

## FS INVESTMENT CORPORATION II

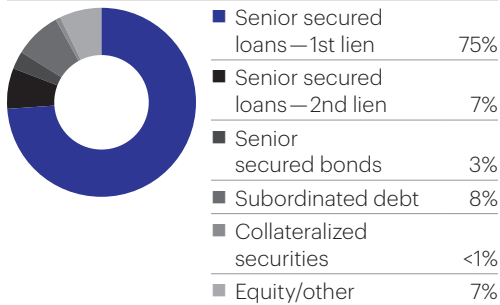
FS Investment Corporation II (FSIC II) is a business development company that closed to new investors in March 2014.

The fund primarily invests in floating rate, senior secured loans of private U.S. middle market companies.

### Portfolio composition<sup>1</sup>

These percentages may change over time depending on market conditions.

#### Asset type



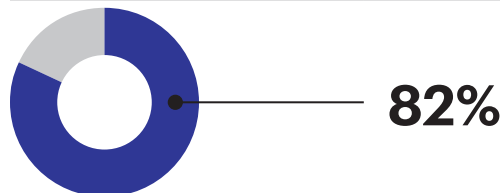
#### Core strategies<sup>2</sup>

Direct originations	84%
Opportunistic	13%
<b>Total</b>	<b>97%</b>

#### Top 10 holdings<sup>1,3</sup>

Production Resource Group, LLC	5.4%
Dade Paper & Bag, LLC	3.6%
Sequential Brands Group, Inc.	3.6%
Sorenson Communications, Inc.	3.4%
Industrial Group Intermediate Holdings, LLC	3.1%
JMC Acquisition Merger Corp.	2.8%
SSC (Lux) Limited S.à r.l.	2.5%
All Systems Holding LLC	2.4%
Polymer Additives, Inc.	2.1%
Empire Today, LLC	2.1%

#### Floating rate assets



#### Industry

Capital Goods	20%
Materials	10%
Consumer Services	9%
Energy	9%
Commercial & Professional Services	8%
Consumer Durables & Apparel	7%
Media	7%
Software & Services	7%
Health Care Equipment & Services	6%
Retailing	4%
Insurance	3%
Telecommunication Services	3%
Diversified Financials	2%
Transportation	2%
Automobiles & Components	1%
Food, Beverage & Tobacco	1%
Technology Hardware & Equipment	1%
Food & Staples Retailing	<1%
Pharmaceuticals, Biotechnology & Life Sciences	<1%
Semiconductors & Semiconductor Equipment	<1%

### Key facts

#### Adviser

FS/KKR Advisor, LLC

#### Inception date

June 18, 2012

#### Total assets under management

\$4.98 billion

#### Number of portfolio companies

122

#### Net asset value

\$8.40

#### Annualized distribution rate<sup>4</sup> (based on net asset value)

8.98%

#### Annualized distribution amount<sup>4</sup>

\$0.75

#### Distribution reinvestment price<sup>5</sup> (as of 4/30/2018)

\$8.60

#### Distribution frequency<sup>6</sup>

Monthly

#### Total cash distributions paid per share since inception<sup>7</sup>

\$4.35

#### Liquidity<sup>8</sup>

Quarterly tender offers

#### Tax reporting

Form 1099-DIV

**An investment in FSIC II 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 II carefully before investing. Investors should read and carefully consider all information found in FSIC II'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](http://www.fsinvestments.com) or by contacting FS Investments at 201 Rouse Boulevard, Philadelphia, PA 19112 or by phone at 877-628-8575.**

FSIC II 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

An investment in the common stock of FSIC II involves a high degree of risk and may be considered speculative. The following are some of the risks an investment in FSIC II's common stock involves; however, you should carefully consider all of the information found in FSIC II's annual report on Form 10-K and other periodic reports filed with the SEC before deciding to invest in shares of FSIC II's common stock.

- Because there is no public trading market for shares of FSIC II's common stock and FSIC II 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 II intends to conduct quarterly tender offers for its shares, only a limited number of shares will be eligible for repurchase and FSIC II may amend, suspend or terminate the share repurchase program at any time.
- FSIC II'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 II 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 II's operating results.
- A lack of liquidity in certain of FSIC II's investments may adversely affect its business.
- FSIC II is subject to financial market risks, including changes in interest rates, which may have a substantial negative impact on FSIC II's investments.
- FSIC II has borrowed funds to make investments, which increases the volatility of FSIC II's investments and may increase the risks of investing in our securities.
- FSIC II is a long-term investment for persons of adequate financial means who have no need for liquidity in their investment.

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

2 FSIC II defines core investment strategies as any investment that is a direct origination or an opportunistic investment. Broadly syndicated/other investments comprised 3% of FSIC II's portfolio as of March 31, 2018.

3 Securities may be an obligation of one or more entities affiliated with the named company. Percentages shown are net of unfunded commitment amounts.

4 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 regular monthly cash distribution per share as of the date indicated, without compounding), divided by FSIC II's net asset value (NAV) per share as of the date indicated. The annualized distribution rate shown may be rounded. The payment of future distributions on FSIC II's shares of common stock is subject to the discretion of FSIC II'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 three months ended March 31, 2018, 100% of FSIC II's distributions were funded through net investment income, on a tax basis. No portion of FSIC II's distributions during the three months ended March 31, 2018 was funded through expense reimbursements from FSIC II's sponsor. The determination of the tax attributes of FSIC II's distributions is made annually at the end of FSIC II's fiscal year, and a determination made on an interim basis may not be representative of the actual tax attributes of FSIC II's distributions for a full year. The actual tax characteristics of distributions to stockholders are reported to stockholders annually on Form 1099-DIV. FSIC II's total expenses as a percentage of average net assets attributable to common stock was 9.10% for the year ended December 31, 2017.

5 The distribution reinvestment price is subject to change. The price at which shares of FSIC II's common stock are issued under its distribution reinvestment plan is determined by FSIC II's board of directors, or a committee thereof, at a price per share that is (i) not less than the net asset value per share immediately prior to the payment of the distribution and (ii) not more than 2.5% greater than the net asset value per share as of such date.

6 The payment of future distributions on FSIC II's shares of common stock is subject to the discretion of FSIC II'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.

7 Total cash distributions paid per share are calculated as the total regular cash distributions paid since inception on a per share basis as of March 31, 2018. The payment of future distributions on FSIC II's common stock is subject to the sole discretion of FSIC II'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 II intends to repurchase a limited number of shares pursuant to its share repurchase program. FSIC II may amend, suspend or terminate its share repurchase program at any time. In addition, any such repurchases will be at the distribution reinvestment price on the date of repurchase.