

Class I: XFEYX Class A: XFEAX Class L: XFELX Class M: XFEMX Class T: XFETX

## FS ENERGY TOTAL RETURN FUND

Finding opportunities for income and growth in energy and energy infrastructure

### STRATEGY

**A flexible total return strategy to invest across the energy industry focused on generating income and growth**

- We believe the fund offers attractive income potential by investing in energy infrastructure companies along with favorable opportunities to generate capital appreciation.
- The strategy may provide greater flexibility to invest across the entire energy industry compared to traditional energy investment options.
- Energy as an investment can be volatile. However, periods of volatility may offer opportunities for active managers with a flexible investment strategy to generate returns.

### MANAGERS

**A skilled team with extensive energy expertise in a diverse market**

#### FS INVESTMENTS

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

- Over \$20 billion in assets under management<sup>1</sup>
- Over \$5.3 billion invested in energy<sup>1</sup>

#### MAGNETAR CAPITAL

A leading alternative investment manager with expertise in energy, global event-driven, quantitative and fixed income investing:

- \$13.2 billion in assets under management<sup>1</sup>
- \$3.5 billion in energy sector assets<sup>1</sup>

### STRUCTURE

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

- The fund is designed for long-term investing yet with the flexibility to offer quarterly redemptions on a limited basis.
- We believe the structure allows access to a potential return premium associated with limited liquidity and illiquid assets.
- Pricing based on net asset value may help to limit portfolio volatility driven by market movements unrelated to the fund's performance.

### FAVORABLE ENERGY TRENDS

Energy and energy infrastructure companies represent a \$4.5 trillion universe and are a critical part of the U.S. economy.<sup>2</sup>



**35%**

projected increase in total world energy consumption from 2016 to 2040<sup>3</sup>



**41%**

of the growth in oil and natural gas supply is expected to come from North America by 2040<sup>3</sup>



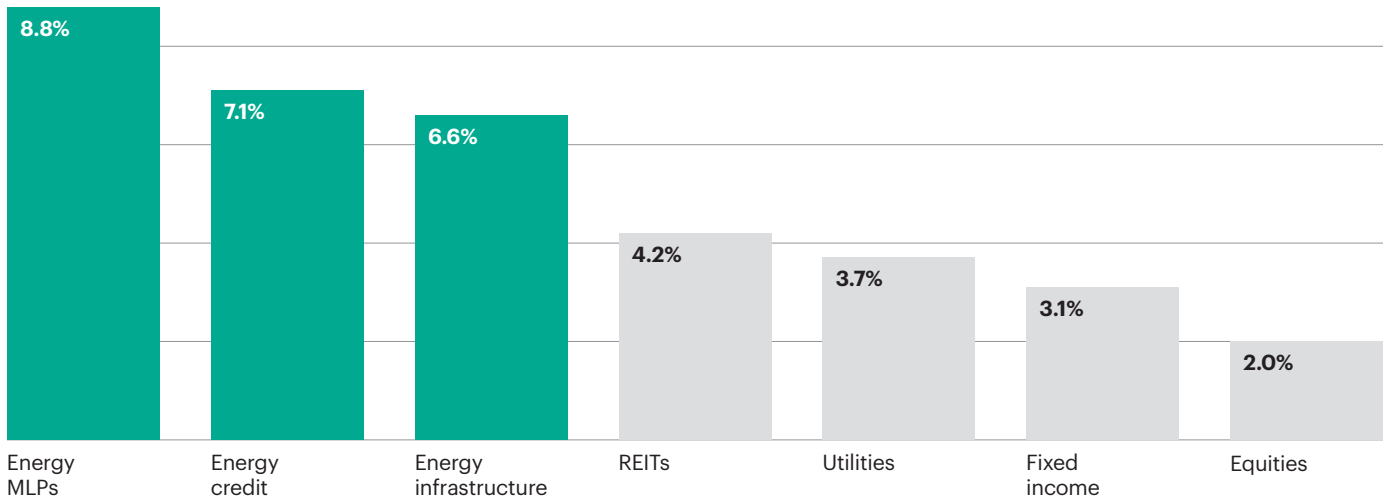
**>50%**

of U.S. energy infrastructure was built before the 1980s<sup>4</sup>

**OPPORTUNITY FOR INCOME AND GROWTH**

Investment opportunity provides the potential to generate income.

