

Blackstone / GSO Long-Short Credit Income Fund
Form N-Q
November 29, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-22488

Blackstone / GSO Long-Short Credit Income Fund

(exact name of Registrant as specified in charter)

345 Park Avenue, 31st Floor

New York, New York 10154

(Address of principal executive offices) (Zip code)

(Name and address of agent for service)

Marisa Beeney

345 Park Avenue, 31st Floor

New York, New York 10154

Registrant's telephone number, including area code: (800) 831-5776

Date of fiscal year end: December 31

Date of reporting period: September 30, 2012

Item 1. Schedule of Investments.

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

September 30, 2012 (Unaudited)

| | Moody's Rating | Principal Amount | Market Value |
|---|----------------|------------------|--------------|
| FLOATING RATE LOAN INTERESTS^(a) - 83.37% | | | |
| Aerospace and Defense - 0.46% | | | |
| Booz Allen Hamilton, Inc., Senior Secured Tranche B First Lien Initial Term Loan, 4.500%, 7/27/2019 | Ba3 | \$514,196 | \$517,625 |
| Camp Systems International Holdings Co., Senior Secured First Lien Initial Term Loan, 6.500%, 05/31/2019 | B3 | 588,235 | 594,559 |
| | | | 1,112,184 |
| Automotive - 2.38% | | | |
| Chrysler Group LLC, Senior Secured Tranche B First Lien Term Loan, 6.000%, 05/24/2017 | Ba2 | 3,320,582 | 3,395,096 |
| FRAM Group Holdings, Inc. (aka Autoparts Holdings), Senior Secured First Lien Term Loan, 6.500%, 07/31/2017 | B1 | 2,353,737 | 2,344,911 |
| | | | 5,740,007 |
| Banking, Finance, and Real Estate - 3.67% | | | |
| AMWINS Group, Inc., Senior Secured First Lien Term Loan, 5.750%, 06/06/2019 | B1 | 1,496,250 | 1,505,976 |
| Asurion LLC, Senior Secured First Lien Term B Loan, 5.500%, 05/24/2018 | Ba3 | 948,182 | 955,592 |
| Asurion LLC, Senior Secured Second Lien Term Loan, 9.000%, 05/24/2019 | Ba3 | 254,777 | 264,285 |
| BNY ConvergeX Group LLC, Senior Secured EZE Borrower First Lien Term Loan, 5.250%, 12/19/2016 | B1 | 580,811 | 561,453 |
| BNY ConvergeX Group LLC, Senior Secured First Lien Top Borrower Term Loan, 5.250%, 12/19/2016 | B1 | 1,325,659 | 1,281,475 |
| First Data Corp., Senior Secured First Lien Extended 2018 Dollar Term Loan, 4.217%, 03/26/2018 | B1 | 1,833,992 | 1,749,546 |
| Realty Corp., Senior Secured Second Lien Term Facility Loan, 13.500%, 10/15/2017 | B1 | 2,500,000 | 2,531,250 |
| | | | 8,849,577 |

| | Moody's Rating | Principal Amount | Market Value |
|---|----------------|------------------|--------------|
| Beverage, Food and Tobacco - 1.47% | | | |
| Advance Pierre Foods, Inc., Senior Secured First Lien Term Loan, 7.000%, 09/30/2016 | B1 | \$965,014 | \$969,597 |
| Advance Pierre Foods, Inc., Senior Secured Second Lien Term Loan, 11.250%, 09/29/2017 | B1 | 2,000,000 | 2,018,000 |
| Roundy's Supermarkets, Inc., Senior Secured Tranche B First Lien Term Loan, 5.750%, 02/13/2019 | B1 | 556,643 | 546,802 |
| | | | 3,534,399 |
| Capital Equipment - 1.54% | | | |
| Sensus U.S.A., Inc. (fka Sensus Metering Systems), Senior Secured Second Lien Term Loan, 8.500%, 05/09/2018 | Caa1 | 3,714,286 | 3,714,286 |
| Chemicals, Plastics and Rubber - 1.09% | | | |
| Arizona Chemical U.S., Inc., Senior Secured First Lien Term Loan, 7.250%, 12/22/2017 | Ba3 | 1,180,909 | 1,207,184 |
| Nusil Technology LLC, Senior Secured First Lien Term Loan, 5.250%, 04/07/2017 | B1 | 645,170 | 646,380 |
| Trinseo Materials Operating S.C.A., Senior Secured First Lien Term Loan, 8.000%, 08/02/2017 | B1 | 793,404 | 762,660 |
| | | | 2,616,224 |
| Construction and Building - 1.99% | | | |
| Genarac Power Systems, Inc., Senior Secured First Lien Term B Facility Loan, 6.250%, 05/30/2018 | Ba3 | 2,142,857 | 2,161,618 |
| Roofing Supply Group LLC, Senior Secured First Lien Term Loan, 6.500%, 05/31/2019 | B2 | 2,601,192 | 2,634,526 |
| | | | 4,796,144 |
| Consumer Goods Durable - 4.71% | | | |
| Hupah Finance, Inc., Senior Secured First Lien Initial Term Loan, 6.250%, 01/21/2019 | B2 | 4,800,439 | 4,878,446 |
| Kinetic Concepts, Inc., Senior Secured First Lien Dollar Term B-1 Loan, 7.000%, 05/04/2018 | Ba2 | 1,713,669 | 1,740,985 |
| MModal, Inc., Senior Secured First Lien Term B Loan, 6.750%, 08/15/2019 | Ba3 | 2,727,273 | 2,710,227 |

