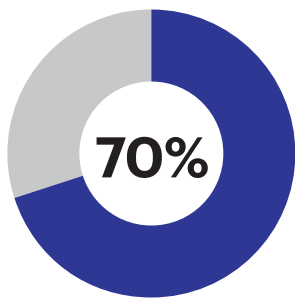




FS INVESTMENT CORPORATION III

FS Investment Corporation III (FSIC III) is an alternative investment fund that invests primarily in floating rate, senior secured loans of private U.S. middle market companies. It is designed to provide a high level of current income. FSIC III is closed to new investors.

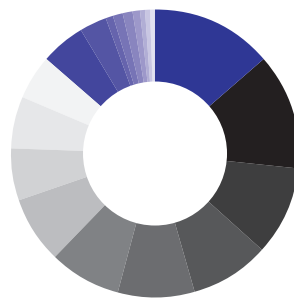
FLOATING RATE ASSETS^{1,2}



1 Calculated as a percentage of fair value. Fair value is determined by FSIC III's board of directors.

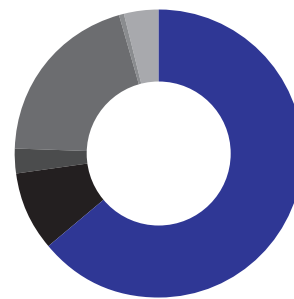
2 Includes investments held by FSIC III and the assets underlying FSIC III's total return swap (TRS) financing arrangement with Citibank, N.A. A TRS is a contract in which one party agrees to make periodic payments to another party based on the change in the market value of the assets underlying the TRS, which may include a specified security, basket of securities or securities indices during a specified period, in return for periodic payments based on a fixed or variable interest rate. Excluding investments held under the TRS, floating rate investments comprised 67% of FSIC III's investment portfolio and investment allocations were 63% senior secured loans—1st lien, 8% senior secured loans—2nd lien, 3% senior secured bonds, 22% subordinated debt, <1% collateralized securities and 4% equity/other.

HOLDINGS BY INDUSTRY¹



Commercial & Professional Services	14%
Capital Goods	13%
Software & Services	10%
Health Care Equipment & Services	9%
Consumer Services	9%
Energy	8%
Diversified Financials	8%
Media	6%
Transportation	6%
Materials	5%
Consumer Durables & Apparel	5%
Retailing	3%
Food, Beverage & Tobacco	1%
Technology Hardware & Equipment	1%
Insurance	1%
Telecommunication Services	1%
Automobiles & Components	<1%
Semiconductors & Semiconductor Equipment	<1%
Food & Staples Retailing	<1%

ASSET TYPE^{1,2}



Senior secured loans—1st lien	64%
Senior secured loans—2nd lien	9%
Senior secured bonds	3%
Subordinated debt	20%
Collateralized securities	<1%
Equity/other	4%

CORE STRATEGIES¹

Direct originations	72%
Opportunistic	21%
Total	93%

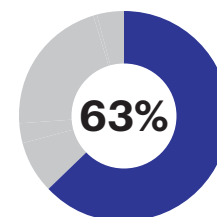
An investment in FSIC III involves a high degree of risk and may be considered speculative. Investors are advised to consider the investment objectives, risks, and charges and expenses of FSIC III carefully before investing. Investors should read and carefully consider all information found in FSIC III's reports filed with the U.S. Securities and Exchange Commission (SEC) before investing. Investors may obtain a copy of these filings free of charge at www.fsinvestments.com or by contacting FS Investments at 201 Rouse Boulevard, Philadelphia, PA 19112 or by phone at 877-628-8575.

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 brochure is intended as informational only and is not intended as investment advice or for trading purposes. For additional information, contact your financial advisor.

Percentages and other numbers in this brochure may have been rounded.

The tables below exclude investments underlying FSIC III's total return swap (TRS) financing arrangement with Citibank, N.A.

