

# FS Investment Corporation IV (Class T) Fact Sheet

AS OF SEPTEMBER 30, 2016 (unless otherwise noted)



**PUBLIC OFFERING PRICE<sup>1</sup>**  
(AS OF 2/8/2017)

**\$11.55**

**ANNUALIZED DISTRIBUTION RATE<sup>3</sup>**  
(BASED ON POP, AS OF 2/8/2017)

**6.00%**

**NET INVESTMENT AMOUNT<sup>2</sup>**  
(AS OF 2/8/2017)

**\$11.06**

**ANNUALIZED DISTRIBUTION AMOUNT<sup>3</sup>**  
(AS OF 2/8/2017)

**\$0.69**

## Portfolio composition<sup>4</sup>

Percentages may change depending on market conditions.

ASSET TYPE <sup>5</sup>	% OF PORTFOLIO
Senior secured loans—1st lien	70%
Senior secured loans—2nd lien	23%
Subordinated debt	7%
Equity/other	<1%

INDUSTRY	% OF PORTFOLIO
Software & Services	35%
Consumer Services	29%
Capital Goods	17%
Commercial & Professional Services	7%
Automobiles & Components	5%
Diversified Financials	4%
Health Care Equipment & Services	2%
Materials	1%

## Investment managers

### ADVISER

FSIC IV Advisor, LLC,  
an affiliate of FS Investments

**SPONSOR COMMITMENT<sup>8</sup>**  
(AS OF 10/26/2016)

**\$9.0 million**

FLOATING RATE ASSETS <sup>5</sup>	% OF PORTFOLIO
	93%

CORE INVESTMENT STRATEGIES <sup>6</sup>	% OF PORTFOLIO
Direct originations	12%
Opportunistic	30%
<b>Total</b>	<b>42%</b>

TOP HOLDINGS <sup>4,7</sup>	% OF PORTFOLIO
BMC Software Finance, Inc.	11.4%
CEC Entertainment, Inc.	10.1%
North Haven Cadence Buyer, Inc.	10.1%
Corner Investment PropCo, LLC	9.1%
Quest Software US Holdings Inc.	8.4%
ASG Technologies Group, Inc.	8.1%
SRS Distribution Inc.	7.8%
JSS Holdings, Inc.	6.8%
Propulsion Acquisition, LLC	6.4%
Sybil Software LLC	6.0%

### SUB-ADVISER

GSO / Blackstone  
Debt Funds Management LLC

## Investment objectives

Generate current income and, to a lesser extent, long-term capital appreciation

## Investment strategies

FS Investment Corporation IV (FSIC IV) is a business development company (BDC) that invests primarily in floating rate, senior secured loans of private U.S. middle market companies, and has a flexible investment platform, which diversifies its holdings across multiple issuers and industries. FSIC IV seeks to invest in a portfolio of companies with:

- Leading, defensible market positions
- Positive cash flows
- Proven management teams
- Viable exit strategies

## Key facts

### INCEPTION DATE

January 6, 2016

### REGISTERED SHARES<sup>9</sup>

250 million

### DISTRIBUTION FREQUENCY<sup>10</sup>

Monthly

### MINIMUM INITIAL INVESTMENT

\$5,000

### LIQUIDITY<sup>11</sup>

Quarterly tender offers

### DISTRIBUTION REINVESTMENT PRICE

Net offering price

### TAX REPORTING

Form 1099

### SALES CHARGES<sup>1</sup>

Upfront sales charge 4.25%

Annual distribution fee 1.00%

**An investment in FSIC IV involves a high degree of risk and may be considered speculative. Investors are advised to consider the investment objectives, risks, and charges and expenses of FSIC IV carefully before investing. The prospectus contains this and other information about FSIC IV. Investors may obtain a copy of the prospectus free of charge at [www.fsinvestments.com](http://www.fsinvestments.com) or by contacting FS Investments at 201 Rouse Boulevard, Philadelphia, PA 19112 or by phone at 877-372-9880. Investors should read and carefully consider all information found in the prospectus and FSIC IV's other reports filed with the U.S. Securities and Exchange Commission (SEC) before investing.**

This is neither an offer to sell nor a solicitation of an offer to buy the securities described herein. **An offering is made only by a prospectus, which must be made available to you in connection with this offering.** No offering is made to New York investors except by a prospectus filed with the Department of Law of the State of New York.

An investment in FSIC IV's common stock involves significant costs and investors should review the information in FSIC IV's prospectus regarding fees and expenses.

