



FS INVESTMENTS

Leading alternative asset manager

FS Investments strives to solve investor needs by creating access to alternative ideas and institutional-quality managers to achieve a higher probability of investment success. We never settle on behalf of investors by providing best-in-class management, customized structures and investment education.

Key facts¹

2007

Year founded

\$24+ billion

Total assets under management

10+

Years of experience managing alternative assets

300+

Professionals nationwide

Partnering with industry leaders



\$44B

Assets under management²



\$7B+

Assets under management³



\$78B

Assets under management⁴



\$21.9B

Assets under management⁵



\$83B

Assets under management⁶



\$50B+

Transactions managed by Quantitative Investment Strategies team⁷



\$3.5T

Assets under analysis⁸



\$6B+

Assets under custody⁹

Meet some of our in-house experts

Our team is composed of experts from a variety of backgrounds who aspire to lead the industry in investment performance, investor protections and transparency.



Mike Kelly

Co-President + Chief Investment Officer

Prior to FS, was CEO of ORIX Asset Management and FrontPoint Partners.



Lara Rhame

Chief U.S. Economist

Frequent contributor to financial television, print, radio and podcasts to discuss trends in finance and the economy.



Ryan Caldwell

Chief Investment Officer, Chiron Investment Management

Named to Institutional Investor magazine's "Rising Stars of Mutual Funds" in 2009.



Brian Cho

Head of Quantitative Research

Named to Institutional Investor magazine's All-American Research Team every year from 2003-2014.



Troy Gayeski

Chief Marketing Strategist

Has spent over a decade as a contributor on Bloomberg, Fox, Yahoo Finance and CNBC.

Offering industry-leading portfolio management expertise

Private credit

Credit of private U.S. middle market companies

Real estate

Focus on commercial real estate debt

Special situations credit

Stressed, distressed, event-driven and opportunistic performing credit

Liquid alternatives

Hedge fund and alternative beta strategies

Dynamic, global multi-asset

Chiron Investment Management



Investment research

Insights and analytics for alternatives and broader economic trends

Our key themes for 2021

Economy

Rebounding from the pandemic



Yield curve changes may spark volatility

Equities are increasingly sensitive to interest rates while the duration of traditional fixed income assets has rarely been higher. A change in the yield curve would have significant implications for equity market leadership and risks for fixed income.



Position for a weaker dollar

Record twin deficits—trade and fiscal—will weigh on the U.S. dollar. Fed policy has pulled real interest rates deeply negative, eroding the dollar's place as a carry currency. International and emerging markets stand to benefit from a weaker dollar.



Low inflation or reflation?

Even a “healthy” return of inflation to 2.0%–2.5% on the back of strong economic growth could cause headaches for investors who will have to manage to shorten duration or quickly pivot equity exposure.

Fixed income

Seeking to fix your fixed income



The search for yield continues

Short-term rates will remain anchored to Fed policy. Long-term rates may reach 1.5%–2.0% in 2021 thanks to rising growth and inflation expectations.



Credit spreads may retest pre-COVID lows

Amid low default rates and continued investor demand for yield, credit spreads may retest post-financial crisis lows.



Duration risks to challenge fixed income returns

Given the low starting point of fixed income yields today, bonds have significantly more risk to the downside if rates rise compared to the limited degree of upside should rates fall. Lower-duration assets may offer shelter.

Equities

Will growth continue?



Fundamentals to come back into focus

Investors are looking for strong performance to continue. Consensus estimates expect S&P 500 earnings to surpass 2019 levels by Q4 2021.¹⁹ While a lofty target, widespread vaccination, government stimulus and a supercharged economy will likely provide powerful tailwinds.



Shifting market leadership

A robust economic recovery place all eyes on the potential for rising rates, higher inflation and higher GDP growth. This could set the stage for a more sustained shift in market leadership away from large-cap growth/tech toward cyclical and value stocks.



Active managers to deliver alpha

Active managers may flex their alpha muscle by uncovering opportunities in an uneven global reopening or amid a more sustained change in market leadership.