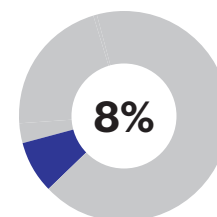


Senior secured loans — first lien

PORTFOLIO COMPANY ^a	WEIGHTING ^b	INDUSTRY	LOCATION ^c	RATE ^d	FLOOR	MATURITY
Transplace Texas, LP	5.2%	Transportation	Frisco, TX	L+742	1.0%	9/16/21
ConnectiveRx, LLC	4.5%	Health Care Equipment & Services	Whippany, NJ	L+829	1.0%	11/25/21
Sequential Brands Group, Inc.	3.8%	Consumer Durables & Apparel	New York, NY	L+900	—	7/1/22
Rogue Wave Software, Inc.	3.6%	Software & Services	Louisville, CO	L+860	1.0%	9/25/21
JMC Acquisition Merger Corp.	3.4%	Capital Goods	Des Plaines, IL	L+854	1.0%	11/6/21
Roadrunner Intermediate Acquisition Co., LLC	2.9%	Health Care Equipment & Services	Greenwood Village, CO	L+725	1.0%	3/15/23
Nobel Learning Communities, Inc.	2.5%	Consumer Services	West Chester, PA	L+436	4.5%	5/5/23
5 Arch Income Fund 2, LLC ^f	2.2%	Diversified Financials	Irvine, CA	10.5%	—	11/18/21
Production Resource Group, LLC ^f	2.0%	Media	Armonk, NY	L+750	1.0%	1/14/19
JSS Holdings, Inc. ^f	1.9%	Capital Goods	Chicago, IL	L+800, 0.0% PIK (2.5% max PIK)	1.0%	3/31/23
Greystone Equity Member Corp.	1.5%	Diversified Financials	New York, NY	L+1100	—	3/31/21
Zeta Interactive Holdings Corp. ^f	1.4%	Software & Services	New York, NY	L+750	1.0%	7/29/22
Borden Dairy Co.	1.4%	Food, Beverage & Tobacco	Dallas, TX	L+825	1.0%	7/6/23
SSC (Lux) Limited S.à r.l.	1.3%	Health Care Equipment & Services	Braintree, MA	L+750	1.0%	9/10/24
All Systems Holding LLC	1.3%	Commercial & Professional Services	Pittsburgh, PA	L+770	1.0%	10/31/23
Dade Paper & Bag, LLC	1.3%	Capital Goods	Jersey City, NJ	L+750	1.0%	6/10/24
Empire Today, LLC	1.3%	Retailing	Northlake, IL	L+800	1.0%	11/17/22
Safariland, LLC	1.3%	Capital Goods	Jacksonville, FL	L+769	1.1%	11/18/23
Latham Pool Products, Inc.	1.3%	Commercial & Professional Services	Latham, NY	L+775	1.0%	6/29/21
Propulsion Acquisition, LLC	1.2%	Commercial & Professional Services	Cincinnati, OH	L+600	1.0%	7/13/21
Waste Pro USA, Inc.	1.0%	Commercial & Professional Services	Longwood, FL	L+750	1.0%	10/15/20
BenefitMall Holdings, Inc.	1.0%	Commercial & Professional Services	Dallas, TX	L+725	1.0%	11/24/20
ATX Networks Corp.	0.9%	Technology Hardware & Equipment	Ajax, Canada	L+600	1.0%	6/11/21
Atlas Aerospace LLC	0.8%	Capital Goods	Wichita, KS	L+802	1.0%	5/8/19
Greystone Equity Member Corp.	0.8%	Diversified Financials	New York, NY	L+1050	—	3/31/21
SunGard Availability Services Capital, Inc.	0.7%	Software & Services	Wayne, PA	L+700	1.0%	9/30/21
North Haven Cadence Buyer, Inc.	0.6%	Consumer Services	Scottsdale, AZ	L+810	1.0%	9/2/22
Polymer Additives, Inc.	0.6%	Materials	Independence, OH	L+834	1.0%	12/19/22
Actian Corp.	0.6%	Software & Services	Palo Alto, CA	L+796	1.0%	6/30/22
CSafe Acquisition Co., Inc. ^f	0.6%	Capital Goods	Dayton, OH	L+725	1.0%	10/31/23
Power Distribution, Inc.	0.6%	Capital Goods	Richmond, VA	L+725	1.3%	1/25/23
Polymer Additives, Inc.	0.6%	Materials	Independence, OH	L+888	1.0%	12/19/22
AG Group Merger Sub, Inc.	0.5%	Commercial & Professional Services	Chicago, IL	L+750	1.0%	12/29/23
AVF Parent, LLC ^f	0.5%	Retailing	Warren, MI	L+725	1.3%	3/1/24
Warren Resources, Inc. ^f	0.5%	Energy	Dallas, TX	L+900, 1.0% PIK (1.0% max PIK)	1.0%	5/22/20
Panda Temple Power, LLC ^{a,h}	0.5%	Energy	Dallas, TX	L+625	1.0%	3/6/22
Swift Worldwide Resources US Holdings Corp.	0.5%	Energy	Houston, TX	L+1000, 1.0% PIK (1.0% max PIK)	1.0%	7/20/21

