

Class I: FCRIX Class A: FCREX Class L: FCRLX Class M: FCRMX Class T: FCRTX

## FS CREDIT INCOME FUND

A multi-sector alternative income fund

### STRATEGY

**Actively managed, flexible strategy seeking to access differentiated sources of income<sup>1</sup>**

- Focus on credit investments beyond the scope of a traditional “core” fixed income portfolio to seek a high level of income
- Flexibly invest across credit markets with the goal of generating differentiated returns
- Actively manage what we view as key risks of fixed income investing

### MANAGERS

**A skilled team with extensive credit experience**

#### FS INVESTMENTS

A leading asset manager that designs alternative investments to help institutions, advisors and individual investors build better, more diversified portfolios

Manages over \$20 billion in assets<sup>2</sup>

#### GOLDENTREE ASSET MANAGEMENT

An employee-owned global asset management firm that specializes in opportunities across the diverse credit universe

50 investment professionals with an average of 16 years’ experience<sup>3</sup>

Manages over \$25 billion in assets<sup>3</sup>

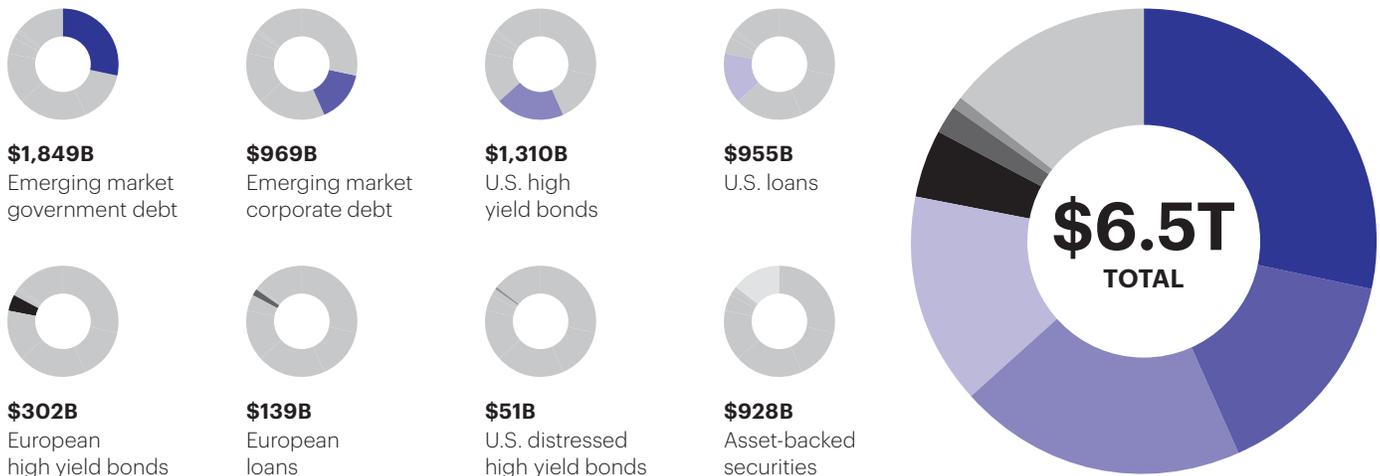
### STRUCTURE

**An interval fund structure to optimize investment management flexibility**

- Ability to invest in less liquid assets, which can provide the opportunity for a return premium
- Long-term capital base allows the managers to invest without managing to daily redemptions and avoid being a forced seller
- Continuous offering helps take advantage of buying opportunities