Our focus funds

Turning new thinking into alternative opportunities

All data is as of 9/30/2021 unless otherwise indicated. Returns are annualized.

Alternative credit solution

FS Credit Income Fund

15.63%
1YR

7.37%
3YR

7.83%
ITD

Strategy

Multi-sector strategy that seeks to provide attractive total returns by investing in semi-liquid private credit

Inception date

11/1/2017

Structure

Closed-end interval fund with quarterly liquidity

Managed with



- \$44B AUM²
- 2020 Credit-Focused Hedge Fund Manager of the Year¹¹
- 2020 Management Firm of the Year¹²
- 2020 Best CLO Manager¹²

Key facts

5.57%
Distribution rate¹³

For the 12 months ended September 30, 2021, 100% of FS Credit Income Fund's distributions were funded through ordinary income.

An opportunistic, alternative credit solution

Credit markets are larger, more diverse and move faster today than any time over the last 20 years. **FS Credit Income Fund** seeks to generate strong total returns through all phases of a market cycle by investing in catalyst-driven investments in semi-liquid private credit markets where active managers can generate alpha beyond traditional benchmarks.

Performance data quoted represents past performance and is no guarantee of future results. The above performance is annualized for Class I. Class I shares have no sales charges; therefore performance is at NAV. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be lower or higher than the performance quoted. Different share classes would have different returns.

High short-term performance of FS Chiron Capital Allocation Fund is unusual and investors should not expect such performance to be repeated.

For performance data current to the most recent month-end, please call 877-628-8575 or visit our website at www.fsinvestments.com.

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Real assets

FS Credit Real Estate Income Trust

6.52%
1YR¹⁴

6.65%
3YR¹⁴

6.25%
ITD¹⁴

Strategy

Private, senior loans secured by commercial real estate

Inception date

1/5/2018

Structure

NAV REIT with monthly liquidity

Managed with



- \$7B+ AUM³
- \$130B CMBS controlling class holder¹⁵
- 258 associates across the U.S. and Europe³

Key facts

7.11%
Distribution rate¹⁶

0.77%
Standard deviation¹⁷

96.6%
Invested in private real estate debt

A differentiated way to generate income

Low rates and high duration challenge the ability of traditional fixed income portfolios to meet investors' expectations for income, capital preservation and diversification. **FS Credit REIT** seeks to provide above-market income and portfolio diversification by investing in private, floating rate loans backed by commercial real estate properties.

Global equity solution

FS Chiron Capital Allocation Fund

30.19%
1YR

10.61%
3YR

10.04%
5YR

9.40%
ITD

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be higher or lower. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. For performance data current to the most recent month-end, please call 877-628-8575 or visit our website at www.fsinvestments.com.

Strategy

Actively managed and flexible strategy designed to dynamically invest in the global markets across market cycles

Inception date

11/30/2015

Structure

Mutual fund with daily liquidity

Managed by



- Over \$1B AUM¹⁸
- Acquired by FS Investments in 2020
- Portfolio management team of 9 individuals with an average of over 20 years of experience

Overall Morningstar Rating™



based on the risk-adjusted returns out of 417 funds in the Morningstar World Allocation category as of 9/30/2021*

A flexible, style-agnostic fund providing the potential for alpha globally

An uneven global recovery and fast-moving markets require a strategy and manager that can quickly identify opportunities in changing markets. **FS Chiron Capital Allocation Fund's** flexible, style-agnostic strategy seeks to generate differentiated returns by investing across markets, sectors, capital structure and market cap.

Our outcome-oriented solutions

FS Investments' liquid alternatives platform of mutual funds

All data is as of 9/30/2021 unless otherwise indicated. Returns are annualized.

Multi-strategy liquid alternative

FS Multi-Strategy Alternatives Fund

7.81% **4.30%** **2.48%**
1YR 3YR ITD

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be higher or lower. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. For performance data current to the most recent month-end, please call 877-628-8575 or visit our website at www.fsinvestments.com.