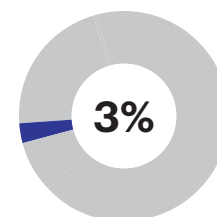
Senior secured loans — first lien (continued)

PORTFOLIO COMPANY ^a	WEIGHTING ^b	INDUSTRY	LOCATION ^c	RATE ^d	FLOOR	MATURITY
PHRC License, LLC	0.5%	Consumer Services	Orlando, FL	L+850	1.5%	4/28/22
Greystone Equity Member Corp. ^f	0.4%	Diversified Financials	New York, NY	L+1100	—	3/31/21
Zeta Interactive Holdings Corp. ^f	0.4%	Software & Services	New York, NY	L+750	1.0%	7/29/22
FullBeauty Brands Holdings Corp.	0.4%	Consumer Durables & Apparel	New York, NY	L+800	1.0%	10/14/20
Sequel Youth and Family Services, LLC	0.4%	Health Care Equipment & Services	Huntsville, AL	L+796	1.0%	9/1/22
Trace3, LLC	0.4%	Software & Services	Irvine, CA	L+775	1.0%	6/6/23
Cactus Wellhead, LLC	0.3%	Energy	Houston, TX	L+600	1.0%	7/31/20
Industrial Group Intermediate Holdings, LLC	0.3%	Materials	Rye, NY	L+800	1.3%	5/31/20
U.S. Xpress Enterprises, Inc.	0.3%	Transportation	Chattanooga, TN	L+1050, 0.0% PIK (1.8% max PIK)	1.5%	5/30/19
Aspect Software, Inc.	0.3%	Software & Services	Phoenix, AZ	L+1000	1.0%	5/25/20
H.M. Dunn Co., Inc.	0.3%	Capital Goods	Euless, TX	L+947	1.0%	3/26/21
ATX Networks Corp.	0.3%	Technology Hardware & Equipment	Ajax, Canada	L+600	1.0%	6/11/21
Hybrid Promotions, LLC	0.2%	Consumer Durables & Apparel	Cypress, CA	L+850	1.0%	12/19/20
Fairway Group Acquisition Co.	0.2%	Food & Staples Retailing	New York, NY	12.0% PIK (12.0% max PIK)	—	1/3/20
USI Senior Holdings, Inc.	0.2%	Capital Goods	St. Paul, MN	L+780	1.0%	1/5/22
Aspect Software, Inc. ^f	0.1%	Software & Services	Phoenix, AZ	L+1000	1.0%	5/25/18
Sorenson Communications, Inc.	0.1%	Telecommunication Services	Salt Lake City, UT	L+575	2.3%	4/30/20
Strike, LLC	0.1%	Energy	The Woodlands, TX	L+800	1.0%	11/30/22
Gulf Finance, LLC	0.1%	Energy	Wellesley Hills, MA	L+525	1.0%	8/25/23
Altus Power America, Inc. ^f	0.1%	Energy	Greenwich, CT	L+750	1.5%	9/30/21
Nobel Learning Communities, Inc. ^f	0.1%	Consumer Services	West Chester, PA	L+450	1.0%	5/5/21
Fox Head, Inc.	0.0%	Consumer Durables & Apparel	Irvine, CA	L+850	1.0%	12/19/20
Strike, LLC ^f	0.0%	Energy	The Woodlands, TX	L+800	1.0%	5/30/19
Fairway Group Acquisition Co.	0.0%	Food & Staples Retailing	New York, NY	10.0% PIK (10.0% max PIK)	—	1/3/20
SunGard Availability Services Capital, Inc. ^f	0.0%	Software & Services	Wayne, PA	L+450	—	3/8/18
York Risk Services Holding Corp.	0.0%	Insurance	Parsippany, NJ	L+375	1.0%	10/1/21
CSafe Acquisition Co., Inc. ^f	0.0%	Capital Goods	Dayton, OH	L+725	1.0%	11/1/21
Panda Temple Power, LLC	0.0%	Energy	Dallas, TX	L+900	1.0%	4/28/18
UTEX Industries, Inc.	0.0%	Energy	Houston, TX	L+400	1.0%	5/21/21
Sports Authority, Inc. ^{g,h}	0.0%	Retailing	Englewood, CO	L+600	1.5%	11/16/17
Safariland, LLC ^f	0.0%	Capital Goods	Jacksonville, FL	L+725	1.1%	11/18/23
Nobel Learning Communities, Inc. ^f	0.0%	Consumer Services	West Chester, PA	L+375	4.5%	5/5/23
North Haven Cadence Buyer, Inc. ^f	0.0%	Consumer Services	Scottsdale, AZ	L+750	1.0%	9/2/22
USI Senior Holdings, Inc. ^f	0.0%	Capital Goods	St. Paul, MN	L+725	1.0%	1/5/22
Aspect Software, Inc. ^f	0.0%	Software & Services	Phoenix, AZ	L+1200	1.0%	5/25/18
North Haven Cadence Buyer, Inc. ^f	0.0%	Consumer Services	Scottsdale, AZ	L+500	1.0%	9/2/21
Sequel Youth and Family Services, LLC ^f	0.0%	Health Care Equipment & Services	Huntsville, AL	L+700	1.0%	9/1/22
CEVA Group Plc ^f	0.0%	Transportation	London, United Kingdom	L+500	—	3/19/19
BMC Software Finance, Inc. ^f	0.0%	Software & Services	Houston, TX	L+400	—	9/10/20