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| | Moody's Rating | Principal Amount | Market Value |
|---|----------------|------------------|--------------|
| Consumer Goods Durable (continued) | | | |
| Vision Solutions, Inc., Senior Secured Second Lien Term Loan, 9.500%, 07/23/2017 | Caa1 | \$2,000,000 | \$2,005,000 |
| | | | 11,334,658 |
| Consumer Goods Non Durable - 5.35% | | | |
| Acosta, Inc., Senior Secured First Lien Term D Loan, 5.000%, 03/01/2018 | B1 | 3,168,368 | 3,190,166 |
| Armored AutoGroup, Inc. (fka Viking Acquisition, Inc. (aka Global AutoCare)), Senior Secured First Lien Term B Loan, 6.000%, 11/05/2016 | Ba3 | 4,905,076 | 4,910,177 |
| FGI Operating Co. LLC, Senior Secured First Lien Term B Loan, 5.500%, 04/19/2019 | Ba3 | 1,090,909 | 1,101,480 |
| Inmar, Inc., Senior Secured First Lien Term Loan, 6.500%, 08/12/2018 | B1 | 222,159 | 223,270 |
| Revlon Consumer Products Corp., Senior Secured First Lien Term Loan, 4.750%, 11/20/2017 | Ba3 | 992,462 | 997,975 |
| Totes Isotoner Corp., Senior Secured First Lien Delayed Draw Term Loan, 7.250%, 07/07/2017 | B3 | 232,031 | 230,871 |
| Totes Isotoner Corp., Senior Secured First Lien Initial Term Loan, 7.250%, 07/07/2017 | B3 | 2,237,305 | 2,226,118 |
| | | | 12,880,057 |
| Containers, Packaging and Glass - 0.47% | | | |
| Consolidated Container Co., Senior Secured First Lien Term A Loan, 6.250%, 07/03/2019 | B1 | 1,111,111 | 1,127,433 |
| Energy Electricity - 2.25% | | | |
| NXP BV, Senior Secured Tranche B First Lien Term Loan, 5.250%, 03/19/2019 | B2 | 1,990,000 | 2,021,104 |
| Star West Generation LLC, Senior Secured First Lien Term B Advance Loan, 6.000%, 05/17/2018 | Ba3 | 3,384,615 | 3,393,077 |
| | | | 5,414,181 |
| Energy, Oil and Gas - 3.07% | | | |
| Chesapeake Energy Corp., Senior Unsecured Second Lien Term Loan, 8.500%, 12/04/2017 | Ba2 | 800,000 | 803,456 |
| Crestwood Holdings LLC, Senior Secured First Lien Term Loan, 9.750%, 03/26/2018 | Caa1 | 1,837,157 | 1,868,389 |

| | Moody's Rating | Principal Amount | Market Value |
|---|----------------|------------------|--------------|
| Energy, Oil and Gas (continued) | | | |
| Samson Investment Co., Senior Secured Second Lien Initial Term Loan, L + 4.750%, 09/25/2018 ^(b) | B1 | \$735,294 | \$740,963 |
| Sheridan Production Partners LP, Senior Secured First Lien Term Loan [SIP I], 6.500%, 04/20/2017 | B2 | 1,631,424 | 1,637,551 |
| Sheridan Production Partners LP, Senior Secured First Lien Term Loan [SIP I-A], 6.500%, 04/20/2017 | B2 | 216,177 | 216,989 |
| Sheridan Production Partners LP, Senior Secured First Lien Term Loan [SIP I-M], 6.500%, 04/20/2017 | B2 | 132,042 | 132,538 |
| Sheridan Production Partners LP, Senior Secured First Lien Term Loan, L + 3.750%, 01/01/2020 ^(b) | B1 | 1,979,644 | 1,985,424 |
| | | | 7,385,310 |
| Environmental Industries - 0.53% | | | |
| Advanced Disposal Services, Inc., Senior Secured First Lien Term Loan, L + 4.000%, 01/01/2020 ^(b) | Ba3 | 1,280,788 | 1,289,997 |
| Healthcare and Pharmaceuticals - 9.80% | | | |
| Alkermes, Inc., Senior Secured First Lien 7 Year Term Loan, L + 3.500%, 01/01/2020 ^(b) | B1 | 421,053 | 423,684 |
| Ardent Medical Services, Inc., Senior Secured Tranche B First Lien Term Loan, 6.500%, 09/15/2015 | B1 | 2,753,033 | 2,773,681 |
| Carestream Health, Inc. (aka Onex Carestream Finance LP), Senior Secured First Lien Term B Loan, 5.000%, 02/27/2017 | B1 | 4,922,804 | 4,892,037 |
| Convatec, Inc. (aka Cidron Healthcare, Ltd.), Senior Secured First Lien Dollar Term Loan, 5.000%, 12/22/2016 | Ba3 | 255,319 | 256,755 |
| HCR Healthcare LLC (aka Manor Care, Inc.), Senior Secured First Lien Term B Loan, 5.000%, 04/06/2018 | Ba3 | 1,144,330 | 1,133,607 |
| Hologic, Inc., Senior Secured First Lien Term B Loan, 4.500%, 7/19/2019 | Ba2 | 1,223,242 | 1,240,190 |
| MedAssets, Inc., Senior Secured First Lien Term Loan, 5.250%, 11/16/2016 | Ba3 | 1,294,772 | 1,305,130 |
| MMM Holdings, Inc., Senior Secured First Lien Term B Loan, 8.500%, 04/04/2017 | B1 | 901,250 | 909,136 |

| | Moody's Rating | Principal Amount | Market Value |
|---|----------------|------------------|--------------|
| Healthcare and Pharmaceuticals (continued) | | | |
| NAMM Holdings, Inc., Senior Secured First Lien Term B Loan, 8.500%, 04/04/2017 | B1 | \$901,250 | \$909,136 |
| National Specialty Hospitals, Inc., Senior Secured First Lien Initial Term Loan, 8.250%, 02/03/2017 | B2 | 2,432,888 | 2,396,395 |
| Pharmaceutical Product Development, Inc., Senior Secured First Lien Term Loan, 6.250%, 12/05/2018 | B1 | 1,078,804 | 1,090,671 |
| Sheridan Healthcare, Inc., Senior Secured First Lien Term Loan, 6.000%, 06/29/2018 | B1 | 1,273,404 | 1,286,673 |
| Smile Brands Group, Inc., Senior Secured First Lien Term B Loan, 7.000%, 12/21/2017 | Ba3 | 2,671,070 | 2,687,764 |
| Surgery Center Holdings, Inc., Senior Secured First Lien Term Loan, 6.500%, 2/6/2017 | Ba3 | 498,726 | 498,726 |
| United Surgical Partners International, Inc., Senior Secured Tranche B First Lien Term Loan, 6.000%, 04/03/2019 | Ba3 | 1,768,889 | 1,792,468 |
| | | | 23,596,053 |
| High Tech Industries - 8.61% | | | |
| Hyland Software, Inc., Senior Secured First Lien Term Loan, 6.000%, 12/19/2016 | B1 | 3,004,624 | 3,015,891 |
| Kronos, Inc. (aka Seahawk Acquisition Corp.), Senior Secured Tranche B-1 Second Lien Term Loan, 9.362%, 06/11/2018 | B1 | 3,000,000 | 3,078,750 |
| Presidio, Inc., Senior Secured First Lien Term Loan, 5.750%, 03/31/2017 | B1 | 4,671,659 | 4,648,301 |
| Shield Finance Co. S.A.R.L. (aka Sophos PLC), Senior Secured First Lien Term B-2 Incremental Loan, 6.500%, 05/10/2019 | B2 | 1,100,184 | 1,107,060 |
| Six3 Systems, Inc., Senior Secured First Lien Term B Loan, L + 5.750%, 01/01/2020 ^(b) | B2 | 2,302,326 | 2,279,302 |
| Sophia LP, Senior Secured First Lien Initial Term Loan, 6.250%, 7/19/2018 | Ba3 | 3,139,349 | 3,181,730 |
| SRA International, Inc., Senior Secured First Lien Term Loan, 6.500%, 07/20/2018 | B1 | 1,735,376 | 1,720,911 |
| Technicolor SA, Senior Secured First Lien Term A2 Facility Loan, 7.000%, 5/26/2016 | B3 | 468,971 | 460,428 |