For the nine months ended September 30, 2016, 32% of FSIC IV's distributions were funded through net investment income (prior to expense reimbursement), 40% of FSIC IV's distributions were funded through short-term capital gains proceeds from the sale of assets and 28% were funded through expense reimbursements from FSIC IV's sponsor, on a tax basis.

FSIC IV may invest in below investment grade securities (commonly referred to as "high yield" securities or "junk bonds"), which may have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Investments in high yield securities should be considered speculative.

This fact sheet is intended for informational use only and is not intended as investment advice or for trading purposes. See attached performance sheet for stockholder returns. For additional information, contact your financial advisor.

Percentages and other numbers in this fact sheet may have been rounded.

## Risk factors

Investing in FSIC IV may be considered speculative and involves a high level of risk, including the risk of a substantial loss of investment. The following are some of the risks an investment in FSIC IV's common stock involves; however, you should carefully consider all of the information found in the section of FSIC IV's prospectus entitled "Risk Factors" before deciding to invest in shares of FSIC IV's common stock.

- Because there is no public trading market for shares of FSIC IV's common stock and FSIC IV is not obligated to effectuate a liquidity event by a specified date, if at all, it is unlikely that you will be able to sell your shares. If you are able to sell your shares before FSIC IV completes a liquidity event, it is likely that you will receive less than you paid for them. While FSIC IV intends to conduct quarterly tender offers for FSIC IV's shares, only a limited number of shares will be eligible for repurchase and FSIC IV may amend, suspend or terminate the share repurchase program at any time. In addition, any such repurchases will be at a discount to the current offering price on the date of repurchase.
  - FSIC IV intends to invest in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be difficult to value and illiquid.
  - FSIC IV's distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to FSIC IV for investment. Any capital returned to stockholders through distributions will be distributed after payment of fees and expenses.
  - An investment strategy focused primarily on privately held companies presents certain challenges, including lack of available information about these companies.
  - Investing in middle market companies involves a number of significant risks, any one of which could have a material adverse effect on FSIC IV's operating results.
  - A lack of liquidity in certain of FSIC IV's investments may adversely affect FSIC IV's business.
  - FSIC IV is subject to financial market risks, including changes in interest rates, which may have a substantial negative impact on FSIC IV's investments.
  - FSIC IV has borrowed funds to make investments, which increases the volatility of FSIC IV's investments and may increase the risks of investing in FSIC IV's securities.
  - FSIC IV has limited operating history and is subject to the business risks and uncertainties associated with any new business.
  - If FSIC IV is unable to raise substantial funds in its ongoing, continuous "best efforts" public offering, then FSIC IV will be more limited in the number and type of investments it may make.
  - Investors in FSIC IV's Class T shares are subject to an annual distribution fee.
  - FSIC IV's previous distributions to stockholders were funded in significant part from the reimbursement of certain expenses, including the waiver of certain investment advisory fees, that are subject to repayment to its affiliate, FS Investments, and its future distributions may be funded from such waivers and reimbursements. Significant portions of these distributions were not based on FSIC IV's investment performance, and such waivers and reimbursements by FS Investments may not continue in the future. If FS Investments were not to reimburse certain of FSIC IV's expenses, including through the waiver of certain advisory fees, significant portions of these distributions may come from offering proceeds or borrowings. The repayment of amounts owed to FS Investments will reduce the future distributions to which investors would otherwise be entitled.
- 1 The public offering price of FSIC IV's shares of Class T common stock is subject to an upfront sales load of up to 4.25%. Shares of FSIC IV's Class T common stock are also subject to an annual distribution fee of 1.00% of the estimated value of the shares, as determined in accordance with applicable FINRA rules. The public offering price is subject to change. FSIC IV's total expenses as a percentage of average net assets attributable to common stock was 6.75% for the period from January 6, 2016 (commencement of operations) to September 30, 2016. Expenses and fees are described more fully in FSIC IV's prospectus. Please consult the prospectus and read it carefully.
  - 2 The net investment amount for shares of FSIC IV's Class T common stock is the public offering price, net of the maximum upfront sales charge of 4.25%.
  - 3 The annualized distribution rate shown is expressed as a percentage equal to the projected annualized distribution amount per share of Class T common stock (which is calculated by annualizing the regular weekly cash distribution per share of Class T common stock as of the date indicated, without compounding), divided by the public offering price per share of Class T common stock as of the date indicated. The annualized distribution rate shown is net of the 1.00% annual distribution fee and may be rounded. The payment of future distributions on FSIC IV's shares of Class T common stock is subject to the discretion of FSIC IV's board of directors and applicable legal restrictions and, therefore, there can be no assurance as to the amount or timing of any such future distributions. For the nine months ended September 30, 2016, 32% of FSIC IV's distributions were funded through net investment income (prior to expense reimbursement), 40% of FSIC IV's distributions were funded through short-term capital gains proceeds from the sale of assets and 28% were funded through expense reimbursements from FSIC IV's sponsor, on a tax basis. The determination of the tax attributes of FSIC IV's distributions is made annually at the end of FSIC IV's fiscal year and a determination made on an interim basis may not be representative of the actual tax attributes of FSIC IV's distributions for a full year. The actual tax characteristics of distributions to stockholders are reported to stockholders annually on Form 1099-DIV.
  - 4 Calculated as a percentage of fair value. Fair value is determined by FSIC IV's board of directors.
  - 5 Includes investments held by FSIC IV and the assets underlying FSIC IV's total return swap (TRS) financing arrangement with Citibank, N.A. Excluding investments held under the TRS, floating rate investments comprised 78% of FSIC IV's investment portfolio; investment allocations were 56% senior secured loans – 1st lien, 21% senior secured loans – 2nd lien, 22% subordinated debt, and 1% equity/other.
  - 6 FSIC IV defines core investment strategies as any investment that is a direct origination or an opportunistic investment. Broadly syndicated/other investments comprised 58% of FSIC IV's portfolio as of September 30, 2016.
  - 7 Securities may be an obligation of one or more entities affiliated with the named company. Percentages shown are net of unfunded commitment amounts.
  - 8 "Sponsor commitment" means proceeds from investors affiliated with FSIC IV Advisor, LLC and GSO / Blackstone Debt Funds Management LLC, including members of FSIC IV's board of directors.
  - 9 Registered shares means the shares registered on the registration statement relating to FSIC IV's initial public offering that was initially declared effective by the U.S. Securities and Exchange Commission on October 28, 2015, as amended.
  - 10 The payment of future distributions on FSIC IV's shares of Class T common stock is subject to the discretion of FSIC IV's board of directors and applicable legal restrictions and, therefore, there can be no assurance as to the amount or timing of any such future distributions.
  - 11 FSIC IV intends to repurchase a limited number of shares pursuant to its share repurchase program. FSIC IV may amend, suspend or terminate its share repurchase program at any time. Any such repurchases will be at the net offering price in effect for shares of Class T common stock on the date of repurchase. See FSIC IV's prospectus for more information.