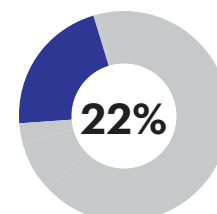
Senior secured loans — second lien

PORTFOLIO COMPANY ^a	WEIGHTING ^b	INDUSTRY	LOCATION ^c	RATE ^d	FLOOR	MATURITY
Production Resource Group, LLC	3.7%	Media	Armonk, NY	L+850	1.0%	7/23/19
Titan Energy Operating, LLC	0.8%	Energy	Pittsburgh, PA	2.0%, L+1100 PIK (L+1100 max PIK)	1.0%	2/23/20
Arena Energy, LP	0.7%	Energy	The Woodlands, TX	L+900, 4.0% PIK (4.0% max PIK)	1.0%	1/24/21
Spencer Gifts LLC	0.6%	Retailing	Egg Harbor Twp., NJ	L+825	1.0%	6/29/22
Gruden Acquisition, Inc.	0.3%	Transportation	Tampa, FL	L+850	1.0%	8/18/23
LTI Holdings, Inc.	0.3%	Materials	Pleasanton, CA	L+875	1.0%	5/16/25
CDS U.S. Intermediate Holdings, Inc.	0.3%	Media	Montreal, Canada	L+825	1.0%	7/10/23
Byrider Finance, LLC	0.1%	Automobiles & Components	Carmel, IN	L+1000, 0.5% PIK (4.0% max PIK)	1.3%	8/22/20
Talos Production LLC	0.1%	Energy	Houston, TX	11.0%	—	4/3/22
Compuware Corp.	0.1%	Software & Services	Detroit, MI	L+825	1.0%	12/15/22
Casablanca US Holdings Inc.	0.1%	Consumer Services	Newtown Square, PA	L+900	1.0%	3/31/25
Jonah Energy LLC	0.1%	Energy	Denver, CO	L+650	1.0%	5/12/21
Logan's Roadhouse, Inc.	0.1%	Consumer Services	Nashville, TN	L+850 PIK (L+850 max PIK)	1.0%	11/23/20
Fieldwood Energy LLC	0.1%	Energy	Houston, TX	L+713	1.3%	9/30/20
Jazz Acquisition, Inc.	0.1%	Capital Goods	Peachtree City, GA	L+675	1.0%	6/19/22
Fairway Group Acquisition Co.	0.0%	Food & Staples Retailing	New York, NY	11.0% PIK (11.0% max PIK)	—	10/3/21
UTEX Industries, Inc.	0.0%	Energy	Houston, TX	L+725	1.0%	5/20/22
Chisholm Oil and Gas Operating, LLC	0.0%	Energy	Tulsa, OK	L+800	1.0%	3/21/24
Crossmark Holdings, Inc.	0.0%	Media	Plano, TX	L+750	1.3%	12/21/20
Ascent Resources - Marcellus, LLC ^{ah}	0.0%	Energy	Oklahoma City, OK	L+750	1.0%	8/4/21
Chief Exploration & Development LLC	0.0%	Energy	Dallas, TX	L+650	1.0%	5/16/21



