



FS INVESTMENTS®

FS Credit Opportunities Corp.

A flexible credit solution for today's complex and changing markets

November 2022

All information is as of June 30, 2022, unless otherwise noted.

Disclosures

Forward-looking statements

Statements included herein may constitute “forward-looking” statements as that term is defined in Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements with regard to future events or the future performance or operations of the Fund. Words such as “intends”, “will”, “may”, “believes,” “expects,” “projects,” and “future” or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements. Factors that could cause actual results to differ materially include changes in the economy, geo-political risks, risks associated with possible disruption to the Fund’s operations or the economy generally due to hostilities, terrorism, natural disasters or pandemics such as COVID-19, future changes in laws or regulations and conditions in the Fund’s operating area, unexpected costs, the ability of the Fund to complete the listing of the common stock of the Fund on a national securities exchange, the price at which the Fund’s shares of common stock may trade on a national securities exchange, and failure to list the common stock of the Fund on a national securities exchange. Some of these factors are enumerated in the filings the Fund made with the Securities and Exchange Commission (the SEC) and are also contained in the presentation. The inclusion of forward-looking statements should not be regarded as a representation that any plans, estimates or expectations will be achieved. Any forward-looking statements speak only as of the date of this communication. Except as required by federal securities laws, the Fund undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

Executive summary

FS Credit Opportunities Corp. (the “Fund” or “FSCO”) intends to list its shares on the NYSE on or around November 14, 2022, through a direct listing, subject to market conditions. The Fund will rank as one of the largest credit-focused closed-end funds based on total assets with an **attractive dividend yield, strong track record** and **differentiated strategy** investing in public and private credit markets.

- Since 2018, the FS Liquid Credit and Special Situations Group has been led by former Goldman Sachs industry veterans, **Andrew Beckman** and **Nick Heilbut**
- The team benefits from the **expertise, infrastructure** and **relationships** of FS Investments, a \$35 billion alternative asset manager
- FSCO invests across **non-traditional credit opportunities in public and private credit markets**, including opportunistic and event-driven credit, dislocated and special situations and private capital structured solutions
- The flexibility to dynamically adjust allocations between public and private markets has been a significant driver of our ability to deliver **strong risk-adjusted returns** across changing economic and credit cycles

Past performance is no guarantee of future results.

1. Represents the targeted annualized dividend shortly following the listing. Based on FSCO's net asset value as of October 31, 2022. The actual dividend yield at listing may be higher or lower based on the then current NAV. The payment of future dividends on FSCO's common shares is subject to the discretion of FSCO'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 dividends.
2. As of June 30, 2022. Senior secured debt includes first lien loans, second lien loans and senior secured bonds.
3. As of June 30, 2022. Includes floating rate assets on a look-through basis within the FSCO's Asset Based Finance investments.
4. As of June 30, 2022. Includes all debt investments. Duration measures the sensitivity of a fixed income investment's price to changes in interest rates and is measured in years. A duration of 1.25 years suggests that a 1% rise in interest rates would equate to a 1.25% decline in FSCO's NAV and vice versa as rates fall.
5. Excludes preferred equity.

\$2.1B

Assets under management

9.0%

Targeted dividend yield at listing¹

81%

Senior secured debt²

64%

Floating rate assets³

1.25yrs

Average duration⁴

0.25x

Debt-to-equity⁵

Agenda

1 Strategy overview

2 Management team & investment process

3 Portfolio highlights & competitive positioning

4 Appendix

Strategy overview

FS Credit Opportunities Corp. overview

Scaled portfolio & platform

\$2.1 billion assets under management, ranking as one of the largest credit-focused closed-end funds¹

Benefits from the expertise, infrastructure and relationships of **FS Investments**, a \$35 billion alternative asset manager

The FS Liquid Credit & Special Situations Group is a **dedicated portfolio team** responsible for the day-to-day operations of the Fund

Fully-earned dividend

Attractive dividend

- **9.0%** targeted dividend yield at listing²
- Expect to enhance the dividend yield at listing

