



Q3 Fact sheet

As of 9/30/2018

unless otherwise noted

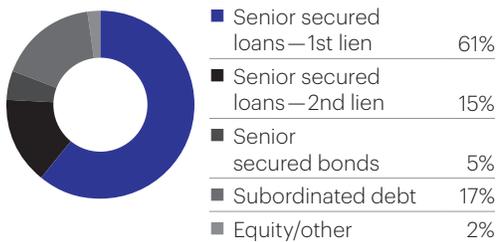
FS Investment Corporation IV

FS Investment Corporation IV (FSIC IV) 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. FSIC IV is closed to new investors.

Portfolio composition¹

Percentages may change depending on market conditions.

Asset type²



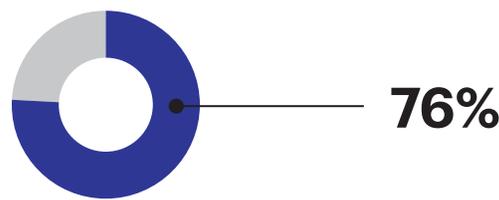
Core strategies³

Direct originations	57%
Opportunistic	17%
Total	74%

Top 10 holdings⁴

Avantor, Inc.	5.0%
Kodiak BP, LLC	4.7%
AVF Parent, LLC	4.7%
Ascent Resources Utica Holdings, LLC	4.0%
JSS Holdings, Inc.	3.7%
AG Group Merger Sub, Inc.	3.1%
York Risk Services Holding Corp.	3.1%
TKC Holdings, Inc.	3.0%
FullBeauty Brands Holdings Corp.	3.0%
Sequel Youth and Family Services, LLC	3.0%

Floating rate assets²



Industry

Capital Goods	28%
Retailing	12%
Materials	11%
Consumer Services	8%
Energy	8%
Health Care Equipment & Services	8%
Commercial & Professional Services	7%
Software & Services	7%
Diversified Financials	3%
Insurance	3%
Food, Beverage & Tobacco	2%
Automobiles & Components	1%
Food & Staples Retailing	1%
Technology Hardware & Equipment	1%
Consumer Durables & Apparel	<1%
Telecommunication Services	<1%

Key facts

Adviser

FS/KKR Advisor, LLC

Inception date

January 6, 2016

Total assets under management

\$368 million

Net asset value

\$10.98

Annualized distribution rate⁵ (based on net asset value)

6.43%

Annualized distribution amount⁵

\$0.71

Annual distribution fee⁶

1.00%

Total operating expenses⁷

5.27%

Distribution reinvestment price⁸ (as of 11/30/2018)

\$11.00

Distribution frequency⁹

Monthly

Total cash distribution paid since inception¹⁰ (as of 11/30/2018)

\$1.96

Liquidity¹¹

Quarterly tender offers

Tax reporting

Form 1099-DIV

An investment in FSIC IV 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 IV carefully before investing. Investors should read and carefully consider all information found in FSIC IV'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 IV 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 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

Investing in FSIC IV 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 IV's common stock involves; however, you should carefully consider all of the information found in FSIC IV's annual report on Form 10-K and other periodic reports filed with the SEC before deciding to invest in shares of FSIC IV's common stock.

- Because there is no public trading market for shares of FSIC IV's common stock and FSIC IV 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 IV intends to conduct quarterly tender offers for its shares, only a limited number of shares will be eligible for repurchase and FSIC IV may amend, suspend or terminate the share repurchase program at any time.
- FSIC IV 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 IV'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 IV 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 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 IV's operating results.
- A lack of liquidity in certain of FSIC IV's investments may adversely affect FSIC IV's business.
- FSIC IV is subject to financial market risks, including changes in interest rates, which may have a substantial negative impact on FSIC IV's investments.
- FSIC IV has borrowed funds to make investments, which increases the volatility of FSIC IV's investments and may increase the risks of investing in FSIC IV's securities.
- FSIC IV has limited operating history and is subject to the business risks and uncertainties associated with any new business.
- Investors in FSIC IV's Class T shares are subject to an annual distribution fee as described in FSIC IV's prospectus.
- FSIC IV is a long-term investment for persons of adequate financial means who have no need for liquidity in their investment. FSIC IV's previous distributions to stockholders were funded in significant part from the reimbursement of certain expenses, including the waiver of certain investment advisory fees, and its future distributions may be funded from waivers and reimbursements from FS/KKR Advisor, LLC. Significant portions of these distributions were not based on FSIC IV's investment performance, and waivers and reimbursements by FS/KKR Advisor, LLC may not continue in the future. If FS/KKR Advisor, LLC were not to reimburse certain of FSIC IV's expenses, including through the waiver of certain advisory fees, significant portions of these distributions may come from offering proceeds or borrowings. The repayment of amounts owed to FS/KKR Advisor, LLC will reduce the future distributions to which investors would otherwise be entitled.