Senior secured bonds

PORTFOLIO COMPANY ^a	WEIGHTING ^b	INDUSTRY	LOCATION ^c	RATE ^d	FLOOR	MATURITY
Caesars Growth Properties Holdings, LLC	0.7%	Consumer Services	Las Vegas, NV	9.4%	—	5/1/22
Diamond Resorts International, Inc.	0.7%	Consumer Services	Las Vegas, NV	7.8%	—	9/1/23
CSVC Acquisition Corp.	0.4%	Diversified Financials	Baton Rouge, LA	7.8%	—	6/15/25
Sorenson Communications, Inc.	0.3%	Telecommunication Services	Salt Lake City, UT	9.0%, 0.0% PIK (9.0% max PIK)	—	10/31/20
Global A&T Electronics Ltd. ^{g,h}	0.3%	Semiconductors & Semiconductor Equipment	Singapore	10.0%	—	2/1/19
CH2M Hill Companies, Ltd.	0.3%	Capital Goods	Englewood, CO	10.0%	—	4/28/20
Caesars Entertainment Resort Properties, LLC	0.1%	Consumer Services	Las Vegas, NV	8.0%	—	10/1/20
Sunnova Energy Corp.	0.1%	Energy	Houston, TX	6.0%, 6.0% PIK (6.0% max PIK)	—	10/24/18
Velvet Energy Ltd.	0.1%	Energy	Calgary, Canada	9.0%	—	10/5/23
CEVA Group Plc	0.1%	Transportation	London, United Kingdom	7.0%	—	3/1/21
Avantor, Inc. ^e	0.0%	Materials	Center Valley, PA	6.0%	—	10/1/24
Black Swan Energy Ltd.	0.0%	Energy	Calgary, Canada	9.0%	—	1/20/24
Ridgeback Resources Inc.	0.0%	Energy	Calgary, Canada	12.0%	—	12/29/20
Greystone Mezzanine Equity Member Corp. ^f	0.0%	Diversified Financials	New York, NY	L+650	4.5%	9/15/25

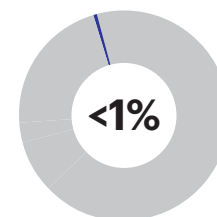


Subordinated debt

PORTFOLIO COMPANY ^a	WEIGHTING ^b	INDUSTRY	LOCATION ^c	RATE ^d	FLOOR	MATURITY
Ceridian HCM Holding, Inc.	2.9%	Commercial & Professional Services	Minneapolis, MN	11.0%	—	3/15/21
NewStar Financial, Inc.	2.3%	Diversified Financials	Boston, MA	8.3%, 0.0% PIK (8.8% max PIK)	—	12/4/24
Global Jet Capital Inc.	2.0%	Commercial & Professional Services	Boca Raton, FL	15.0% PIK (15.0% max PIK)	—	12/4/25
P.F. Chang's China Bistro, Inc.	2.0%	Consumer Services	Scottsdale, AZ	10.3%	—	6/30/20
Coveris Holdings S.A.	1.7%	Materials	Luxembourg City, Luxembourg	7.9%	—	11/1/19
Avantor, Inc. ^e	1.5%	Materials	Center Valley, PA	9.0%	—	10/1/25
PriSo Acquisition Corp.	1.5%	Capital Goods	Irving, TX	9.0%	—	5/15/23
CEC Entertainment, Inc.	1.2%	Consumer Services	Irving, TX	8.0%	—	2/15/22
York Risk Services Holding Corp.	1.0%	Insurance	Parsippany, NJ	8.5%	—	10/1/22
Ascent Resources Utica Holdings, LLC	0.9%	Energy	Oklahoma City, OK	10.0%	—	4/1/22
Jupiter Resources Inc.	0.7%	Energy	Calgary, Canada	8.5%	—	10/1/22
Canbriam Energy Inc.	0.6%	Energy	Calgary, Canada	9.8%	—	11/15/19
Global Jet Capital Inc.	0.4%	Commercial & Professional Services	Boca Raton, FL	15.0% PIK (15.0% max PIK)	—	2/17/26
Global Jet Capital Inc.	0.4%	Commercial & Professional Services	Boca Raton, FL	15.0% PIK (15.0% max PIK)	—	12/2/26