FSIC IV is a long-term investment for persons of adequate financial means who have no need for liquidity in their investment. To invest in FSIC IV, an investor must have either (i) a net worth of at least \$70,000 and an annual gross income of at least \$70,000, or (ii) a net worth of at least \$250,000. Some states impose higher suitability standards. Please consult the prospectus for a detailed description of the suitability standards imposed on investors, including heightened standards required by certain states.

FS Investment Solutions, LLC (FS Investment Solutions), the dealer manager for FSIC IV's public offering, is an affiliate of FSIC IV's investment adviser and serves or has served as the dealer manager for the public offerings of shares by other non-traded funds sponsored by FS Investments. These relationships may create conflicts in connection with FS Investment Solutions' due diligence obligations under the federal securities laws. FS Investment Solutions is entitled to compensation in connection with this offering, including receiving selling commissions (which are generally reallowed to selling broker-dealers) and dealer manager fees based on the gross offering proceeds of shares sold in the offering. FS Investment Solutions may also be reimbursed for accountable due diligence expenses based on the gross offering proceeds of shares sold in this offering. In addition, FSIC IV's investment adviser and its affiliates may face conflicts of interest as a result of compensation arrangements, time constraints and competition for investments, which they will attempt to resolve in a fair and equitable manner.



INVESTMENTS™

# FS INVESTMENT CORPORATION IV PERFORMANCE

AS OF JANUARY 31, 2017 (unless otherwise noted)

## STOCKHOLDER RETURNS

	ANNUALIZED DISTRIBUTION RATE <sup>3</sup>	PUBLIC OFFERING PRICE <sup>4</sup>	CUMULATIVE CASH DISTRIBUTIONS PER SHARE since inception <sup>5</sup>	Without sales charge, compounded monthly <sup>1</sup>			With sales charge, compounded monthly <sup>2</sup>			
				YTD	1-YEAR	3-YEAR annualized	5-YEAR annualized	SINCE INCEPTION annualized	CUMULATIVE TOTAL RETURN since inception	CUMULATIVE TOTAL RETURN since inception
<b>FSIC IV – CLASS T</b>										
Inception date: 1/6/16	6.00%	\$11.55	\$0.70	1.4%	13.3%	-	-	13.1%	13.9%	11.4%

Returns shown are historical only and are based on past performance. Past performance is not indicative of future results.