| | Moody's Rating | Principal Amount | Market Value |
|--|----------------|------------------|--------------|
| High Tech Industries (continued) | | | |
| Technicolor SA, Senior Secured First Lien Term B2 Facility Loan, 8.000%, 5/26/2017 | B3 | \$1,255,706 | \$1,232,834 |
| | | | 20,725,207 |
| Hotels, Gaming and Leisure - 2.78% | | | |
| AMC Entertainment, Inc., Senior Secured First Lien Term B3 Loan, 4.750%, 02/22/2018 | Ba2 | 661,667 | 668,422 |
| CCM Merger (aka Motor City Casino), Senior Secured First Lien Term B Loan, 6.000%, 03/01/2017 | B3 | 865,226 | 876,042 |
| Kasima LLC (DCIP), Senior Secured First Lien Incremental Term Loan, 5.000%, 03/31/2017 | Baa1 | 1,864,552 | 1,866,883 |
| Mood Media Corp., Senior Secured Second Lien Term Loan, 11.000%, 11/06/2018 | Ba3 | 2,000,000 | 1,958,750 |
| Peninsula Gaming LLC, Senior Secured First Lien Term Loan, L + 4.500%, 08/03/2017 ^(b) | B1 | 1,315,789 | 1,338,000 |
| | | | 6,708,097 |
| Media Advertising, Printing and Publishing - 2.23% | | | |
| Cenveo Corp., Senior Secured First Lien Term B Facility Loan, 6.625%, 12/21/2016 | Ba3 | 994,937 | 996,593 |
| InfoGroup, Inc., Senior Secured First Lien Term B Loan, 5.750%, 05/28/2018 | B1 | 2,114,122 | 1,902,710 |
| RBS Holding Co. LLC, Senior Secured First Lien Term B Loan, 9.250%, 03/23/2017 | B1 | 3,940,000 | 2,462,500 |
| | | | 5,361,803 |
| Media Broadcasting and Subscription - 3.98% | | | |
| Barrington Broadcasting Group LLC, Senior Secured Tranche 2 First Lien Term Loan, 7.500%, 06/14/2017 | B2 | 1,155,405 | 1,168,404 |
| Entercom Radio LLC, Senior Secured First Lien Term B Loan, 6.250%, 11/23/2018 | B2 | 681,446 | 690,390 |
| FoxCo Acquisition Sub. LLC, Senior Secured First Lien Term Loan, L + 4.500%, 07/14/2017 ^(b) | B1 | 1,162,791 | 1,173,326 |
| Hubbard Radio LLC, Senior Secured Second Lien Term Loan, 8.750%, 04/30/2018 | Caa1 | 2,285,714 | 2,331,428 |
| RCN Corp., Senior Secured First Lien Term B Loan, 5.250%, 08/26/2016 | B1 | 635,406 | 637,887 |

| | Moody's Rating | Principal Amount | Market Value |
|--|----------------|------------------|--------------|
| Media Broadcasting and Subscription (continued) | | | |
| Summit Entertainment LLC, Senior Secured First Lien Term Loan, 6.750%, 09/07/2016 | B1 | \$1,794,962 | \$1,798,328 |
| Univision Communications, Inc., Senior Secured Extended First Lien Term Loan, 4.466%, 03/31/2017 | B2 | 1,798,771 | 1,780,783 |
| | | | 9,580,546 |
| Media Diversified and Production - 0.10% | | | |
| Live Nation Worldwide, Inc. (aka SFX Entertainment), Senior Secured First Lien Term B Loan, 4.500%, 11/07/2016 | Ba2 | 249,375 | 250,934 |
| Retail - 9.57% | | | |
| Academy, Ltd., Senior Secured First Lien Initial Term Loan, 6.000%, 08/03/2018 | B2 | 2,481,250 | 2,494,537 |
| BJ's Wholesale Club, Inc., Senior Secured First Lien Term Loan, L + 4.500%, 09/26/2019 ^(b) | B2 | 3,000,000 | 3,019,065 |
| Collective Brands Finance, Inc. (aka Payless ShoeSource), Senior Secured First Lien Term Loan, L + 6.000%, 01/01/2020 ^(b) | B1 | 1,622,951 | 1,629,045 |
| Container Store, Inc., Senior Secured First Lien Term B3 Loan, 6.250%, 04/08/2019 | B3 | 2,619,490 | 2,622,764 |
| Lord & Taylor LLC, Senior Secured First Lien Term B Loan, 5.750%, 01/11/2019 | Ba3 | 211,935 | 213,922 |
| National Vision, Inc., Senior Secured First Lien Term Loan, 7.000%, 08/10/2018 | B1 | 1,197,000 | 1,213,459 |
| Neiman Marcus Group, Inc., Senior Secured First Lien Extended Term Loan, 4.750%, 05/16/2018 | B2 | 1,000,000 | 1,007,160 |
| PETCO Animal Supplies, Inc., Senior Secured First Lien Term Loan, 4.500%, 11/24/2017 | B2 | 1,111,478 | 1,118,170 |
| Sports Authority, Inc. (aka TSA), Senior Secured First Lien Term B Loan, 7.500%, 11/16/2017 | B3 | 2,972,273 | 2,981,576 |
| Sprouts Farmers Market Holdings LLC, Senior Secured First Lien Initial Term Loan, 6.000%, 04/18/2018 | B2 | 4,268,333 | 4,257,663 |
| The Gymboree Corp., Senior Secured First Lien Term Loan, 5.000%, 02/23/2018 | B1 | 532,195 | 520,220 |