- 1 Calculated as a percentage of fair value. Fair value is determined by FSIC IV's board of directors.
- 2 Includes investments held by FSIC IV and the assets underlying FSIC IV's total return swap (TRS) financing arrangement with Citibank, N.A. Excluding investments held under the TRS, floating rate investments comprised 63% of FSIC IV's investment portfolio; investment allocations were 53% senior secured loans—1st lien, 10% senior secured loans—2nd lien, 8% senior secured bonds, 26% subordinated debt, and 3% equity/other.
- 3 FSIC IV defines core investment strategies as any investment that is a direct origination or an opportunistic investment. Broadly syndicated/other investments comprised 26% of FSIC IV's portfolio as of September 30, 2018.
- 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 The annualized distribution rate shown is expressed as a percentage equal to the projected annualized net 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 IV's net asset value (NAV) as of the date indicated. The annualized distribution rate and amount shown are net of the 1.00% annual distribution fee and may be rounded. The payment of future distributions on FSIC IV's shares of common stock is subject to the discretion of FSIC IV'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 nine months ended September 30, 2018, 98% of FSIC IV's distributions were funded through net investment income (prior to expense reimbursement), on a tax basis and 2% were paid from long-term capital gains. No portion of FSIC IV's distributions for the nine months ended September 30, 2018 was funded through expense reimbursements from FSIC IV's sponsor. The determination of the tax attributes of FSIC IV's distributions is made annually at the end of FSIC IV's fiscal year, and a determination made on an interim basis may not be representative of the actual tax attributes of FSIC IV's distributions for a full year. The actual tax characteristics of distributions to stockholders are reported to stockholders annually of Form 1099-DIV.
- 6 FSIC IV is closed to new investors. FSIC IV's shares of Class T common stock were subject to an upfront sales charge of up to 3.00% and a dealer manager fee of up to 1.25% of gross offering proceeds, and are subject to an annual distribution fee of 1.00% of the estimated value of the shares, as determined in accordance with applicable FINRA rules. Total sales charges of up to 7.25%, which represent the maximum upfront costs and amount that may be charged pursuant to the annual distribution fee, are expected to be reached during the first quarter of 2020.
- 7 FSIC IV's ratio of total operating expenses, together with excise taxes, to average net assets was 5.27% for the year ended December 31, 2017. The figure shown includes fees and expenses, including management and incentive fees, interest payments on borrowed funds, administrative costs and offering costs. Incentive fees and offering costs, among other things, may increase or decrease our expense ratios relative to comparative periods depending on portfolio performance, among other factors.
- 8 The distribution reinvestment price is subject to change. The price at which shares of FSIC IV's common stock are issued under its distribution reinvestment plan is determined by FSIC IV's board of directors, or a committee thereof, at a price per share that is (i) not less than the NAV per share immediately prior to the payment of the distribution and (ii) not more than 2.5% greater than the NAV per share as of such date.
- 9 The payment of future distributions on FSIC IV's shares of Class T common stock is subject to the discretion of FSIC IV'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.
- 10 Total cash distributions paid per share are calculated as the total regular cash distributions paid since inception on a per share basis as of September 30, 2018, and are net of the 1.00% annual distribution fee. The payment of future distributions on FSIC IV's shares is subject to the discretion of FSIC IV'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.
- 11 FSIC IV intends to repurchase a limited number of shares pursuant to its share repurchase program. FSIC IV may amend, suspend or terminate its share repurchase program at any time. Any such repurchases will be at the distribution reinvestment price in effect for shares of Class T common stock on the date of repurchase.