Strategy

Seeks to generate positive, low-correlated returns over a complete market cycle to help lower portfolio volatility

Inception date
5/16/2017

Structure
Mutual fund with daily liquidity

Managed with

Wilshire

- Over \$1 trillion in assets under advisement⁶
- 500+ clients and over 40 years of leadership serving clients in 20 countries

Key facts

0.03
Correlation to Barclays Agg¹⁹

0.41
Correlation to S&P 500¹⁹

8.04%
Downside capture to S&P 500²⁰

A liquid alternative, multi-strategy solution that seeks to generate positive, low-correlated returns

While optimism broadly abounds, near-term uncertainties may cause interim market volatility. **FS Multi-Strategy Alternatives Fund** is designed to achieve its goal of producing uncorrelated absolute returns through market cycles in order to help lower portfolio volatility.

Equity long/short

FS Long/Short Equity Fund

3.84% **5.22%**
1YR ITD

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be higher or lower. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. For performance data current to the most recent month-end, please call 877-628-8575 or visit our website at www.fsinvestments.com.

Strategy

Seeks to provide equity-like returns through long/short investing within equity markets

Inception date
12/31/2018

Structure
Mutual fund with daily liquidity

Providers

 **BARCLAYS**

Industry-leading technology provider for institutional investors

 **NOVUS**

Recognized as one of the global leaders in quantitative investment strategies

Key facts

0.45
Correlation to S&P 500¹⁹

3.84%
1-year performance

5.22%
Total return since inception

A mutual fund designed to seek equity-like returns with lower volatility

In a world flush with uncertainty, **FS Long/Short Equity Fund** is designed to harness the best ideas of top hedge fund managers, on both the long and short side, while managing beta and factor exposures in order to position the fund to deliver compelling returns while reducing downside volatility compared to broad equity markets.

FS Multi-Strategy Alternatives Fund

Total annual fund operating expenses, Class I: 3.17%.²¹ Total annual fund operating expenses after expense reductions, Class I: 2.16%.²² Total annual fund operating expenses after expense reductions, excluding dividend and interest expenses, Class I: 1.50%.^{22,23} Performance data quoted represents past performance and is no guarantee of future results. Returns for time periods greater than one year are annualized. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be lower or higher than the performance quoted. Please call 877-628-8575 or visit our website at www.fsinvestments.com for performance data current to the most recent month-end. Not all investors can invest in the Fund's Class I shares; different share classes would have different returns.

FS Long/Short Equity Fund

The expense ratios for Class I shares are 5.08% total annual fund operating expenses,²⁴ 1.35% total annual fund operating expenses (after expense reductions) and 0.85% total annual fund operating expenses after expense reductions (after fee waiver).^{25,26} Performance data quoted represents past performance and is no guarantee of future results. Returns for time periods greater than one year are annualized. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be lower or higher than the performance quoted. Please call 877-628-8575 or visit our website at www.fsinvestments.com for performance data current to the most recent month-end. Not all investors can invest in the Fund's Class I shares; different share classes would have different returns.

Our platform structure

Meeting investor goals with strategies across the liquidity spectrum through the appropriate structure

	Fund	Ticker	Objective	Strategy	Managed with/by
LIQUID	Mutual funds				
	FS Multi-Strategy Alternatives Fund	FSMSX	Low-correlated returns	Multi-strategy liquid alternative	FS Fund Advisor/Wilshire Associates
	FS Long/Short Equity Fund	FSYIX	Differentiated equity	Liquid alternative	FS Fund Advisor, LLC
	FS Chiron Capital Allocation Fund	CCAPX	Total return	Flexible/global	Chiron Investment Management
	FS Chiron SMid Opportunities Fund	CSMOX	Capital appreciation	Small/mid cap	Chiron Investment Management
	FS Chiron Real Asset Fund	FSRLX	Inflation protection with growth + income	Real assets	Chiron Investment Management
	FS Alternative Income Opportunities Fund	ALTIX	Alternative income	Global macro	FS Fund Advisor, LLC
	FS Managed Futures Fund	FMGFX	Downside protection with growth	Managed futures	FS Fund Advisor, LLC
	UCITS fund				
	Chiron Global Opportunities Fund	—	Total return	Flexible/global	Chiron Investment Management
	Listed BDCs				
	FS KKR Capital Corp.	NYSE: FSK	Income	Private credit	FS/KKR Advisor, LLC
	REIT				
	FS Credit Real Estate Income Trust	—	Income	Commercial real estate debt	Rialto Capital Management
	Interval fund				
	FS Credit Income Fund	FCRIX	Income	Multi-sector fixed income	GoldenTree Asset Management
	Closed-end fund				
FS Global Credit Opportunities Fund	CLOSED	Income + growth	Event-driven credit	FS Global Advisor, LLC	
Non-listed BDC					
FS Energy & Power Fund	CLOSED	Income + growth	Private energy credit	FS/EIG Advisor, LLC	
LESS LIQUID					
ILLIQUID					