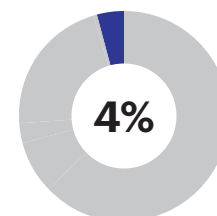
Subordinated debt (continued)

PORTFOLIO COMPANY ^a	WEIGHTING ^b	INDUSTRY	LOCATION ^c	RATE ^d	FLOOR	MATURITY
Global Jet Capital Inc.	0.3%	Commercial & Professional Services	Boca Raton, FL	15.0% PIK (15.0% max PIK)	—	12/9/25
SunGard Availability Services Capital, Inc.	0.3%	Software & Services	Wayne, PA	8.8%	—	4/1/22
Calumet Specialty Products Partners, L.P.	0.3%	Energy	Indianapolis, IN	7.8%	—	4/15/23
Eclipse Resources Corp.	0.3%	Energy	State College, PA	8.9%	—	7/15/23
Bellatrix Exploration Ltd.	0.3%	Energy	Calgary, Canada	8.5%	—	5/15/20
Global Jet Capital Inc.	0.3%	Commercial & Professional Services	Boca Raton, FL	15.0% PIK (15.0% max PIK)	—	4/14/26
Great Lakes Dredge & Dock Corp. ^e	0.3%	Capital Goods	Oak Brook, IL	8.0%	—	5/15/22
Sorenson Communications, Inc.	0.2%	Telecommunication Services	Salt Lake City, UT	13.9%, 0.0% PIK (13.9% max PIK)	—	10/31/21
Exterran Energy Solutions, L.P.	0.2%	Capital Goods	Houston, TX	8.1%	—	5/1/25
TI Group Automotive Systems, LLC	0.2%	Automobiles & Components	Oxford, United Kingdom	8.8%	—	7/15/23
Global Jet Capital Inc.	0.2%	Commercial & Professional Services	Boca Raton, FL	15.0% PIK (15.0% max PIK)	—	1/29/26
Global Jet Capital Inc.	0.2%	Commercial & Professional Services	Boca Raton, FL	15.0% PIK (15.0% max PIK)	—	4/30/25
Northern Oil and Gas, Inc.	0.1%	Energy	Minnetonka, MN	8.0%	—	6/1/20
Global Jet Capital Inc.	0.0%	Commercial & Professional Services	Boca Raton, FL	15.0% PIK (15.0% max PIK)	—	9/3/25
Global Jet Capital Inc.	0.0%	Commercial & Professional Services	Boca Raton, FL	15.0% PIK (15.0% max PIK)	—	9/29/25
Global Jet Capital Inc.	0.0%	Commercial & Professional Services	Boca Raton, FL	15.0% PIK (15.0% max PIK)	—	1/30/25
EV Energy Partners, L.P.	0.0%	Energy	Houston, TX	8.0%	—	4/15/19
S1 Blocker Buyer Inc.	0.0%	Commercial & Professional Services	Pittsburgh, PA	10.0% PIK (10.0% max PIK)	—	10/31/22



Collateralized securities

PORTFOLIO COMPANY ^a	WEIGHTING ^b	INDUSTRY	LOCATION ^c	RATE ^d	FLOOR	MATURITY
NewStar Clarendon 2014-1A Class Subord. B	0.2%	Diversified Financials	Boston, MA	15.0%	—	1/25/27
NewStar Clarendon 2014-1A Class D	0.0%	Diversified Financials	Boston, MA	L+435	—	1/25/27