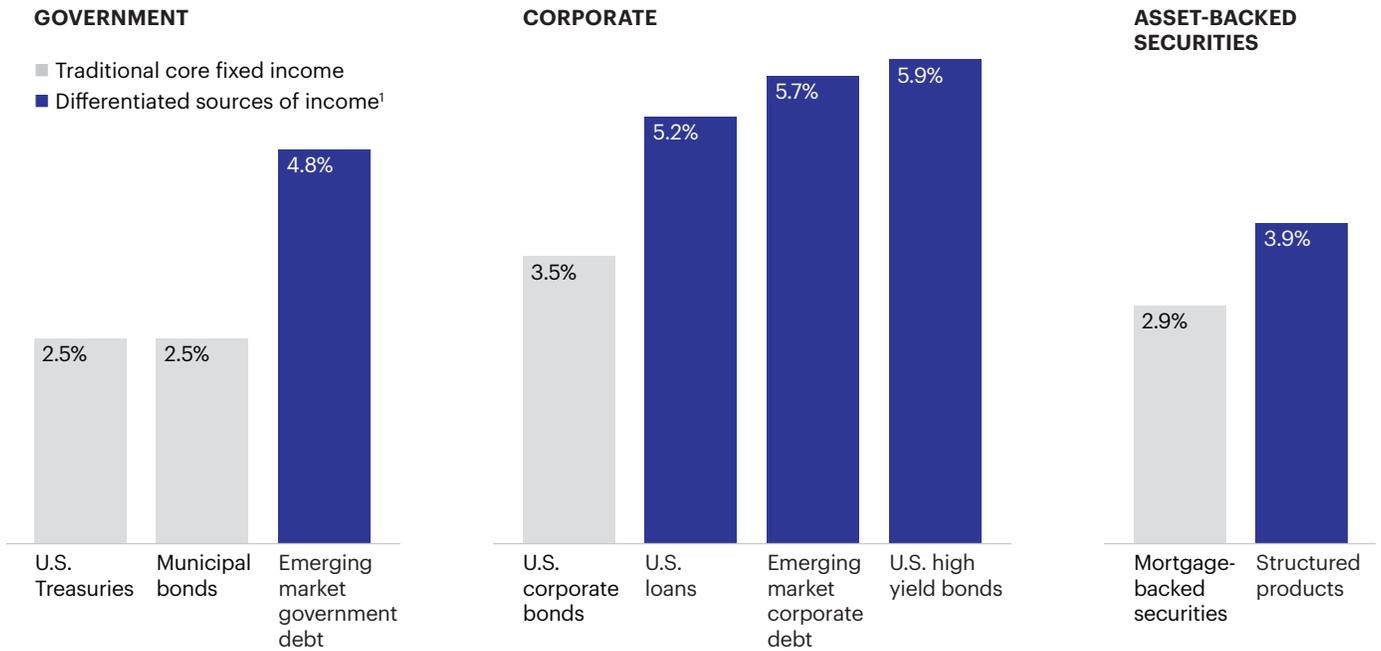
### A BROADER APPROACH TO GENERATE ALTERNATIVE SOURCES OF POTENTIAL INCOME

A \$6.5 trillion market opportunity exists beyond core fixed income<sup>4</sup>



Finding income in harder to access areas of the credit market may provide opportunity<sup>5</sup>

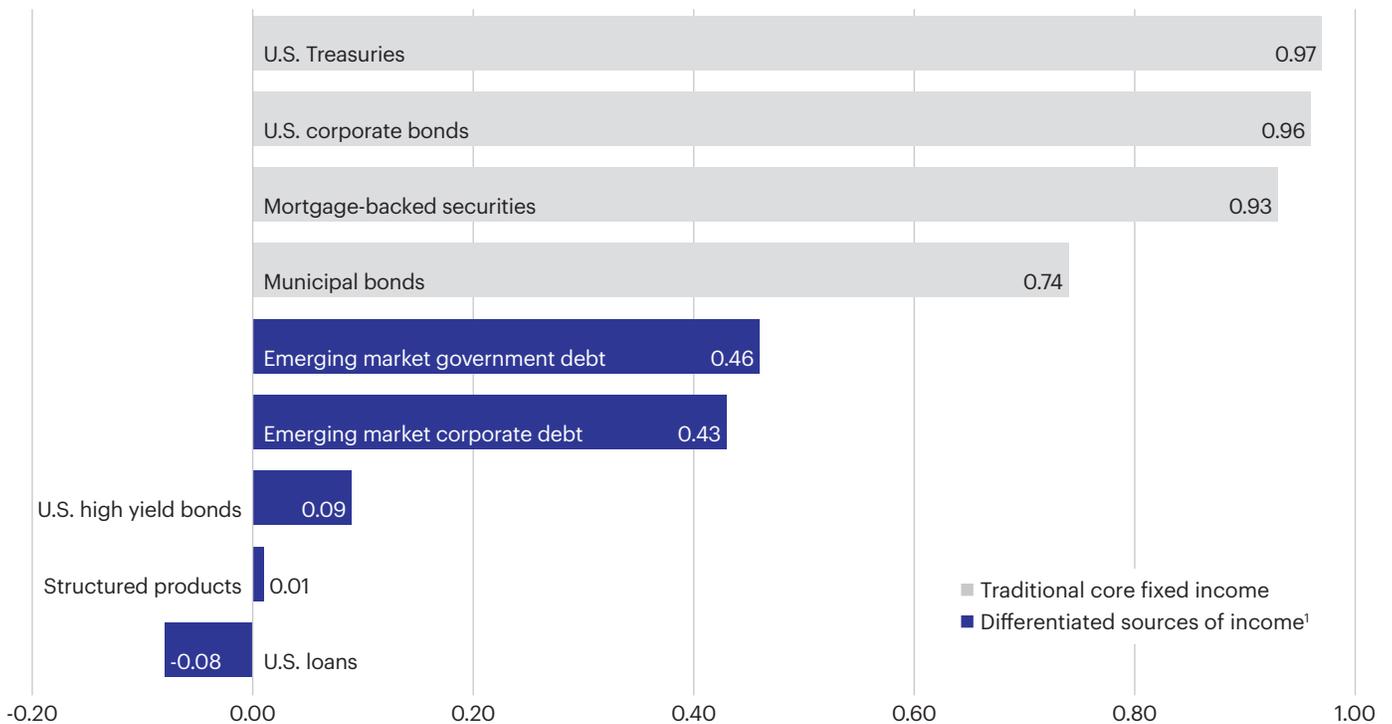
**CURRENT YIELD AS OF DECEMBER 31, 2017**



Past performance is not a guarantee of future results.