**DISTRIBUTION RATES AND YIELD (AS OF 3/31/18)<sup>5</sup>**



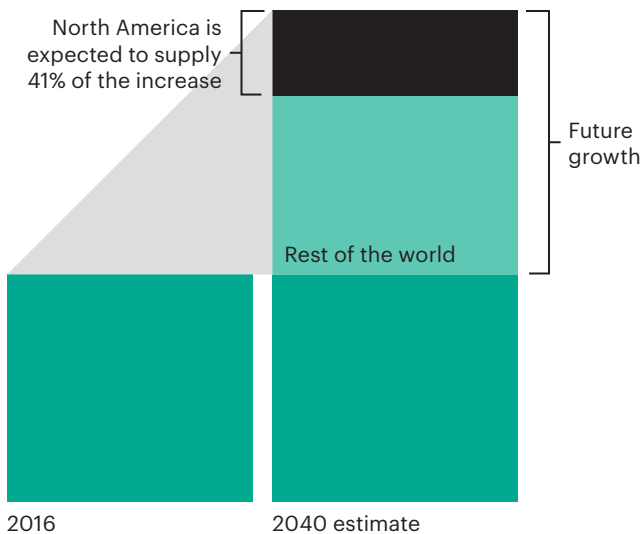
Past performance is no guarantee of future results. Energy MLPs, energy credit, energy infrastructure and fixed income represent yield. REITs, utilities and equities represent distribution rates.

**Opportunity for growth**

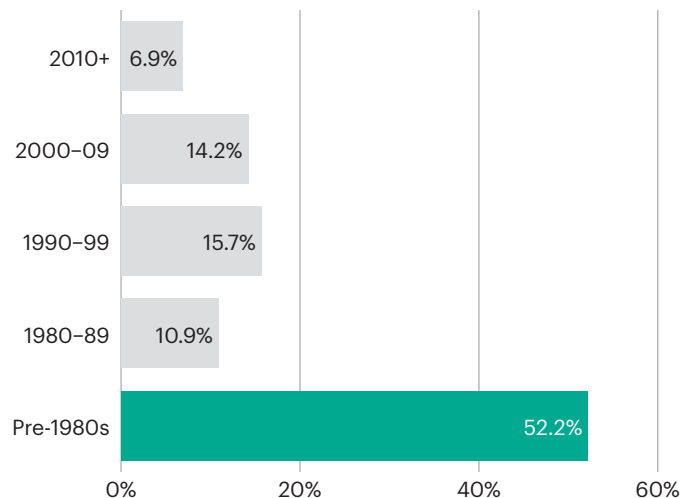
The rest of the world may increasingly rely on North America to meet its energy needs as non-U.S. oil production is expected to decline.

Energy companies will require an increasing amount of capital in order to finance the repair and upkeep of America’s aging energy infrastructure.

**GLOBAL CRUDE OIL AND NATURAL GAS SUPPLY<sup>3</sup>**



**DATE OF INSTALLATION (MILES %)<sup>4</sup>**



## MANAGER MATTERS

Actively allocating across energy subsectors may help mitigate volatility and offer more opportunity to generate returns.

