

BROKERAGE

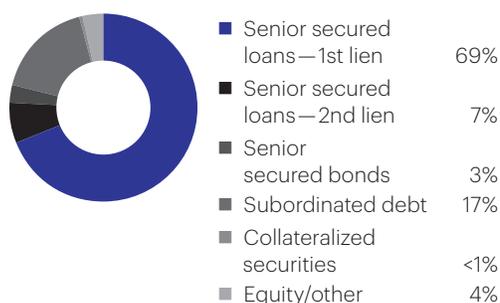
FS INVESTMENT CORPORATION III

FS Investment Corporation III (FSIC III) is a business development company designed to provide a high level of current income. The fund primarily invests in floating rate, senior secured loans of private U.S. middle market companies. The fund closed to new investors in February 2016. It is only available to the institutional channel.

PORTFOLIO COMPOSITION¹

Percentages may change over time depending on market conditions.

ASSET TYPE²



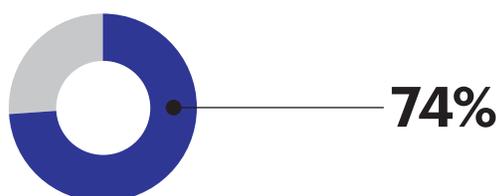
CORE STRATEGIES³

Direct originations	72%
Opportunistic	21%
Total	93%

TOP 10 HOLDINGS⁴

Transplace Texas, LP	5.3%
Global Jet Capital Inc.	4.7%
Equian Buyer Corp.	4.7%
PSKW, LLC	4.4%
Sequential Brands Group, Inc.	3.9%
Production Resource Group, LLC	3.7%
Rogue Wave Software, Inc.	3.7%
JMC Acquisition Merger Corp.	3.4%
Roadrunner Intermediate Acquisition Co., LLC	3.0%
Ceridian HCM Holding, Inc.	2.9%

FLOATING RATE ASSETS²



INDUSTRY

Health Care Equipment & Services	14%
Commercial & Professional Services	13%
Capital Goods	12%
Software & Services	11%
Consumer Services	10%
Energy	9%
Diversified Financials	7%
Transportation	6%
Consumer Durables & Apparel	4%
Media	4%
Materials	4%
Retailing	3%
Technology Hardware & Equipment	1%
Insurance	1%
Telecommunication Services	1%
Food & Staples Retailing	<1%
Automobiles & Components	<1%
Semiconductors & Semiconductor Equipment	<1%
Pharmaceuticals, Biotechnology & Life Sciences	<1%
Real Estate	<1%

Adviser

FSIC III Advisor, LLC,
an affiliate of FS Investments

Sub-adviser

GSO / Blackstone
Debt Funds Management LLC

Inception date

April 2, 2014

Total assets under management

\$3.9 billion

Sponsor commitment⁵ (as of 5/2/2017)

\$18.5 million

Number of portfolio companies

115

Net asset value

\$8.57

Distribution reinvestment price⁶ (as of 5/17/2017)

\$8.64

Distribution frequency⁷

Monthly

Total cash distributions paid per share since inception⁷

\$2.10

Liquidity⁸

Quarterly tender offers

Tax reporting

Form 1099-DIV

An investment in FSIC III involves a high degree of risk and may be considered speculative. Investors are advised to read and carefully consider the risk factors and other important information found in FSIC III's reports filed with the U.S. Securities and Exchange Commission.

FSIC III invests 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 as informational only and is not intended as investment advice or for trading purposes. See the 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 III 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 III's common stock involves; however, you should carefully consider all of the information found in the section of FSIC III's prospectus entitled "Risk Factors" before deciding to invest in shares of FSIC III's common stock.