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| | Moody's Rating | Principal Amount | Market Value |
|--|----------------|------------------|--------------|
| Retail (continued) | | | |
| Toys R Us, Inc., Senior Secured First Lien Initial Term Loan, 6.000%, 09/01/2016 | B1 | \$1,964,912 | \$1,963,694 |
| | | | 23,041,275 |
| Services - Business - 7.17% | | | |
| Advantage Sales and Marketing, Inc., Senior Secured First Lien Term Loan, 5.250%, 12/18/2017 | B1 | 1,965,000 | 1,977,773 |
| AlixPartners LLP, Senior Secured First Lien Initial Term B2 Loan, 6.500%, 06/28/2019 | Ba3 | 2,992,500 | 3,039,886 |
| Epicor Software Corp., Senior Secured First Lien Term B Loan, 5.000%, 05/16/2018 | Ba3 | 1,984,925 | 2,002,293 |
| Scitor Corp., Senior Secured First Lien Term Loan, 5.000%, 02/15/2017 | B2 | 2,815,062 | 2,791,317 |
| Sedgwick Claims Management Services, Inc., Senior Secured First Lien Term B-1 Loan, 5.000%, 12/31/2016 | B2 | 1,407,080 | 1,411,463 |
| U.S. Security Associates Holdings, Inc., Senior Secured First Lien Delayed Draw Term Loan, 6.000%, 07/28/2017 | Ba1 | 202,731 | 203,661 |
| U.S. Security Associates Holdings, Inc., Senior Secured First Lien Term B Loan, 6.000%, 07/26/2017 | Ba3 | 1,201,204 | 1,206,711 |
| VCPH Holding Corp. (aka Wolverine Healthcare Analytics), Senior Secured Tranche B First Lien Term Loan, 6.750%, 06/06/2019 | Ba3 | 1,639,726 | 1,656,640 |
| West Corp., Senior Secured First Lien Term B-6 Loan, 5.750%, 06/02/2018 | Ba3 | 2,926,000 | 2,968,061 |
| | | | 17,257,805 |
| Services - Consumer - 1.08% | | | |
| IL Fornaio Corp., Senior Secured First Lien Term Loan, 6.500%, 06/10/2017 | B1 | 1,138,739 | 1,141,233 |
| Monitronics International, Inc., Senior Secured First Lien Term Loan, 5.500%, 03/23/2018 | B2 | 1,444,355 | 1,462,186 |
| | | | 2,603,419 |
| Telecommunications - 7.77% | | | |
| Alaska Communications Systems Holdings, Inc., Senior Secured First Lien Term Loan, 5.500%, 10/21/2016 | Ba3 | 2,133,688 | 1,954,992 |

| | Moody's Rating | Principal Amount | Market Value |
|---|----------------|------------------|--------------|
| Telecommunications (continued) | | | |
| Avaya, Inc., Senior Secured B-3 Extended First Lien Term B-3 Loan, 4.927%, 10/26/2017 | B1 | \$2,945,372 | \$2,696,665 |
| Digitalglobe, Inc., Senior Secured First Lien Term Loan, 5.750%, 10/12/2018 | Ba3 | 1,489,994 | 1,496,982 |
| Fibertech Networks LLC (aka Firefox), Senior Secured First Lien Term Loan, 5.750%, 11/30/2016 | B2 | 1,856,279 | 1,874,842 |
| Greeneden U.S. Holdings II LLC, Senior Secured First Lien Term Loan, 6.750%, 01/31/2019 | B2 | 686,207 | 696,843 |
| Sorenson Communications, Inc., Senior Secured First Lien Tranche C Term Loan, 6.000%, 08/16/2013 | B1 | 4,314,536 | 4,288,930 |
| Syniverse Holdings, Inc., (Buccaneer Merger Sub., Inc.), Senior Secured First Lien B-2 Term Loan, 5.000%, 4/23/2019 | B1 | 1,995,000 | 2,004,975 |
| Wide Open West Finance LLC, Senior Secured First Lien Term Loan, 6.250%, 7/17/2018 | B1 | 1,246,875 | 1,259,892 |
| Zayo Bandwidth LLC (Zayo Capital, Inc.), Senior Secured First Lien Term Loan, 7.125%, 07/02/2019 | B1 | 2,422,500 | 2,450,770 |
| | | | 18,724,891 |
| Transportation Consumer - 0.38% | | | |
| Avis Budget Car Rental LLC, Senior Secured First Lien Term B Loan, 6.250%, 09/22/2018 | Ba1 | 626,587 | 632,227 |
| Sabre, Inc., Senior Secured Extended Term Loan, 5.982%, 09/30/2017 | B1 | 285,493 | 284,101 |
| | | | 916,328 |
| Utilities Electric - 0.29% | | | |
| Texas Competitive Electric Holdings Co. (aka TXU), Senior Secured Extended First Lien Term B Loan, 4.757%, 10/10/2017 | B2 | 1,000,000 | 690,505 |
| Wholesale - 0.63% | | | |
| CDW Corp., Senior Secured First Lien Extended Term Loan, 4.000%, 07/15/2017 | B2 | 1,533,168 | 1,515,283 |
| TOTAL FLOATING RATE LOAN INTERESTS | | | |
| (Cost \$200,350,638) | | | 200,766,603 |

| | Moody's Rating | Principal Amount | Market Value |
|---|----------------|------------------|--------------|
| CORPORATE BONDS - 32.75% | | | |
| Automotive - 0.45% | | | |
| Cooper-Standard Automotive, Inc., Senior Secured Bond, 8.500%, 05/01/2018 ^(c) | B2 | \$1,000,000 | \$1,087,500 |
| Banking, Finance, and Real Estate - 0.88% | | | |
| Realty Corp., Senior Secured Bond, 7.875%, 02/15/2019 ^{(c)(d)} | Caa1 | 2,000,000 | 2,110,000 |
| Beverage, Food and Tobacco - 1.86% | | | |
| Del Monte Foods Co., Senior Unsecured Bond, 7.625%, 02/15/2019 ^(c) | B3 | 4,330,000 | 4,476,138 |
| Chemicals, Plastics and Rubber - 0.44% | | | |
| Ineos Finance PLC, Senior Unsecured Bond, 8.375%, 02/15/2019 ^{(c)(d)} | B1 | 1,000,000 | 1,056,250 |
| Consumer Goods Durable - 1.84% | | | |
| Reynolds Group Holdings, Inc., Senior Unsecured Bond, 9.875%, 08/15/2019 ^(c) | Caa2 | 1,400,000 | 1,496,250 |
| 5.750%, 10/15/2020 ^(d) | Ba2 | 1,250,000 | 1,251,563 |
| 8.250%, 02/15/2021 | Caa1 | 700,000 | 698,250 |
| Serta Simmons Holdings LLC, Senior Unsecured Bond, 8.125%, 10/01/2020 ^(d) | Caa1 | 1,000,000 | 997,500 |
| | | | 4,443,563 |
| Energy Electricity - 0.41% | | | |
| Amkor Technology, Inc., Senior Unsecured Bond, 6.375%, 10/01/2022 ^(d) | Ba3 | 1,000,000 | 986,250 |
| Energy, Oil and Gas - 7.53% | | | |
| Alta Mesa Holdings LP, Senior Unsecured Bond, 9.625%, 10/15/2018 ^(c) | B3 | 2,000,000 | 2,010,000 |
| BreitBurn Energy Partners LP, Senior Unsecured Bond, 7.875%, 04/15/2022 ^{(c)(d)} | B3 | 2,000,000 | 2,080,000 |
| Calumet Specialty Products Partners LP, Senior Unsecured Bond, 9.375%, 05/01/2018 | B3 | 1,800,000 | 1,944,000 |
| 9.625%, 08/01/2020 ^{(c)(d)} | B3 | 750,000 | 811,875 |
| Comstock Resources, Inc., Senior Unsecured Bond, 9.500%, 06/15/2020 | B3 | 2,000,000 | 2,155,000 |
| Crestwood Midstream Partners LP, Senior Unsecured Bond, 7.750%, 04/01/2019 ^(c) | B3 | 2,000,000 | 2,040,000 |
| Everest Acquisition LLC, Senior Unsecured Bond, 7.750%, 09/01/2022 ^{(c)(d)} | B2 | 200,000 | 204,500 |