### ENERGY SUBSECTOR ANNUAL TOTAL RETURN RANKINGS<sup>6</sup>

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Crude oil +57.2%	Natural gas -21.4%	Crude oil +77.9%	Midstream equities +35.9%	Midstream equities +13.9%	Natural gas +15.4%	Midstream equities +27.6%	Midstream equities +4.8%	Large-cap energy equities -23.6%	Crude oil +45.0%	Crude oil +12.5%
Energy services equities +38.5%	Energy credit -24.7%	Midstream equities +76.4%	Energy services equities +29.8%	Energy credit +8.5%	Energy credit +11.7%	Upstream equities +27.1%	Natural gas 0.0%	Energy credit -23.6%	Energy credit +38.4%	Natural gas +10.8%
Upstream equities +36.6%	Large-cap energy equities -35.9%	Energy services equities +66.5%	Upstream equities +28.0%	Crude oil +8.2%	Midstream equities +4.8%	Energy services equities +26.2%	Energy credit -7.4%	Crude oil -30.5%	Upstream equities +37.1%	Energy credit +7.6%
Large-cap energy equities +32.4%	Midstream equities -36.9%	Energy credit +51.1%	Large-cap energy equities +17.9%	Large-cap energy equities +2.8%	Upstream equities +3.1%	Natural gas +25.3%	Large-cap energy equities -10.0%	Midstream equities -32.6%	Energy services equities +27.3%	Large-cap energy equities -3.8%
Natural gas +30.2%	Upstream equities -43.1%	Upstream equities +38.8%	Crude oil +15.1%	Upstream equities +0.5%	Large-cap energy equities +2.3%	Large-cap energy equities +22.3%	Upstream equities -30.1%	Upstream equities -36.7%	Large-cap energy equities +23.7%	Midstream equities -6.5%
Midstream equities +12.7%	Crude oil -53.5%	Large-cap energy equities +11.3%	Energy credit +13.0%	Energy services equities -5.5%	Energy services equities 0.0%	Crude oil +7.2%	Energy services equities -35.4%	Energy services equities -37.8%	Midstream equities +18.3%	Upstream equities -10.1%
Energy credit +5.6%	Energy services equities -57.9%	Natural gas +3.6%	Natural gas -27.4%	Natural gas -29.6%	Crude oil -7.1%	Energy credit +6.1%	Crude oil -45.9%	Natural gas -40.8%	Natural gas +9.4%	Energy services equities -22.5%

Past performance does not guarantee future results. This data is for illustrative purposes only. An investment cannot be made directly in an index.

## Key terms

<b>Fund objective</b>	FS Energy Total Return Fund, a non-diversified closed-end interval fund, seeks to generate an attractive total return consisting of current income and capital appreciation by investing primarily in the equity and debt securities of energy and energy infrastructure companies.
<b>Managers</b>	FS Investments and Magnetar Capital
<b>Structure</b>	Continuously offered, non-traded interval fund offering at least 5% quarterly liquidity
<b>Portfolio allocation</b>	Targeting at least 80% of its total assets in energy and energy infrastructure companies, under normal market conditions
<b>Current maximum offering</b>	\$2 billion
<b>Offering price<sup>7</sup></b>	Shares will be sold at a public offering price equal to the then-current NAV per share, plus applicable sales load.
<b>Distributions<sup>8</sup></b>	Quarterly (subject to the Board's discretion and applicable legal restrictions)
<b>Repurchase offers<sup>9</sup></b>	Quarterly (no less than 5% of shares outstanding)
<b>Tax reporting</b>	Form 1099-DIV

Terms summarized herein are for informational purposes and qualified in their entirety by the more detailed information set forth in FS Energy Total Return Fund's prospectus. You should read the prospectus carefully before investing.

## Share classes

Class I	Class A	Class L	Class M	Class T
TICKER XFEYX CUSIP 302682109	TICKER XFEAX CUSIP 302682208	TICKER XFELX CUSIP 302682505	TICKER XFEMX CUSIP 302682604	TICKER XFETX CUSIP 302682406