Fully-funded dividend since January 2018²

- Net investment income has averaged **119%** of monthly dividends

Strong manager track record

Strong relative performance³

- Outperformed high yield bonds by over **230bps** per year since Jan 2018⁴
- Outperformed loans by approximately **130bps** per year since Jan 2018⁴

Superior risk-adjusted returns^{3,4}

- Sharpe ratio since Jan 2018
 - FSCO: 0.30
 - High yield bonds: 0.08
 - Loans: 0.25

Differentiated strategy

Private & public markets

Ability to adjust allocations between public and private markets across changing economic and credit cycles

Defensively oriented

- 81% senior secured debt⁵
- 53% first lien debt

Low duration

- Average duration: 1.25 years⁶
- 64% floating rate assets⁷

Long-term fund & capital structure

Benefits of closed-end fund

- Not forced to sell assets to meet redemptions
- Ability to hold higher allocation of private assets vs. daily liquid funds
- Permanent capital provides opportunity to capitalize on market dislocations

Diversified funding sources

- 0.25x debt-to-equity⁸
- Revolving and term facilities
- Preferred equity financings
 - Multi-year
 - Predominantly fixed rate
 - Favorable regulatory treatment

1. As of June 30, 2022.

2. Based on the Fund's net asset value as of October 31, 2022. The actual dividend yield at listing may be higher or lower based on the then current NAV. The payment of future dividends on FSCO's common shares is subject to the discretion of FSCO'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 dividends.

3. As of October 31, 2022. FS Investments' Liquid Credit & Special Situations Team took over all portfolio management responsibilities for FSCO in January 2018.

4. As of October 31, 2022. High yield bonds are represented by the ICE Bank of America Merrill Lynch U.S. High Yield Bond Index. Loans are represented by the Credit Suisse Leveraged Loan Index. The three-month U.S. treasury bill was the risk-free rate used to calculate the Sharpe Ratio.

5. As of June 30, 2022. Senior secured debt includes first lien loans, second lien loans and senior secured bonds.

6. As of June 30, 2022. Includes all debt investments. Duration measures the sensitivity of a fixed income investment's price to changes in interest rates and is measured in years. A duration of 1.25 years suggests that a 1% rise in interest rates would equate to a 1.25% decline in FSCO's NAV and vice versa as rates fall.

7. As of June 30, 2022. Based on fair value. Includes floating rate assets on a look-through basis within the FSCO's Asset Based Finance investments.

8. Excludes preferred equity.

Flexible strategy investing in public and private markets

The flexibility to adjust allocations between public and private markets has been a significant driver of our ability to deliver strong risk-adjusted returns across changing economic and credit cycles for investors

Public markets

- **Event-driven** investing in credits with catalysts for price appreciation, including M&A, refinancing, debt maturities, earnings growth
- **Opportunistic performing credit**
 - High quality credits in out-of-favor industries
 - Opportunities created during dislocations
 - Complex situations in primary markets
 - Misunderstood or off-the-run credit
- **Special Situations:** Idiosyncratic stressed & distressed borrowers



Private markets

- Financings to **unconventional credit profiles** outside the focus of banks, traditional BDCs, and conventional lenders
- Transitional capital
- Rescue financing / distressed / stressed
- Lending to dislocated sectors
- Sponsored and non-sponsored transactions

Differentiated strategy vs. competitor set

FSCO vs. Public closed-end funds

- Ability to increase **private credit** allocation when risk-reward is more compelling vs. public markets
- Strategy more heavily focused on **event-driven investing** vs. peers
- Greater flexibility to allocate between **fixed & floating** rate assets
- **Dedicated investment team** & full beneficiary of deal flow

FSCO vs. Direct lending strategies

- **Greater flexibility** to adjust allocations across business cycles & changing market conditions by investing in public markets
- **Potential for yield/return premium** by focusing on opportunities often overlooked by larger credit platforms
 - Avg. size of our private investments (~\$30M)
 - Potential for structuring/exit fees
- **Size of asset base allows us to be nimble** and allocate to high-conviction ideas to drive alpha
- **Lower duration**
- **Daily liquidity with a ticker** post-NYSE listing
- **No drawdown**