| | Moody's Rating | Principal Amount | Market Value |
|--|----------------|------------------|--------------|
| Energy, Oil and Gas (continued) | | | |
| Forest Oil Corp., Senior Unsecured Bond, 7.500%, 09/15/2020 ^(d) | B2 | \$1,000,000 | \$993,750 |
| PDC Energy, Inc., Senior Unsecured Bond, 7.750%, 10/15/2022 ^(d) | B3 | 3,000,000 | 3,000,000 |
| Resolute Energy Corp., Senior Unsecured Bond, 8.500%, 05/01/2020 ^{(c)(d)} | B3 | 750,000 | 771,562 |
| SandRidge Energy, Inc., Senior Unsecured Bond, 8.125%, 10/15/2022 ^{(c)(d)} | B3 | 2,000,000 | 2,132,500 |
| | | | 18,143,187 |
| Healthcare and Pharmaceuticals - 2.75% | | | |
| Accellent, Inc., Senior Subordinated Bond, 10.000%, 11/01/2017 | Caa2 | 2,000,000 | 1,700,000 |
| Elan Finance PLC, Senior Unsecured Bond, 6.250%, 10/15/2019 ^(d) | B1 | 500,000 | 505,000 |
| HealthSouth Corp., Senior Unsecured Bond, 5.750%, 11/01/2024 | B1 | 1,000,000 | 1,021,250 |
| Kindred Healthcare, Inc., Senior Unsecured Bond, 8.250%, 06/01/2019 ^(c) | B3 | 2,400,000 | 2,346,000 |
| Universal Hospital Services, Inc., Senior Unsecured Bond, 7.625%, 08/15/2020 ^{(c)(d)} | B3 | 1,000,000 | 1,045,000 |
| | | | 6,617,250 |
| High Tech Industries - 1.05% | | | |
| Allen Systems Group, Inc., Senior Secured Bond, 10.500%, 11/15/2016 ^{(c)(d)} | Caa2 | 2,300,000 | 1,518,000 |
| Viasystems, Inc., Senior Unsecured Bond, 7.875%, 05/01/2019 ^{(c)(d)} | B2 | 1,000,000 | 1,000,000 |
| | | | 2,518,000 |
| Hotels, Gaming and Leisure - 1.59% | | | |
| Carlson Wagonlit BV, Senior Unsecured Bond, 6.875%, 06/15/2019 ^{(c)(d)} | B1 | 1,000,000 | 1,055,000 |
| Palace Entertainment Holdings LLC, Senior Secured Bond, 8.875%, 04/15/2017 ^{(c)(d)} | B2 | 2,600,000 | 2,762,500 |
| | | | 3,817,500 |
| Media Diversified and Production - 2.93% | | | |
| Allbritton Communications Co., Senior Unsecured Bond, 8.000%, 05/15/2018 ^(c) | B2 | 2,000,000 | 2,185,000 |
| Cambium Learning Group, Inc., Senior Secured Bond, 9.750%, 02/15/2017 ^(c) | B3 | 3,000,000 | 2,235,000 |

| | | Principal | |
|--|----------------|-------------|--------------|
| | Moody's Rating | Amount | Market Value |
| Media Diversified and Production (continued) | | | |
| Cequel Communications LLC, Senior Unsecured Bond, 8.625%, 11/15/2017 ^{(c)(d)} | B3 | \$1,000,000 | \$1,072,500 |
| Mediacom Broadband Group (aka MCC Iowa), Senior Unsecured Bond, 9.125%, 08/15/2019 ^(c) | B3 | 1,000,000 | 1,110,000 |
| 6.375%, 04/01/2023 ^(d) | B3 | 450,000 | 452,250 |
| | | | 7,054,750 |
| Metals and Mining - 1.28% | | | |
| JMC Steel Group, Senior Unsecured Bond, 8.250%, 03/15/2018 ^{(c)(d)} | B3 | 2,000,000 | 2,050,000 |
| Penn Virginia Resource Partners LP, Senior Unsecured Bond, 8.375%, 06/01/2020 ^{(c)(d)} | B2 | 1,000,000 | 1,037,500 |
| | | | 3,087,500 |
| Retail - 2.79% | | | |
| Burlington Coat Factory Warehouse Corp., Senior Unsecured Bond, 10.000%, 02/15/2019 ^(c) | Caa1 | 2,000,000 | 2,222,500 |
| Chinos Acquisition Corp. (aka J. Crew Group, Inc.), Senior Unsecured Bond, 8.125%, 03/01/2019 ^(c) | Caa1 | 1,050,000 | 1,105,125 |
| HOA Restaurant Group LLC (aka Hooters Restaurant), Senior Secured Bond, 11.250%, 04/01/2017 ^{(c)(d)} | B3 | 500,000 | 458,750 |
| The Gymboree Corp., Senior Unsecured Bond, 9.125%, 12/01/2018 ^(c) | Caa2 | 2,000,000 | 1,912,500 |
| The Pantry, Inc., Senior Unsecured Bond, 8.375%, 07/01/2020 ^(d) | Caa1 | 1,000,000 | 1,027,500 |
| | | | 6,726,375 |
| Services - Business - 3.50% | | | |
| Emergency Medical Services Corp. (aka CDRT Merger Sub), Senior Unsecured Bond, 8.125%, 06/01/2019 ^(c) | B3 | 2,000,000 | 2,130,000 |
| Monitronics International, Inc., Senior Unsecured Bond, 9.125%, 04/01/2020 | Caa1 | 1,250,000 | 1,306,250 |
| Neff Rental LLC, Senior Unsecured Bond, 9.625%, 05/15/2016 ^(d) | Caa1 | 1,750,000 | 1,780,625 |
| NES Rentals Holdings, Inc., Senior Unsecured Bond, 12.250%, 04/15/2015 ^(d) | Caa2 | 1,000,000 | 1,010,000 |