Harder to access areas of the credit markets can help diversify a traditional fixed income portfolio

**CORRELATION TO THE BARCLAYS U.S. AGGREGATE BOND INDEX (2013–2017)<sup>5</sup>**

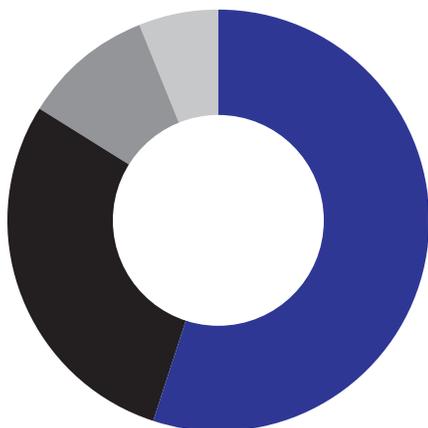


Diversification does not protect an investor from market risk and does not ensure a profit. The benchmarks are shown for illustrative purposes only. An investment cannot be made directly in an index. The Fund's actual investments and performance may differ substantially from those of the indices presented. See index definitions on the last page.

## INTRODUCING FS CREDIT INCOME FUND

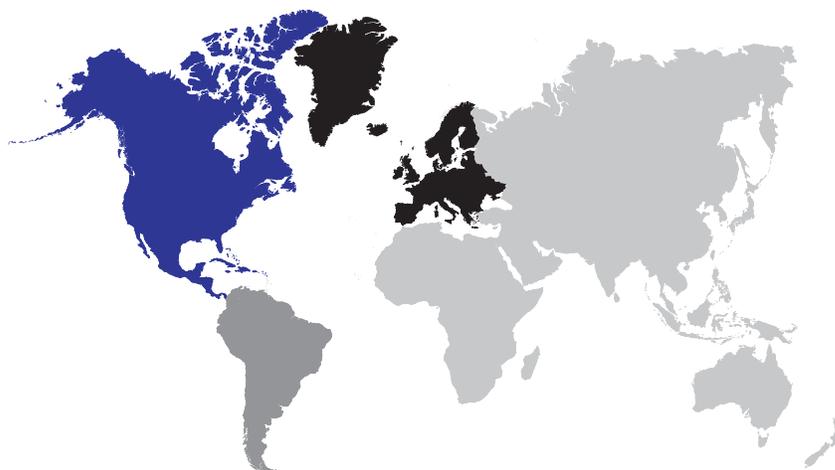
A multi-sector alternative income fund that broadly invests across credit markets to identify attractive relative value opportunities

### ASSET CLASS<sup>6</sup>



■ High yield and senior secured bonds	55%
■ Structured products	29%
■ Loans	10%
■ Emerging market debt	6%

### REGION<sup>6</sup>



■ North America	67%
■ Europe	17%
■ South America	10%
■ Other	6%

Seeks to manage what we view as key risks of fixed income investing



#### Interest rate risk

Focus on low-duration and floating rate assets



#### Credit risk

Ability to leverage proprietary research on over 1,000 issuers, with a focus on investments with over \$500 million in enterprise value and 1.5x asset coverage



#### Liquidity risk

Interval fund structure allows the creation of a long-term capital base and limits the likelihood of being forced to sell at inopportune times

## Key terms

<b>Objective</b>	Seeks to generate an attractive total return consisting of current income and capital appreciation by investing in a diverse range of income-producing investments
<b>Structure</b>	Non-diversified, closed-end interval fund
<b>Manager</b>	FS Investments
<b>Sub-adviser</b>	GoldenTree Asset Management
<b>Portfolio allocation</b>	Dynamic allocation model to target best risk-return opportunities across the fixed income universe including loans, bonds, structured products and distressed debt
<b>Current maximum offering</b>	\$2 billion
<b>Valuation</b>	Daily pricing and publicly reported net asset value
<b>Distributions<sup>7</sup></b>	Quarterly (subject to the Board's discretion and applicable legal restrictions)
<b>Repurchase offers<sup>8</sup></b>	Quarterly, no less than 5% and no more than 25% of shares outstanding
<b>Tax reporting</b>	Form 1099-DIV

