary Financials

\$ in thousands

9 Months Ended
June 30, 2008

Selected Income Statement Data:

Investment Income:

Total Interest Income	\$ 20,162
Fee Income	1,154
Dividend Income	155
Total Investment Income	\$ 21,471

Expenses:

Management and Incentive Fees	\$ 5,181
Interest Expense	873
Operating Expenses and Other Fees	2,530
Total Expenses	\$ 8,583
Net Investment Income	12,888
Unrealized Appreciation (Depreciation) on Investments	(12,552)
Net Realized Gain from Investments	62
Net Increase in Net Assets Resulting from Operations	\$ 398

Selected Balance Sheet Data:

Assets:

Total Investments at Fair Value	\$ 217,742
Unearned Fee Income	(4,285)
Total Investments Net of Unearned Fee Income	\$ 213,457
Cash	86,958
Other Assets	2,182
Total Assets	\$ 302,597

Liabilities:

Total Liabilities	\$ 4,028
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Equity:

Total Stockholders' Equity	\$ 298,569
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Supplemental Data:¹

Weighted Average Yield on Debt Investments	16.5%
Number of Portfolio Companies	20



¹ As of June 30, 2008.

Board of Directors

Independent (5)

- Byron J. Haney, CPA (Chair of the Audit Committee) – 20+ years of business experience, including serving as chief financial officer of a private retail store chain. Currently serves on the Board of Directors of Sterling Chemicals, Inc. (public company)
- Frank C. Meyer (Chair of the Valuation Committee) – Founder and former Chairman of Glenwood Capital (purchased by the Man Group). Previously served on the Board of Directors of Quality Systems, Inc. (public company)
- Adam C. Berkman, CPA - 19 years of experience in strategy, operations, finance and business development
- Brian S. Dunn - 14 years of marketing, logistical and entrepreneurial experience
- Douglas F. Ray – 12+ years experience acquiring, developing, financing and managing a diverse portfolio of real estate investments, including two healthcare properties funds

Interested (2)

- Leonard M. Tannenbaum, CFA – President and CEO
- Bruce E. Toll – Co-Founder and former Vice Chairman of Toll Brothers



Summary Investment Highlights

- Yield
 - High-quality investments with substantial cash yields
- Safety
 - Intense focus on managing credit risk
- Relationships
 - Strong relationships with private equity sponsors focused on small and mid-sized companies
- Experienced management team that is aligned with investors
- Robust deal pipeline in a growing market
- Strong portfolio management expertise