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| | Moody's Rating | Principal Amount | Market Value |
|---|----------------|------------------|---------------|
| Services - Business (continued) | | | |
| RSC Equipment Rental, Inc., Senior Unsecured Bond, 8.250%, 02/01/2021 | Caa1 | \$2,000,000 | \$2,205,000 |
| | | | 8,431,875 |
| Telecommunications - 2.77% | | | |
| Avaya, Inc., Senior Secured Bond, 7.000%, 04/01/2019 ^{(c)(d)} | B1 | 2,450,000 | 2,290,750 |
| Frontier Communications Corp., Senior Unsecured Bond, 9.250%, 07/01/2021 ^(c) | Ba2 | 750,000 | 871,875 |
| 7.125%, 01/15/2023 ^(c) | Ba2 | 250,000 | 260,937 |
| MetroPCS Wireless, Inc., Senior Unsecured Bond, 7.875%, 09/01/2018 ^(c) | B2 | 3,000,000 | 3,255,000 |
| | | | 6,678,562 |
| Utilities Electric - 0.68% | | | |
| NRG Energy, Inc., Senior Unsecured Bond, 8.500%, 06/15/2019 ^(c) | B1 | 500,000 | 542,500 |
| 7.875%, 05/15/2021 ^(c) | B1 | 1,000,000 | 1,092,500 |
| | | | 1,635,000 |
| TOTAL CORPORATE BONDS | | | |
| (Cost \$77,945,970) | | | 78,869,700 |
| Total Investments - 116.12% | | | |
| (Cost \$278,296,608) | | | 279,636,303 |
| Liabilities in Excess of Other Assets - (16.12)% | | | |
| | | | (38,824,036) |
| Net Assets - 100.00% | | | |
| | | | \$240,812,267 |

Amounts above are shown as a percentage of net assets as of September 30, 2012.

^(a) The interest rate shown represents the rate at period end.

^(b) All or a portion of this position has not settled as of September 30, 2012. The interest rate shown represents the stated spread over the London Interbank Offered Rate (LIBOR or L) or the applicable LIBOR floor; the Fund will not accrue interest until the settlement date, at which point LIBOR will be established.

^(c) Security, or portion of security is currently on loan. Total market value of securities on loan amounts to \$42,453,891, as of September 30, 2012. Total value of BGX's obligation to return securities lending collateral was \$43,388,168, as of September 30, 2012.

^(d) Security exempt from registration under Rule 144A of the Securities Act of 1933. Total market value of Rule 144A securities amounts to \$35,461,125, which represents approximately 14.73% of net assets as of September 30, 2012.

See Notes to Quarterly Portfolio of Investments.

CREDIT DEFAULT SWAP CONTRACTS

| Index/Tranches | Counterparty | Buy/Sell Credit Protection ^(a) | Fixed Deal Receive/(Pay) Rate | Maturity Date | Notional Amount (millions) ^(b) | Market Value | Upfront Premiums Paid/ (Received) | Unrealized Appreciation/ (Depreciation) |
|----------------|--------------|---|-------------------------------------|------------------|---|-------------------|--|---|
| CDX HY | | | | | | | | |
| CDSI S18 | | | | | | | | |
| 5-Year | JP Morgan | Buy | 5.00% | 6/20/17 | \$5.94 | \$(37,133) | \$(22,275) | \$(59,408) |
| | | | | | | \$(37,133) | \$(22,275) | \$(59,408) |

^(a)If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation. Recovery values are assumed by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specified valuation method, are used to calculate the settlement value.

^(b) The maximum potential amount the Fund could be required to pay as a seller of credit protection, or receive as a buyer of credit protection, if a credit event occurs as defined under the terms of that particular swap agreement.

TOTAL RETURN SWAP CONTRACTS ^{(a) (b)}

| Reference Obligation | Counterparty | Rate Received by the Fund | Termination Date | Notional Amount | Unrealized Appreciation/ (Depreciation) |
|---|--------------|------------------------------------|---------------------|-----------------|---|
| Academy, Ltd. | JP Morgan | 6.000% | 8/3/2018 | \$992,500 | \$5,315 |
| Acosta Sales & Marketing | JP Morgan | 5.750% | 3/1/2018 | 985,910 | 8,622 |
| BakerCorp International Inc. | JP Morgan | 5.000% | 6/1/2018 | 987,481 | 4,409 |
| Bass Pro Group, LLC | JP Morgan | 5.313% | 6/23/2017 | 1,870,635 | 23,149 |
| Colfax Corporation | JP Morgan | 4.500% | 1/11/2019 | 992,500 | 3,633 |
| Digitalglobe, Inc. | JP Morgan | 5.750% | 10/7/2018 | 1,985,000 | 58,935 |
| Emergency Medical Services Corp. (aka AMR/EMCare) | JP Morgan | 5.250% | 5/3/2018 | 2,074,477 | 27,227 |
| Interactive Data Corp. | JP Morgan | 4.500% | 2/26/2018 | 2,881,403 | 8,904 |
| Mood Media Corp. | JP Morgan | 7.000% | 5/3/2018 | 2,178,309 | 20,694 |
| NXP Semiconductors | JP Morgan | 5.250% | 2/16/2019 | 995,000 | 29,233 |
| Verint Systems, Inc. | JP Morgan | 4.500% | 10/29/2017 | 1,623,288 | 16,241 |
| | | | | | \$206,362 |
| Allen Systems Group, Inc. | JP Morgan | 6.500% | 11/20/2015 | \$435,173 | \$(11,967) |
| Del Monte Corp. | JP Morgan | 4.500% | 12/31/2018 | 958,759 | (858) |
| Frac Tech Services LLC | JP Morgan | 6.250% | 5/3/2016 | 1,468,268 | (42,107) |
| Getty Images, Inc. | JP Morgan | 5.250% | 11/3/2016 | 1,406,349 | (7,559) |
| Drumm Investors LLC (aka Golden Living) | JP Morgan | 5.000% | 4/28/2018 | 4,936,007 | (115,158) |

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| | | | | | |
|----------------------|-----------|--------|------------|-----------|--------------------|
| Mediacom Broadband | JP Morgan | 4.500% | 10/23/2017 | 1,969,773 | (19,698) |
| Group (aka MCC Iowa) | | | | | |
| The Gymboree Corp. | JP Morgan | 5.000% | 4/11/2018 | 1,941,689 | (41,261) |
| | | | | | \$(238,608) |

(a) The Fund receives monthly payments based on any positive monthly return of the Reference Obligation. The Fund makes payments on any negative monthly return of such Reference Obligation.