Funds that appear grayed out represent closed funds and therefore are not available for purchase.

Not all products listed are available at all firms.

Our culture

We take pride in our unwavering commitment to our clients, colleagues and surrounding communities.



FS Thrive

We extend our culture of innovation, grit and civic engagement to you with a collection of interactive value-add programs



Business valuation + continuity

An advisor-focused transition management platform that helps financial enterprises attract, grow and retain advisory businesses.



Technology selection + implementation

Former CTOs-turned-consultants that help advisory firms select and implement wealth technologies for their practices.



Risk management + compliance

150+ regulatory affairs and compliance consultants serving the IBD, bank and RIA markets.



Sustainable high performance

A performance-minded employee wellness experience that represents FS's forward-thinking culture.

Diversity + inclusion

We believe our business is made stronger with a more diverse set of backgrounds, experiences and perspectives at the table

Commitments

Signed on as signatory of CEO Action for Diversity & Inclusion and CFA Society Diversity & Inclusion partner.

Training

Conducted unconscious bias training while offering ongoing education to FS employees that promotes diversity and inclusion.

Employee Resource Groups

Established voluntary, employee-led groups that foster groups, such as LGBTQ individuals, women, veterans, parents/caregivers and people of color.

Social justice

Joined Money Management Institute's social justice initiative in the pursuit of accelerating progress and change in our industry.

Corporate social responsibility

We give back to our communities through volunteerism, charitable giving and nonprofit board service

Philadelphia Financial Scholars

Provides high school students and their families with the tools needed to generate greater wealth and achieve financial empowerment.

Employee volunteer program

Employees may participate in three paid days of community service each year.

Matching charitable gifts

Support employees in their personal charitable giving by offering a 1:1 match to contributions made to qualifying 501(c)(3) organizations.

Board placement

For those interested in serving on nonprofit boards, we offer board training and placement opportunities.