### TO LEARN MORE ABOUT INVESTING IN ALTERNATIVES

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

- 1 As of December 31, 2017.
- 2 Bloomberg as of February 2018. Assets in private and public energy, power, and energy infrastructure companies.
- 3 As of February 20, 2018. 2018 BP Energy Outlook.
- 4 As of February 14, 2018. U.S. DOT Pipeline and Hazardous Materials Safety Administration (PHMSA), FS Investments. Infrastructure represented by liquids and natural gas pipelines as defined by PHMSA.
- 5 Data as of March 31, 2018. The primary difference between a distribution rate and yield hinges on whether or not the income an investor receives is a contractual obligation of the issuer. For example, an interval fund's distribution does not represent a contractual obligation of the fund. As a result, the amount and timing of an interval fund's distribution may be subject to change over time and may constitute a return of capital that would reduce an investor's principal investment amount. However, a high yield bond's yield is simply a bond's coupon — which is a contractual obligation of the issuer — divided by its price. Energy MLPs represented by the Alerian MLP Total Return Index. It is the leading gauge of energy master limited partnerships (MLPs) and is a capped, float-adjusted, capitalization-weighted index whose constituents represent approximately 85% of total float-adjusted market capitalization. Energy MLPs may be subject to market and commodity price risk. Energy credit represented by the ICE BofAML U.S. High Yield Energy Index. It is designed to track the performance of U.S. dollar-denominated high yield rated corporate debt publicly issued in the U.S. domestic energy market. Energy infrastructure represented by the Alerian Midstream Energy Select Index. It is a composite of North American energy infrastructure companies and is a capped, float-adjusted, capitalization-weighted index whose constituents are engaged in midstream activities involving energy commodities. Energy infrastructure may be subject to market and commodity price risk. REITs represented by the FTSE NAREIT All Equity REITs Index. It is a free-float adjusted market cap-weighted index that includes all tax-qualified REITs listed in the NYSE, AMEX and NASDAQ national markets. Equity REITs may be subject to market and interest rate risk. Utilities represented by the S&P 500 Utilities Index. It is a sub-industry group of the S&P 500, cap-weighted index designed to measure the performance of domestic utility companies through changes in their aggregate market value. Utilities may be subject to market risk. Fixed income represented by the Bloomberg Barclays U.S. Aggregate Bond Index. It 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, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities (agency and non-agency). Fixed income may be subject to interest rate and default risk. Equities represented by the S&P 500 Total Return Index. It is the benchmark of large-cap U.S. equities. The index includes 500 leading companies, captures approximately 80% coverage of available market capitalization and assumes all resulting dividends are automatically reinvested. Equities may be subject to market risk.
- 6 As of 1/1/2007–12/31/2017. Subsectors are represented by the following: Crude oil: West Texas Intermediate spot price; Natural gas: Henry Hub spot price; Large-cap energy equities: S&P 500 Energy Index; Upstream equities: S&P 500 Oil & Gas Exploration & Production Index; Energy services equities: S&P 500 Oil & Gas Equipment & Services Index; Energy credit: ICE BofAML U.S. High Yield Energy Index; Midstream equities: Alerian MLP Index.
- 7 Please see the prospectus for information on how the fund calculates the NAV per share.
- 8 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 return of capital or borrowings. Class L, Class M and Class T Shares will pay to the distributor a distribution fee that will accrue at an annual rate equal 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.
- 9 There is no guarantee that shareholders will be able to sell all of the shares they desire to sell in a quarterly repurchase offer, although the fund will offer to purchase at least 5% (but no more than 25%) of the outstanding shares of the fund at NAV in each quarterly repurchase offer, unless such offer is suspended or postponed in accordance with regulatory requirements.

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

**An investment in FS Energy Total Return 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 877-372-9880. 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.**

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. Investments in natural resource companies, master limited partnerships (MLPs), royalty trusts, equity securities (including dividend-paying securities, private investment in public equity transactions and securities of smaller capitalization companies), debt instruments, high yield instruments and U.S. government debt securities; energy commodity prices and the volume of, and demand for, energy commodities; the highly cyclical nature of the natural resource and energy sectors; fluctuations of interest rates; investments in non-U.S. securities and securities denominated in foreign currencies and the economic impact on the Fund's fixed income investments and investments in illiquid and restricted securities may create such risk. 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.

Other risks relating to the Fund include risks resulting from: the Fund's lack of operating history; the recently established relationship between FS Energy Advisor, LLC and Magnetar Asset Management LLC, as well as each entity's limited experience in advising or sub-advising a registered investment company ("RIC"); the Fund's long-term investment horizon, management and dependence on key personnel; the liquidity risks associated with the Fund's closed-end interval fund structure; risks related to regulatory changes impacting investments in commodities and derivatives; the anti-takeover provisions in the Fund's declaration of trust and bylaws; the Fund's status as a non-diversified investment company; and the Fund's status as a RIC for U.S. federal income tax purposes.

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, 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.

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