(b) The floating short-term rate paid by the Fund (on the notional amount of all total return swap contracts) at September 30, 2012, was 1.431% (1 week LIBOR +1.25%).

All Reference Obligations shown above for Total Return Swap Contracts are floating rate secured bank loans.

See Notes to Quarterly Portfolio of Investments.

Blackstone / GSO Long-Short Credit Income Fund

Notes to Quarterly Portfolio of Investments

September 30, 2012 (Unaudited)

NOTE 1. ORGANIZATION

Blackstone / GSO Long-Short Credit Income Fund (the Fund or BGX) is a non-diversified, closed-end management investment company. The Fund was organized as a Delaware statutory trust on October 22, 2010 pursuant to an Agreement and Declaration of Trust governed by the laws of the State of Delaware. The Fund was registered under the Investment Company Act of 1940, as amended (the 1940 Act), on October 26, 2010. The Fund commenced operations on January 27, 2011. Prior to that, the Fund had no operations other than matters relating to its organization and the sale and issuance of 5,236 common shares of beneficial interest in the Fund to GSO / Blackstone Debt Funds Management LLC (the Adviser) at a price of \$19.10 per share. The Adviser serves as BGX s investment adviser. The Fund s common shares are listed on the New York Stock Exchange (the Exchange) and trade under the ticker symbol BGX.

BGX s primary investment objective is to provide current income, with a secondary objective of capital appreciation. The Fund seeks to achieve its investment objectives by employing a dynamic long-short strategy in a diversified portfolio of loans and fixed-income instruments of predominantly U.S. corporate issuers, including first- and second-lien secured loans (Loans) and high-yield corporate debt securities of varying maturities. The loans and fixed-income instruments that the Fund invests in, which are long positions, will typically be rated below investment grade at the time of purchase. BGX s long positions, either directly or through the use of derivatives, may total up to 130% of the Fund s net assets. BGX s short positions, either directly or through the use of derivatives, may total up to 30% of the Fund s net assets.

BGX is classified as non-diversified under the 1940 Act. As a result, it can invest a greater portion of its assets in obligations of a single issuer than a diversified fund. The Fund may therefore be more susceptible than a diversified fund to being adversely affected by any single corporate, economic, political, or regulatory occurrence.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Loans are primarily valued by using a composite loan price from a nationally recognized loan pricing service. The methodology used by the BGX s nationally recognized loan pricing provider for composite loan prices is to value loans at the mean of the bid and ask prices from one or more brokers or dealers. Corporate bonds, other than short-term investments, are valued at the price provided by a nationally recognized pricing service. The prices provided by the nationally recognized service are typically based on the mean of bid and ask prices for each corporate bond security. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments. Short-term debt investments, if any, having a remaining maturity of 60 days or less when purchased would be valued at cost adjusted for amortization of premiums and accretion of discounts. Any investments and other assets for which such current market quotations are not readily available are valued at fair value (Fair Valued Assets) as determined in good faith under procedures established by, and under the general supervision and responsibility of, the Fund s Board of Trustees.

Various inputs are used to determine the value of BGX s investments. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the

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best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

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

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

Level 3 Significant unobservable inputs (including the Fund's own assumption in determining the fair value of investments).

The valuation techniques used by the Fund to measure fair value during the period ended September 30, 2012 maximized the use of observable inputs and minimized the use of unobservable inputs. The categorization of a value determined for investments and other financial instruments is based on the pricing transparency of the investment and other financial instruments and does not necessarily correspond to BGX's perceived risk of investing in those securities.

The following is a summary of the inputs used as of September 30, 2012 in valuing the Fund's investments carried at value:

| | Level 1 - Unadjusted Quoted Prices | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Total |
|---|---|--|--|----------------------|
| Investments in Securities at Value[^] | | | | |
| Floating Rate Loan Interests Consumer Goods Durable | \$ - | \$4,451,212 | \$6,883,446 | \$11,334,658 |
| Healthcare and Pharmaceuticals | - | 20,277,248 | 3,318,805 | 23,596,053 |
| High Tech Industries | - | 7,702,963 | 13,022,244 | 20,725,207 |
| Hotels, Gaming and Leisure | - | 3,965,172 | 2,742,925 | 6,708,097 |
| Media Advertising, Printing and Publishing | - | 2,899,303 | 2,462,500 | 5,361,803 |
| Media Broadcasting and Subscription | - | 7,249,118 | 2,331,428 | 9,580,546 |
| Telecommunications | - | 16,850,049 | 1,874,842 | 18,724,891 |
| Other | - | 104,735,348 | | 104,735,348 |
| Corporate Bonds | - | 78,869,700 | - | 78,869,700 |
| Total | \$ - | \$247,000,113 | \$32,636,190 | \$279,636,303 |

| | Level 1 - Unadjusted Quoted Prices | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Total |
|-------------------------------------|---|---|--|-------------------|
| Other Financial Instruments* | | | | |
| Assets | | | | |
| Total Return Swap Contracts | \$- | \$206,362 | \$- | \$206,362 |
| Liabilities | | | | |
| Credit Default Swap Contracts | - | (59,408) | - | (59,408) |
| Total Return Swap Contracts | - | (238,608) | - | (238,608) |
| Total | \$- | \$(91,654) | \$- | \$(91,654) |

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

| Investments in Securities at Value [^] | Balance as of 12/31/11 | Realized gain / (loss) | Change in unrealized appreciation/ (depreciation) | Net purchases | Net sales proceeds | Transfer in and/or (out) of Level 3 | Balance as of 9/30/12 | Net change in unrealized appreciation/ depreciation attributable to Level 3 investments still held at |
|---|---------------------------|------------------------------|--|------------------|-----------------------|---|--------------------------|--|
| | | | | | | | | 9/30/12 |
| Floating Rate | | | | | | | | |
| Loan Interests | \$15,029,595 | \$79,324 | \$(607,125) | \$8,752,911 | \$(6,319,426) | \$15,700,911 | \$32,636,190 | \$(193,352) |

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| | | | | | | | | |
|--------------|--------------|----------|-------------|-------------|---------------|--------------|--------------|-------------|
| Total | \$15,029,595 | \$79,324 | \$(607,125) | \$8,752,911 | \$(6,319,426) | \$15,700,911 | \$32,636,190 | \$(193,352) |
|--------------|--------------|----------|-------------|-------------|---------------|--------------|--------------|-------------|

There were no transfers between Level 1 and 2 during the period. It is the Fund's policy to recognize transfers into and out of all Levels at the end of the reporting period.