- 1 FS Investments, as of June 30, 2021.
- 2 GoldenTree Asset Management, as of June 30, 2021.
- 3 Rialto Capital Management, as of June 30, 2021. AUM is made up of the fair value of assets being managed and unfunded capital commitments. Associates include all Rialto Capital Management and Rialto Capital Advisor employees.
- 4 As of December 31, 2020. References to “assets under management” or “AUM” represent the assets to which KKR Credit is entitled to receive a fee or carried interest. KKR Credit’s calculation of AUM may differ from the calculations of other asset managers and, as a result, KKR Credit’s measurements of its AUM may not be comparable to similar measures presented by other asset managers. KKR Credit’s definition of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts that it manages and is not calculated pursuant to any regulatory definitions.
- 5 As of September 30, 2020. EIG Advisor, LLC began independent operations following a consensual spinout from Trust Company of the West on December 31, 2010.
- 6 Wilshire Associates, as of December 31, 2020 (approximately).
- 7 Barclays Bank PLC, as of June 30, 2020.
- 8 Novus Partners, Inc., as of June 30, 2020.
- 9 NYDIG, as of March 13, 2021.
- 10 Bloomberg.
- 11 As named annually by Institutional Investor magazine. From a group of 6 nominated firms voted on by editorial staff and a survey of U.S. allocators. This award was not given in conjunction with FS Credit Income Fund.
- 12 As named annually by Alt Credit US Performance Awards. The award was not given in conjunction with FS Credit Income Fund.
- 13 The annualized distribution rate shown is expressed as a percentage equal to the projected annualized distribution amount per share (which is calculated by annualizing the most recent regular cash distribution per share as of the date indicated, without compounding), divided by the Fund’s net asset value (NAV) per share as of the date indicated, in each case on a per-class basis. The annualized distribution rate shown may be rounded. The Fund intends to pay ordinary cash distributions quarterly. The payment of future distributions on the Fund’s common shares is subject to the discretion of the Fund’s board of trustees and applicable legal restrictions and, therefore, there can be no assurance as to the amount or timing of any such future distributions. The determination of the tax attributes of the Fund’s distributions is made annually at the end of the calendar year, and a determination made on an interim basis may not be representative of the actual tax attributes of the Fund’s distributions for a full year. The actual tax characteristics of distributions to shareholders are reported to shareholders annually on Form 1099-DIV. The Fund may pay distributions in significant part from sources that may not be available in the future and that are unrelated to the Fund’s performance, such as return of capital, borrowings, or expense reimbursements and waivers. For the 12 months ended September 30, 2021, 100% of FS Credit Income Fund’s distributions were funded through net investment income.
- 14 Returns represent the total returns an investor received for the highlighted period taking into account all distributions paid during such period. The calculation assumes that the investor purchased shares at NAV or the transaction price (which generally equals the prior month’s NAV), as applicable, at the beginning of the applicable period and reinvested all cash distributions pursuant to FS Credit REIT’s distribution reinvestment plan (“DRP”). Valuation as of the end of each period is the transaction price pursuant to FS Credit REIT’s share repurchase program on such date. Returns for Class I do not incur any selling commissions and dealer manager fees, which could total up to 3.50% of the transaction price for other shares classes. Had Class I had such selling commissions and dealer manager fees been included, performance would be lower. Returns assume payment of the maximum upfront sales charge of 3.50% at the beginning of the applicable period. The purchase and repurchase price for shares of FS Credit REIT’s common stock will be based on NAV and will not be based on any public trading market. Because the valuation of FS Credit REIT’s investments is inherently subjective, the NAV of FS Credit REIT’s common stock may not accurately reflect the actual price at which assets could be liquidated on any given day. Valuations and appraisals of real estate-related debt and investments include estimates of fair value and may not necessarily correspond to realizable value, which could adversely affect the value of an investment.
- 15 As of June 30, 2021. Represents current securitization balance of CMBS loans where Rialto’s clients are the controlling class holder.
- 16 The annualized distribution rate shown is expressed as a percentage equal to the projected annualized distribution amount per share (which is calculated by annualizing the most recent monthly cash distribution per share as of the date indicated, without compounding), divided by the NAV per share. For the nine months ended September 30, 2021, 100% of FS Credit REIT’s distributions were funded through net investment income. The determination of the tax attributes of distributions is made annually at the end of the fiscal year, and a determination made on an interim basis may not be representative of the actual tax attributes of distributions for a full year. The actual tax characteristics of distributions to stockholders are reported to stockholders annually on Form 1099-DIV. The payment of distributions on FS Credit REIT’s common stock is subject to the discretion of FS Credit REIT’s board of directors and applicable legal restrictions and, therefore, there can be no assurance as to the amount or timing of any such distributions. FS Credit REIT currently intends to pay ordinary cash distributions monthly.