## SHARE CLASSES

### Class I

**TICKER** FCRIX  
**CUSIP** 30300R203

### Class A

**TICKER** FCREX  
**CUSIP** 30300R104

### Class L

**TICKER** FCRLX  
**CUSIP** 30300R302

### Class M

**TICKER** FCRMX  
**CUSIP** 30300R401

### Class T

**TICKER** FCRTX  
**CUSIP** 30300R500



**TO LEARN MORE ABOUT INVESTING IN ALTERNATIVES**

visit [www.fsinvestments.com/fcrix](http://www.fsinvestments.com/fcrix)

## DEFINITIONS

**Structured products** may include, but is not limited to, collateralized loan obligations, residential mortgage-backed securities and other asset-backed securities.

**Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). **Duration** is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates, expressed as a number of years.

- 1 Differentiated sources of income refers to non-core fixed income investments (including, but not limited to, emerging market government debt, high yield bonds, emerging market corporate debt and structured products). The yield of these investments may be higher than those of core fixed income investments (including, but not limited to, U.S. Treasuries, investment grade corporate bonds and U.S. municipal bonds). Investing in non-core asset classes may carry increased risks as compared to core fixed income assets, including credit risk and liquidity risk.
- 2 As of December 31, 2017.
- 3 As of December 7, 2017.
- 4 As of December 31, 2017. Emerging market government debt is represented by the JPMorgan EMBI Global Index and the JPMorgan GBI-EM Index. Emerging market corporate debt is represented by the JPMorgan CEMBI Broad Index. U.S. high yield bonds are represented by the ICE BofAML U.S. High Yield Index. U.S. loans are represented by the S&P/LSTA Leveraged Loan Index. European high yield bonds are represented by the ICE BofAML European High Yield Index. European loans are represented by the S&P European Leveraged Loan Index. U.S. distressed high yield bonds are represented by the ICE BofAML U.S. High Yield Distressed Index. Asset-backed securities are represented by the JPMorgan CLOIE Index and Clarity Solutions Group, LLC and the JPMorgan ABS Index.
- 5 Bloomberg. As of December 31, 2017. U.S. Treasuries are represented by the ICE BofAML U.S. Treasury Index. Municipal bonds are represented by the ICE BofAML U.S. Municipal Securities Index. U.S. corporate bonds are represented by the ICE BofAML U.S. Corporate Master Index. Mortgage-backed securities are represented by the ICE BofAML U.S. Fixed Rate CMBS Index. Emerging market government debt is represented by the JPMorgan EMBI Global Index. U.S. loans are represented by the S&P/LSTA Leveraged Loan Index. Emerging market corporate debt is represented by the JPMorgan CEMBI Broad Index. U.S. high yield bonds are represented by the ICE BofAML U.S. High Yield Index. Structured products represented by the JPMorgan CLOIE Index and Clarity Solutions Group, LLC.
- 6 Portfolio as of January 31, 2018. Holdings and allocations are subject to change.
- 7 The payment of 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 distributions. 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 a return of capital, borrowings or expense reimbursements and waivers. Class L, Class M and Class T Shares will pay to the distributor a distribution fee (the "Distribution Fee") that will accrue at an annual rate of up to 0.25% of the Fund's average daily net assets attributable to the respective share class and will be payable on a monthly basis. Class A Shares and Class I Shares are not subject to a distribution fee.
- 8 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 (unless suspended or postponed in accordance with regulatory requirements), 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.

Securities offered through ALPS Distributors, Inc. (1290 Broadway, Suite 1100, Denver, CO 80203, member FINRA), the distributor of FS Credit Income Fund. FS Investment Solutions, LLC is an affiliated broker-dealer that serves as the exclusive wholesale marketing agent for FS Credit Income Fund. FS Investment Solutions, LLC and ALPS Distributors, Inc. are not affiliated.

**An investment in FS Credit Income Fund (the "Fund") 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 the Fund carefully before investing. The Fund's prospectus contains this and other information about the Fund. Investors may obtain a copy of the Fund's prospectus free of charge at [www.fsinvestments.com](http://www.fsinvestments.com) or by contacting FS Investments at 201 Rouse Blvd., Philadelphia, PA 19112 or by phone at 877-628-8575. Investors should read and carefully consider all information found in the Fund's prospectus and other reports filed with the U.S. Securities and Exchange Commission before investing.**

This Fund is new and has a limited operating history. 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 may be particularly susceptible to economic downturns. The Fund is subject to interest rate risk and will decline in value as interest rates rise. The Fund may engage in leveraging and other speculative investment practices that may increase the risk of loss of investment and accelerate the velocity of potential losses. In addition to the normal risks associated with investing, investing in international and emerging markets may involve 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 are often more volatile than other investments and may magnify the Fund's gains or losses. 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.

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