^For detailed descriptions of classifications, see the accompanying Portfolio of Investments.

**Other financial instruments are derivative instruments not reflected in the Portfolio of Investments.*

NOTE 3. SECURED LOANS

BGX includes first and second lien secured, floating rate loans that are made to U.S. and, to a limited extent, non-U.S. corporations, partnerships, and other business entities (Borrowers), in its definition of Secured Loans . Under normal market conditions, at least 70% of BGX's managed assets will be invested in Secured Loans. BGX defines its managed assets as net assets plus effective leverage obtained through securities lending, swap contract arrangements, and short selling or other derivative transactions (Managed Assets). At September 30, 2012, 76.11% of BGX's Managed Assets were held in Secured Loans.

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

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

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

Second lien loans generally are subject to similar risks as those associated with investments in first lien loans except that such loans are subordinated in payment and/or lower in lien priority to first lien holders. In the event of default on a second lien loan, the first priority lien holder has first claim to the underlying collateral of the loan. Second lien loans are subject to the additional risk that the cash flow of the Borrower and collateral securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior unsecured or senior secured obligations of the Borrower. At September 30, 2012, BGX had invested \$19,446,169 in second lien secured loans. Second lien secured loans are considered Secured Loans for BGX.

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

BGX may acquire Loans through assignments or participations. BGX typically acquires these Loans through assignment, and if it acquires a Loan through participation, will elevate a participation interest into an assignment as soon as practicably possible. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser's rights can be more restricted than those of the assigning institution, and BGX may not be able to unilaterally enforce all rights and remedies under the Loan and with regard to any associated collateral. A participation typically results in a contractual

relationship only with the institution participating out the interest, not with the Borrower. Sellers of participations typically include banks, broker-dealers, other financial institutions and lending institutions. The Adviser has adopted best execution procedures and guidelines to mitigate credit and counterparty risk in the atypical situation when BGX must acquire a Loan through a participation. The Adviser has established a risk and valuation committee that regularly reviews each broker-dealer counterparty for, among other things, its quality and the quality of its execution.

NOTE 4. TOTAL RETURN SWAPS

BGX has entered into total return swaps as of September 30, 2012 in an aggregate notional amount equal to \$30,682,521. In a total return swap, BGX pays another party a fixed or floating short-term interest rate and receives in exchange the total return of underlying loans or debt securities. If the other party to a total return swap defaults, BGX's risk of loss consists of the net amount of total return payments that BGX is contractually entitled to receive. BGX bears the risk of default on the underlying loans or debt securities, based on the notional amount of the swap. BGX would typically have to post collateral to cover this potential obligation. BGX may use total return swaps for financing, hedging or investment purposes. For the purposes of Managed Assets, BGX will treat the value of a total return swap as the notional amount of the swap.

BGX entered into credit default swaps during the period ended September 30, 2012. When used for hedging purposes, BGX would be the buyer of a credit default swap protection. In that case, BGX would be entitled to receive the par (or other agreed-upon) value of a referenced debt obligation, index or other investment from the counterparty to the contract in the event of a credit event on the referenced obligation. In return, BGX would pay to the counterparty a periodic stream of payments over the term of the contract provided that no credit event has occurred. If no credit event occurs, BGX would have spent the stream of payments and received no benefit from the contract. When BGX is the seller of a credit default swap protection, it receives the stream of payments but is obligated to pay upon a credit event on the referenced obligation. As the seller, BGX would effectively add leverage to its portfolio because, in addition to its total assets, BGX would be subject to investment exposure on the notional amount of the swap.

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

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions. BGX segregates sufficient assets as collateral to satisfy the current obligation with respect to total return and credit default swaps.

NOTE 5. SECURITIES LENDING

The Fund may make secured loans of its marginable securities to brokers, dealers and other financial institutions amounting to no more than 30% of its net assets. The risks in lending portfolio securities, as with other extensions of credit, consist of possible delay in recovery of the securities or possible loss of rights in the collateral should the borrower fail financially. However, such loans will be made only to broker-dealers and other financial institutions that are believed by the Adviser to be of relatively high credit standing.

Loans of securities are made to broker-dealers pursuant to agreements requiring that loans be continuously secured by collateral consisting of U.S. Government securities, cash or cash equivalents (negotiable certificates of deposit, bankers' acceptances or letters of credit) maintained on a daily mark-to-market basis in an amount at least equal at all times to the market value of the securities lent. The broker-dealer pays to BGX, as the lender, an amount equal to any dividends or interest received on the securities lent. The collateral must have a market value at least equal to 100% of the market value of the loaned securities at all times during the duration of the loan.

BGX invests the cash collateral received in accordance with its investment objectives, subject to the Fund's agreement with the borrower of the securities. In the case of cash collateral, BGX typically pays a rebate to the borrower. The reinvestment of cash collateral will result in a form of effective leverage for BGX.

Although voting rights or rights to consent with respect to the loaned securities pass to the borrower, BGX, as the lender, retains the right to call the loans and obtain the return of the securities loaned at any time on reasonable notice, and it will do so in order that the securities may be voted by the Fund if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. BGX may also call such loans in order to sell the securities involved. When

engaged in securities lending, the Fund's performance will continue to reflect changes in the value of the securities loaned and will also reflect the receipt of interest through investment of cash collateral by BGX in permissible investments.

As of September 30, 2012, BGX had securities on loan valued at \$42,453,891 and received cash collateral with a value of \$43,388,168, representing 17.63% and 18.02% of net assets, respectively.

NOTE 6. UNREALIZED APPRECIATION/ (DEPRECIATION)

On September 30, 2012, based on cost of \$278,296,608 for federal income tax purposes, aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$6,356,730 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$5,017,035, resulting in net unrealized appreciation of \$1,339,695.

Item 2. Controls and Procedures.

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

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

Item 3. Exhibits.

Separate certifications for the Registrant's principal executive officer and principal financial officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are attached as Exhibit 99.CERT.

SIGNATURES

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

Blackstone / GSO Long-Short Credit Income Fund

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

Date: November 29, 2012

By: /s/ Eric Rosenberg
Eric Rosenberg (Principal Financial Officer)
Treasurer and Chief Financial Officer

Date: November 29, 2012

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

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

Date: November 29, 2012

By: /s/ Eric Rosenberg
Eric Rosenberg (Principal Financial Officer)
Treasurer and Chief Financial Officer

Date: November 29, 2012