- 17 Standard deviation measures the degree to which an investment’s returns deviate from its historical average (mean). It is most commonly used in finance as a way to compare the volatility of returns between investments. The higher an investment’s standard deviation, the higher the volatility of its returns. FS Credit REIT’s standard deviation is calculated based on Class I (1/31/2018–9/30/2021).
- 18 As of September 30, 2021.
- 19 Bloomberg, as of September 30, 2021. Based on Class I shares. Correlation is a statistical measure of the extent to which two securities move in relation to each other, often expressed via a coefficient ranging from +1 to -1. Beta is a measure of an asset’s or a portfolio’s volatility, or systematic risk, in comparison to a benchmark or the market as a whole, reflecting the tendency of returns to respond to market swings. Barclays Agg refers to the Bloomberg Barclays U.S. Aggregate Bond Index.
- 20 Bloomberg. Data reflects period from May 16, 2017, to February 28, 2021. Based on Class I shares. Downside capture is a statistical measure of the percentage of market losses endured by a manager when stock markets are down. Down months include February 2018, March 2018, October 2018, December 2018, May 2019, August 2019, January 2020, February 2020, March 2020, September 2020 and October 2020.
- 21 The total annual fund operating expenses ratio calculation is a percentage of average net assets for the 12 months ended December 31, 2020.
- 22 The total annual fund operating expenses after expense reductions, excluding dividend and interest expenses and total operating expenses (after expense reduction) ratios, are a percentage of average net assets for the 12 months ended December 31, 2020, and are based on the expense limitation for such period. The expense limitation may be different in future years. The Adviser has entered into an expense limitation agreement with the Fund under which it has agreed to waive or reduce its fees and to assume other expenses of the Fund, if necessary, in an amount that limits ordinary operating expenses (exclusive of management fees, distribution or servicing fees, interest, taxes, brokerage fees and commissions, dividends and interest paid on short positions, acquired fund fees and expenses and extraordinary expenses (as determined in the sole discretion of the Adviser)) to not more than 0.25% of the average daily net assets for the Fund at least until April 30, 2021. The Fund may terminate the expense limitation agreement at any time. The expense limitation agreement permits the Adviser to recoup waived or reimbursed amounts within the three-year period from the date of the waiver after the Adviser bears the expense, provided total expenses, including such recoupment, do not exceed the annual expense limit in effect at the time of such waiver/reimbursement or recoupment.
- 23 The total annual fund operating expenses after expense reductions, excluding dividend and interest expenses ratio, does not include dividend expense on short sales of 0.24% and interest, commitment fees and other borrowing costs of 0.42%.
- 24 The total annual fund operating expenses ratio calculation is a percentage of average net assets for the 12 months ended December 31, 2020.
- 25 Total annual fund operating expenses (after expense reduction) is a percentage of average net assets for the 12 months ended December 31, 2020. The Adviser has entered into an expense limitation agreement with the Fund under which it has agreed to waive or reduce its fees and to assume other expenses of the Fund, if necessary, in an amount that limits ordinary operating expenses (exclusive of management fees, distribution or servicing fees, interest, taxes, brokerage fees and commissions, dividends and interest paid on short positions, acquired fund fees and expenses and extraordinary expenses (as determined in the sole discretion of the Adviser)) to not more than 0.25% of the average daily net assets for the Fund at least until April 30, 2021. The Fund may terminate the expense limitation agreement at any time. The expense limitation agreement permits the Adviser to recoup waived or reimbursed amounts within the three-year period from the date of the waiver after the Adviser bears the expense, provided total expenses, including such recoupment, do not exceed the annual expense limit in effect at the time of such waiver/reimbursement or recoupment.
- 26 The Adviser has contractually agreed to waive a portion of its management fee so that the fee received equals 0.60% of the Fund’s average daily net assets until the earlier of (i) December 31, 2021 or (ii) the date on which the gross proceeds that have been received by the Fund from investors, in aggregate, exceed \$150 million. The Adviser’s contractual management fee, without giving effect to this waiver, is equal to 1.10% of the Fund’s average daily net assets.