An investment in any fund sponsored by FS Investments (“FS”) involves significant costs and investors should review the information regarding fees and expenses associated with an investment contained in the applicable fund’s prospectus and other filings with the U.S. Securities and Exchange Commission (the “SEC”).

An investment in FSIC IV involves a high degree of risk and may be considered speculative. Investors are advised to consider the investment objectives, risks, and charges and expenses of FSIC IV carefully before investing. The prospectus contains this and other information about FSIC IV. Investors may obtain a copy of the prospectus free of charge at [www.fsinvestments.com](http://www.fsinvestments.com) or by contacting FS Investments at 201 Rouse Boulevard, Philadelphia, PA 19112 or by phone at 877-372-9880. Investors should read and carefully consider all information found in the prospectus and FSIC IV’s other reports filed with the U.S. SEC before investing.

This is neither an offer to sell nor a solicitation of an offer to buy the securities described herein. An offering is made only by a prospectus, which must be made available to you in connection with any offering. No offering is made to New York investors except by a prospectus filed with the Department of Law of the State of New York.

An investment in FSIC IV’s common stock involves significant costs and investors should review the information in FSIC IV’s prospectus regarding fees and expenses.

For the nine months ended September 30, 2016, 32% of FSIC IV’s distributions were funded through net investment income (prior to expense reimbursement), 40% of FSIC IV’s distributions were funded through short-term capital gains proceeds from the sale of assets and 28% were funded through expense reimbursements from FSIC IV’s sponsor, on a tax basis.

FSIC IV may invest in below investment grade securities (commonly referred to as “high yield” securities or “junk bonds”), which may have predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal. Investments in high yield securities should be considered speculative.

## RISK FACTORS

Investing in FSIC IV may be considered speculative and involves a high level of risk, including the risk of a substantial loss of investment. The following are some of the risks an investment in FSIC IV's common stock involves. You should carefully consider all of the information found in the section of FSIC IV's prospectus entitled "Risk Factors" before deciding to invest in shares of FSIC IV's common stock.

- Because there is no public trading market for shares of FSIC IV's common stock and FSIC IV is not obligated to effectuate a liquidity event by a specified date, if at all, it is unlikely that you will be able to sell your shares. If you are able to sell your shares before FSIC IV completes a liquidity event, it is likely that you will receive less than you paid for them. While FSIC IV intends to conduct quarterly tender offers for FSIC IV's shares, only a limited number of shares will be eligible for repurchase and FSIC IV may amend, suspend or terminate the share repurchase program at any time. In addition, any such repurchases will be at net offering price in effect for the applicable class as of date of repurchase.
- FSIC IV intends to invest in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be difficult to value and illiquid.
- FSIC IV's distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to FSIC IV for investment. Any capital returned to stockholders through distributions will be distributed after payment of fees and expenses.
- An investment strategy focused primarily on privately held companies presents certain challenges, including lack of available information about these companies.
- Investing in middle market companies involves a number of significant risks, any one of which could have a material adverse effect on FSIC IV's operating results.
- A lack of liquidity in certain of FSIC IV's investments may adversely affect FSIC IV's business.
- FSIC IV is subject to financial market risks, including changes in interest rates, which may have a substantial negative impact on FSIC IV's investments.
- FSIC IV has borrowed funds to make investments, which increases the volatility of FSIC IV's investments and may increase the risks of investing in FSIC IV's securities.
- FSIC IV has limited operating history and is subject to the business risks and uncertainties associated with any new business.
- If FSIC IV is unable to raise substantial funds in its ongoing, continuous "best efforts" public offering, then FSIC IV will be more limited in the number and type of investments it may make.
- Investors in FSIC IV's Class T shares are subject to an annual distribution fee of 1.0% of the estimated value of their shares.
- FSIC IV is a long-term investment for persons of adequate financial means who have no need for liquidity in their investment. To invest in FSIC IV, an investor must have either (i) a net worth (not including home, furnishings and personal automobiles) of at least \$70,000 and an annual gross income of at least \$70,000, or (ii) a net worth (not including home, furnishings and personal automobiles) of at least \$250,000. Some states impose higher suitability standards. Please consult the prospectus for a detailed description of the suitability standards imposed on investors, including heightened standards required by certain states. Shares of FSIC IV are currently not available for investment by residents of New Jersey.
- FSIC IV's previous distributions to stockholders were funded in significant part by the reimbursement of certain expenses, including through the waiver of certain investment advisory fees that are subject to repayment to FSIC IV's affiliate, FS Investments, and FSIC IV's future distributions may be funded from such waivers and reimbursements. Significant portions of these distributions may not be based on FSIC IV's investment performance and such waivers and reimbursements by FS Investments may not continue in the future. If FS Investments were not to reimburse certain of FSIC IV's expenses, including through the waiver of certain advisory fees, significant portions of these distributions may come from offering proceeds or borrowings. The repayment of amounts owed to FS Investments will reduce the future distributions to which investors would otherwise be entitled.
- Upon liquidation or repurchase, market conditions may cause the actual values to be more or less than the values shown.
- Please see FSIC IV's prospectus for a more complete list of risks associated with investing in syndicated loans.