Equity/other

PORTFOLIO COMPANY ^a	WEIGHTING ^b	INDUSTRY	LOCATION ^c
Global Jet Capital Holdings, LP, Preferred Equity ^d	1.4%	Commercial & Professional Services	Boca Raton, FL
Aspect Software Parent, Inc., Common Equity ^d	1.1%	Software & Services	Phoenix, AZ
JMC Acquisition Holdings, LLC, Common Equity ^d	0.3%	Capital Goods	Des Plaines, IL
Zeta Interactive Holdings Corp., Preferred Equity, Series E-1 ^d	0.3%	Software & Services	New York, NY
Zeta Interactive Holdings Corp., Preferred Equity, Series F ^d	0.3%	Software & Services	New York, NY
SandRidge Energy, Inc., Common Equity ^d	0.1%	Energy	Oklahoma City, OK
Ridgeback Resources Inc., Common Equity ^d	0.1%	Energy	Calgary, Canada
Harvey Holdings, LLC, Common Equity ^d	0.1%	Capital Goods	Waltham, MA
Warren Resources, Inc., Common Equity ^d	0.1%	Energy	Dallas, TX
Sunnova Energy Corp., Common Equity ^d	0.1%	Energy	Houston, TX
SSC Holdco Limited, Common Equity ^d	0.1%	Health Care Equipment & Services	Braintree, MA
5 Arches, LLC, Common Equity	0.1%	Diversified Financials	Irvine, CA
White Star Petroleum Holdings, LLC, Common Equity ^d	0.0%	Energy	Oklahoma City, OK
North Haven Cadence TopCo, LLC, Common Equity ^d	0.0%	Consumer Services	Scottsdale, AZ
ASG Everglades Holdings, Inc., Warrants, 6/27/2022 ^d	0.0%	Software & Services	Naples, FL
PDI Parent LLC, Common Equity ^d	0.0%	Capital Goods	Richmond, VA
Altus Power America Holdings, LLC, Preferred Equity	0.0%	Energy	Greenwich, CT
ACP FH Holdings, LP, Common Equity ^d	0.0%	Consumer Durables & Apparel	Irvine, CA
TE Holdings, LLC, Preferred Equity ^d	0.0%	Energy	Oklahoma City, OK
H.I.G. Empire Holdco, Inc., Common Equity ^d	0.0%	Retailing	Northlake, IL
S1 Blocker Buyer Inc., Common Equity	0.0%	Commercial & Professional Services	Pittsburgh, PA
Zeta Interactive Holdings Corp., Warrants, 4/20/2027 ^d	0.0%	Software & Services	New York, NY
Altus Power America Holdings, LLC, Common Equity ^d	0.0%	Energy	Greenwich, CT
TE Holdings, LLC, Common Equity ^d	0.0%	Energy	Oklahoma City, OK
Sequential Brands Group, Inc., Common Equity ^d	0.0%	Consumer Durables & Apparel	New York, NY
Industrial Group Intermediate Holdings, LLC, Common Equity ^d	0.0%	Materials	Rye, NY
Titan Energy, LLC, Common Equity ^d	0.0%	Energy	Pittsburgh, PA
JSS Holdco, LLC, Net Profits Interest ^d	0.0%	Capital Goods	Chicago, IL
Sunnova Energy Corp., Preferred Equity ^d	0.0%	Energy	Houston, TX
CSF Group Holdings, Inc., Common Equity ^d	0.0%	Capital Goods	Dayton, OH
ATX Holdings, LLC, Common Equity ^d	0.0%	Technology Hardware & Equipment	Ajax, Canada
Escape Velocity Holdings, Inc., Common Equity ^d	0.0%	Software & Services	Irvine, CA
Chisholm Oil and Gas, LLC, Series A Units ^d	0.0%	Energy	Tulsa, OK
ACP FH Holdings GP, LLC, Common Equity ^d	0.0%	Consumer Durables & Apparel	Irvine, CA
Fairway Group Holdings Corp., Common Equity ^d	0.0%	Food & Staples Retailing	New York, NY
NewStar Financial, Inc., Warrants, 11/4/2024 ^d	0.0%	Diversified Financials	Boston, MA
Roadhouse Holding Inc., Common Equity ^d	0.0%	Consumer Services	Nashville, TN

a Security may be an obligation of one or more entities affiliated with the named company.

b Calculated as a percentage of fair value. Certain percentages may have been rounded. Fair value is determined by FSIC III's board of directors.

c Location represents the state or country in which the portfolio company is headquartered or has its principal operating location.

d L, or LIBOR, is the London Interbank Offered Rate.

e Position or portion thereof unsettled as of September 30, 2017.

f Weighting percentage shown net of unfunded amount.

g Security is non-income producing.

h Asset is on non-accrual status.



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 FSIC III's annual report on Form 10-K and other periodic reports filed with the SEC 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. 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.
- 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.
- FSIC III is a long-term investment for persons of adequate financial means who have no need for liquidity in their investment.
- 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.

FS Investment Solutions, LLC (FS Investment Solutions), the dealer manager for FSIC III's public offering, is an affiliate of FSIC III'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. Prior to February 2016, FS Investment Solutions was entitled to compensation in connection with this offering, including receiving selling commissions (which were 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 III'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.