The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10- year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

GLOSSARY OF TERMS

Alpha measures excess return relative to expected returns based on the fund's degree of beta. A positive alpha indicates the portfolio is earning excess returns. A negative alpha indicates the portfolio is lagging in returns. **Beta** measures the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **Duration** measures the sensitivity of the price of a fixed income investment to a change in interest rates, expressed as a number of years.

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An investment in FS Credit REIT involves a high degree of risk. You should purchase these securities only if you can afford the complete loss of your investment. The risks include the following:

- FS Credit REIT has a limited operating history and there is no assurance that FS Credit REIT will achieve its investment objectives.
- This is a "blind pool" offering. FS Credit REIT made limited investments to date and you will not have the opportunity to evaluate FS Credit REIT's future investments before it makes them.
- Since there is no public trading market for shares of FS Credit REIT's common stock, repurchase of shares by FS Credit REIT will likely be the only way to dispose of your shares. FS Credit REIT's share repurchase plan will provide stockholders with the opportunity to request that FS Credit REIT repurchase their shares on a monthly basis, subject to certain limitation. Further, FS Credit REIT's board of directors may modify, suspend or terminate our share repurchase plan if it deems such action to be in our best interest and the best interest of stockholders. Finally, FS Credit REIT is not obligated by its charter or otherwise to effect a liquidity event at any time. As a result, shares should be considered as having only limited liquidity and at times may be illiquid.
- FS Credit REIT's business and operations are currently dependent on the commercial real estate industry. Adverse conditions in the commercial real estate industry can have a significant negative effect on FS Credit REIT's business and financial condition.
- FS Credit REIT cannot guarantee that it will make distributions, and if it does, such distributions may be funded from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and there are no limits on the amounts that may be paid from such sources.
- FS Credit REIT has no employees and is dependent on its adviser and sub-adviser to conduct operations. FS Credit REIT's adviser and sub-adviser will face conflicts of interest as a result of, among other things, the obligation to allocate investment opportunities among FS Credit REIT and other investment vehicles, the allocation of time of their investment professionals and the substantial fees and expenses that FS Credit REIT will pay to its adviser and its affiliates.
- This is a "best efforts" offering. If FS Credit REIT is not able to raise a substantial amount of capital in the near term, its ability to achieve its investment objectives could be adversely affected.
- There are limits on the ownership and transferability of FS Credit REIT's shares.
- FS Credit REIT's failure to remain qualified to be taxed as a REIT would adversely affect the NAV of its shares and the amount of cash available for distribution to stockholders.

This sales and advertising literature does not constitute an offer to sell nor a solicitation of an offer to buy or sell securities. An offering is made only by the prospectus. **This material must be read in conjunction with the FS Credit Real Estate Income Trust, Inc. (FS Credit REIT) prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of the prospectus must be made available to you in connection with any offering.** No offering is made except by a prospectus filed with the Department of Law of the State of New York. Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of FS Credit REIT's securities or determined if its prospectus is truthful or complete. Neither the Attorney General of the State of New York nor the Securities Division of the Office of the Maryland Attorney General has passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense.

FS Credit Income Fund is "non-diversified" under the Investment Company Act of 1940 since changes in the financial condition or market value of a single issuer may cause a greater fluctuation in the Fund's net asset value than in a "diversified" fund.

Investing in the Fund involves risk, including the risk that a shareholder may receive little or no return on their investment or that a shareholder may lose part or all of their investment. The Fund expects most of its investments to be in securities that are rated below investment grade or would be rated below investment grade if they were rated. Below investment grade instruments are particularly susceptible to economic downturns compared to higher rated investments. The Fund is subject to interest rate risk and will decline in value as interest rates rise. The Fund may use leverage to achieve its investment objective, which involves risks, including the likelihood of NAV volatility and the risk that fluctuations in interest rates on borrowings will reduce the return to investors. In addition to the normal risks associated with investing, investing in international and emerging markets involves risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles or from social, economic or political instability in other nations. The Fund may invest in derivatives, which, depending on market conditions and the type of derivative, are more volatile than other investments and will magnify the Fund's gains or losses. The Fund may invest in collateralized loan obligations ("CLOs") and other securitized products, which is highly complex and speculative. An investment in shares should be considered only by investors who can assess and bear the illiquidity and other risks associated with such an investment.

No secondary market is expected to develop for the Fund's common shares; liquidity for the common shares will be provided only through quarterly repurchase offers for no less than 5% and no more than 25% of the common shares at net asset value, and there is no guarantee that an investor will be able to sell all the common shares that the investor desires to sell in the repurchase offer. Due to these restrictions, an investor should consider an investment in the Fund to be of limited liquidity.

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