- Because there is no public trading market for shares of FSIC III's common stock and FSIC III 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 III completes a liquidity event, it is likely that you will receive less than you paid for them. While FSIC III intends to conduct quarterly tender offers for its shares, only a limited number of shares will be eligible for repurchase and FSIC III may amend, suspend or terminate the share repurchase program at any time. In addition, any such repurchases will be at the current institutional offering price on the date of repurchase.
 - FSIC III invests 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 III'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 III 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 the 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 III's operating results.
 - A lack of liquidity in certain of FSIC III's investments may adversely affect its business.
 - FSIC III is subject to financial market risks, including changes in interest rates, which may have a substantial negative impact on its investments.
 - FSIC III has borrowed funds to make investments, which increases the volatility of its investments and may increase the risks of investing in its securities.
 - If FSIC III is unable to raise substantial funds in its ongoing, continuous "best efforts" public offering, then FSIC III will be more limited in the number and type of investments it may make.
 - FSIC III is a long-term investment for persons of adequate financial means who have no need for liquidity in their investment. To invest in FSIC III, 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.
 - FSIC III's previous distributions to stockholders were funded in significant part from the reimbursement of certain expenses, including through the waiver of certain investment advisory fees that are subject to repayment to its affiliate, FS Investments, and FSIC III's future distributions may be funded from such waivers and reimbursements. Significant portions of these distributions may not be based on FSIC III'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 III's expenses, including through the waiver of certain of its advisory fees, significant portions of these distributions may come from offering proceeds or borrowings. The repayment of any amount owed to FS Investments will reduce the future distributions to which you would otherwise be entitled.
- 1 Calculated as a percentage of fair value. Fair value is determined by FSIC III's board of directors.
 - 2 Includes investments held by FSIC III and the assets underlying FSIC III's total return swap (TRS) financing arrangement with Citibank, N.A. Excluding investments held under the TRS, floating rate investments comprised 70% of FSIC III's investment portfolio; investment allocations were 66% senior secured loans—1st lien, 6% senior secured loans—2nd lien, 3% senior secured bonds, 20% subordinated debt, <1% collateralized securities and 5% equity/other.
 - 3 FSIC III defines core investment strategies as any investment that is a direct origination or an opportunistic investment. Broadly syndicated/other investments comprised 7% of FSIC III's portfolio.
 - 4 Securities may be an obligation of one or more entities affiliated with the named company. Percentages shown are net of unfunded commitment amounts.
 - 5 Sponsor commitment means proceeds from investors affiliated with FSIC III Advisor, LLC and GSO / Blackstone Debt Funds Management LLC, including members of FSIC III's board of directors.
 - 6 The distribution reinvestment price is equal to the institutional offering price in effect on the date of issuance (which price is equal to 90% of what the public offering price per share in the independent broker-dealer channel would have been on the date of issuance had FSIC III not closed the offering to investors investing through the independent broker-dealer channel in February 2016).
 - 7 Total cash distributions paid per share since inception are calculated as the total regular cash distributions paid since inception on a per share basis as of March 31, 2017. The payment of future distributions on FSIC III's common stock is subject to the sole discretion of FSIC III'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.
 - 8 FSIC III intends to repurchase a limited number of shares pursuant to its share repurchase program. FSIC III may amend, suspend or terminate its share repurchase program at any time. In addition, any such repurchases will be at the institutional offering price on the date of repurchase. See FSIC III's prospectus for more information.



INVESTMENTS™

FS INVESTMENT CORPORATION III PERFORMANCE

AS OF JUNE 30, 2017 (unless otherwise noted)

STOCKHOLDER RETURNS

	ANNUALIZED DISTRIBUTION RATE ³	PUBLIC OFFERING PRICE ⁴	CUMULATIVE CASH DISTRIBUTIONS PER SHARE since inception ⁵	Without sales charge, compounded monthly ¹					With sales charge, compounded monthly ²	
				YTD	1-YEAR	3-YEAR annualized	5-YEAR annualized	SINCE INCEPTION annualized	CUMULATIVE TOTAL RETURN since inception	CUMULATIVE TOTAL RETURN since inception
FSIC III Inception date: 4/2/14	8.17%	CLOSED	\$2.27	5.2%	14.5%	7.0%	-	7.0%	24.6%	12.1%

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 III 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 III carefully before investing. This and other information may be found in FSIC III's prospectus. Investors may obtain a copy of FSIC III's prospectus free of charge at 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 FSIC III's prospectus and other reports filed with the 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.

RISK FACTORS

An investment in our common stock involves a high degree of risk and may be considered speculative. You should carefully consider the information found in the "Risk Factors" section of our prospectus before deciding to invest in shares of our common stock. The following are some of the risks an investment in our common stock involves:

- Because there is no public trading market for shares of our common stock and we are 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 we complete a liquidity event, it is likely that you will receive less than you paid for them. While we intend to conduct quarterly tender offers for our shares, only a limited number of shares will be eligible for repurchase and we may amend, suspend or terminate the share repurchase program at any time. In addition, any such repurchases will be at the current institutional offering price on the date of repurchase.
 - An investment in our shares is not suitable for you if you might need access to the money you invest in the foreseeable future.
 - You may not have access to the money you invest for an indefinite period of time.
 - We 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.
 - Our 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 us 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 the 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 our operating results.
 - A lack of liquidity in certain of our investments may adversely affect our business.
 - We are subject to financial market risks, including changes in interest rates, which may have a substantial negative impact on our investments.
 - We have borrowed funds to make investments, which increases the volatility of our investments and may increase the risks of investing in our securities.
 - This is a "best efforts" offering and if we are unable to raise substantial funds then we will be more limited in the number and type of investments we may make.
 - FSIC III is a long-term investment for persons of adequate financial means who have no need for liquidity in their investment. To invest in us, 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.
- 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. Except for the YTD and 1-Year periods, the calculation assumes that the investor purchased shares at FSIC III's public offering price, excluding selling commissions and dealer manager fees, at the beginning of the applicable period and reinvested all cash distributions pursuant to FSIC III's distribution reinvestment plan ("DRP"). Since FSIC III closed its public offering to new investors investing through independent broker-dealers (the "IBD Channel") in February 2016, and has since issued new shares to investors who invested through the IBD Channel only pursuant to its DRP, the calculation of FSIC III's Stockholder Returns (Without Sales Charge) for the YTD and 1-Year periods assumes that the investor purchased shares at the beginning of the applicable period at a price based upon FSIC III's DRP on such date. Valuation as of the end of each period is the redemption price pursuant to FSIC III's share repurchase program on such date. Stockholder Returns (Without Sales Charge) do not include selling commissions and dealer manager fees, which have totaled up to 10% of FSIC III's public offering price. Had such selling commissions and dealer manager fees been included, performance would be lower. Upon liquidation or redemption, market conditions may cause the actual values to be more or less than the values shown.
 - 2 Stockholder Returns (With 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 FSIC III's public offering price, including the maximum selling commissions and dealer manager fees, at inception and reinvested all distributions pursuant to FSIC III's DRP. Valuation as of the end of the period is the redemption price pursuant to FSIC III's share repurchase program on such date. Upon liquidation or redemption, market conditions may cause the actual values to be more or less than the values shown.
 - 3 The annualized distribution rate is expressed as a percentage equal to the projected annualized distribution amount per share (which is calculated by annualizing the regular cash distribution per share as of July 3, 2017 without compounding), divided by FSIC III's net asset value per share, which was \$8.57 as of March 31, 2017. To date, FSIC III's distribution rate has not included any distributions paid from offering proceeds or borrowings. The distributions described herein were funded in significant part by the reimbursement of certain expenses, including through the waiver of investment advisory fees, subject to repayment to FS Investments, and FSIC III's future distributions may be funded from such waivers and reimbursements. Significant portions of these distributions were not based on FSIC III's investment performance and such waivers and reimbursements by FS Investments may not continue in the future. If FS Investments had not agreed to reimburse certain of FSIC III's expenses, including through the waiver of certain advisory fees, significant portions of these distributions would have 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. For the three months ended March 31, 2017, 100% of FSIC III's distributions were funded through net investment income on a tax basis. No portion of FSIC III's distributions during the three months ended March 31, 2017 was funded through an expense reimbursement from the fund's sponsor. The determination of the tax attributes of FSIC III's distributions is made annually as of the end of the fund's fiscal year based upon the fund's taxable income for the full year and distributions paid for the full year. Therefore, a determination made on an interim basis may not be representative of the actual tax attributes of FSIC III's distributions for a full year. The actual tax characteristics of distributions to stockholders are reported to stockholders annually on Form 1099-DIV.
 - 4 Although FSIC III closed its offering to new investors investing through the IBD Channel, it continues to offer shares to new investors through the institutional channel at the institutional offering price. FSIC III's shares are no longer subject to a sales load, but are still subject to offering expenses of up to 1.5% of the gross proceeds received in its offering. FSIC III's ratio of total operating expenses and excise taxes to average net assets was 7.51% for the year ended December 31, 2016.
 - 5 Cumulative cash distributions per share reflect the total regular cash distributions paid since inception on a per share basis as of June 30, 2017. The payment of future distributions on FSIC III's shares is subject to the sole discretion of FSIC III'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 the public offering, is an affiliate of the investment advisers 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. Prior to February 2016, FS Investment Solutions was entitled to compensation in connection with this offering, including receiving selling commissions (which were generally re-allowed to selling broker-dealers) and dealer manager fees based on the gross offering proceeds of shares sold in the offerings. FS Investment Solutions may also be reimbursed for accountable due diligence expenses based on the gross offering proceeds of shares sold in these offerings. In addition, the investment advisers and their 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.