- 1 Stockholder returns (without sales charge) are the total returns an investor received for the highlighted period taking into account all distributions paid during such period, compounded monthly. The calculation assumes that the investor purchased shares at the public offering price for FSIC IV's shares of Class T common stock, excluding any selling commissions, at the beginning of the applicable period and reinvested all distributions pursuant to FSIC IV's distribution reinvestment plan (DRP). Valuation as of the end of each period is the repurchase price pursuant to FSIC IV's share repurchase program on such date. Stockholder returns (without sales charge) do not include selling commissions, which, effective as of January 25, 2017, could total up to 4.25% of the public offering price per share of Class T common stock. Had such selling commissions been included, the performance shown would be lower.
- 2 The stockholder return (with sales charge) is the total return an investor received since inception taking into account all distributions paid during such period, compounded monthly. The calculation assumes that the investor purchased shares at FSIC IV's public offering price per share of Class T common stock, including the then applicable maximum selling commissions (up to 2.20%), at inception and reinvested all distributions pursuant to FSIC IV's DRP. Valuation as of the end of the period assumes such investor tendered all shares of Class T common stock pursuant to FSIC IV's share repurchase program at the repurchase price on such date.
- 3 The annualized distribution rate is expressed as a percentage equal to the projected annualized distribution amount per share of Class T common stock (which is calculated by annualizing the projected regular weekly cash distribution per share of Class T common stock as of February 8, 2017, without compounding), divided by the public offering price per share of Class T common stock as of the date indicated. The annualized distribution rate shown is net of the 1.00% annual distribution fee and may be rounded. For the nine months ended September 30, 2016, 32% of FSIC IV's distributions were funded through net investment income (prior to expense reimbursement), 40% of FSIC IV's distributions were funded through short-term capital gains proceeds from the sale of assets and 28% were funded through expense reimbursements from FSIC IV's sponsor, on a tax basis. The determination of the tax attributes of FSIC IV's distributions is made annually at the end of FSIC IV's fiscal year, and a determination made on an interim basis may not be representative of the actual tax attributes of FSIC IV's distributions for a full year. The actual tax characteristics of distributions to stockholders are reported to stockholders annually on Form 1099-DIV.
- 4 Represents the public offering price of FSIC IV's shares as of February 8, 2017. The public offering price of FSIC IV's shares of Class T common stock is subject to an upfront sales charge of up to 4.25%. Shares of FSIC IV's Class T common stock are also subject to an annual distribution fee of 1.00% of the estimated value of such shares, as determined in accordance with applicable FINRA rules. The public offering price is subject to change. FSIC IV's total operating expenses as a percentage of average net assets attributable to common stock was 6.75% for the period from January 6, 2016 (commencement of operations) to September 30, 2016. Expenses and fees are described more fully in FSIC IV's prospectus. Please consult the prospectus and read it carefully.
- 5 Cumulative cash distributions per share reflect the total regular cash distributions paid since inception on a per share basis as of January 31, 2017. The payment of future distributions on FSIC IV's shares of Class T common stock is subject to the discretion of FSIC IV's board of directors and applicable legal restrictions and, therefore, there can be no assurance as to the amount or timing of any such future distributions.

FS Investment Solutions, LLC ("FS Investment Solutions"), the dealer manager for FSIC IV's public offering, is an affiliate of FSIC IV's investment adviser and serves or has served as the dealer manager for the public offerings of shares by other non-traded funds sponsored by FS Investments. These relationships may create conflicts in connection with FS Investment Solutions' due diligence obligations under the federal securities laws. FS Investment Solutions is entitled to compensation in connection with this offering, including receiving selling commissions (which are generally reallocated to selling broker-dealers) and dealer manager fees based on the gross offering proceeds of shares sold in the offering. FS Investment Solutions may also be reimbursed for accountable due diligence expenses based on the gross offering proceeds of shares sold in this offering. In addition, FSIC IV's investment adviser and its affiliates may face conflicts of interest as a result of compensation arrangements, time constraints and competition for investments, which they will attempt to resolve in a fair and equitable manner.