Track record of generating strong risk-adjusted returns

FSCO has outperformed the liquid indexes since the change in management in January 2018



| As of October 31, 2022 | | | | | Since January 1, 2018 | |
|---|---------|---------|-------|-------------------|-----------------------|--|
| | YTD | 1YR | 3YR | Annualized return | Sharpe ratio | |
| FSCO (net NAV return) | -9.92% | -9.63% | 3.03% | 4.33% | 0.30 | |
| Credit Suisse Leveraged Loan Index (gross return) | -2.49% | -2.03% | 2.57% | 3.04% | 0.25 | |
| ICE BofAML U.S. High Yield Index (gross return) | -12.19% | -11.45% | 0.18% | 1.96% | 0.08 | |
| HFRX Event-Driven Index (gross return) | -6.94% | -8.97% | 1.98% | -0.23% | -0.25 | |

Past performance is not a guarantee of future results. 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 indexes presented. High yield bonds are represented by the ICE BofAML U.S. High Yield Index. Loans are represented by the Credit Suisse Leveraged Loan Index.

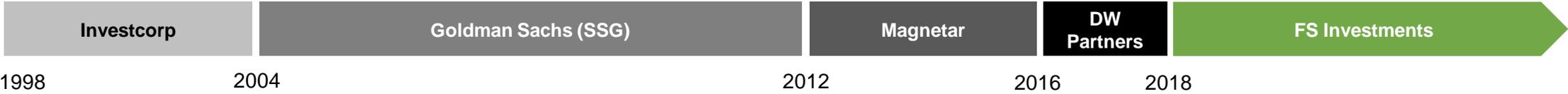
Management team & investment process

FS Investments Liquid Credit & Special Situations Team

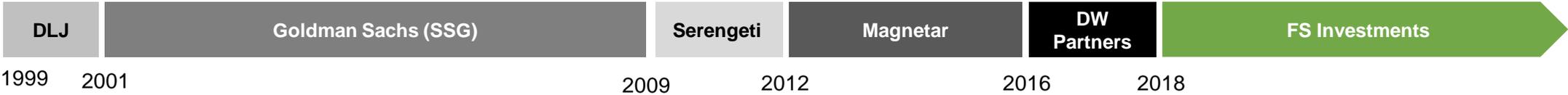
The team assumed full management of FSCO in January 2018



Andrew Beckman, Head Portfolio Manager



Nicholas Heilbut, Portfolio Manager, Director of Research



| Team member | Title | Years of experience | Focus area |
|---------------------|--------------------|---------------------|---|
| Scott Giardina | Managing Director | 21 | Trading, sourcing, tail protection |
| Rushabh Vora | Managing Director | 14 | Special situations, sourcing, diligence/underwriting |
| Kenichiro Jin | Managing Director | 19 | Technology, media, telecom, software |
| James Holley | Executive Director | 19 | Building/construction, industrials |
| Brian Hightower | Director | 14 | Retail, consumer products & services, financials |
| Anna Filipovich | Director | 8 | Business services, leisure/hospitality, tech/software |
| Vadim Levit | Director | 7 | Healthcare, other |
| Michael Finocchiaro | Associate | 3 | Packaging, gaming, consumer, telecom |

16
Average years of experience

5
credit cycles the team has invested through



Leading alternative asset manager

FS Investments strives to solve investor needs by creating access to alternative ideas and institutional-quality managers to achieve a higher probability of investment success. We never settle on behalf of investors by providing best-in-class management, customized structures and investment education.

Key facts¹

2007
Year founded

\$35 billion
Assets under management

15
Years of experience managing alternative assets

300+
Professionals

Partnering with industry leaders



Key personnel highlights



Michael Forman
Chairman +
Chief Executive Officer



Mike Kelly
Co-President +
Chief Investment Officer



Enrico Gaglioti
Co-President



Troy Gayeski, CFA
Chief Market Strategist

In-house portfolio management & investment research expertise

Private credit
U.S. middle market companies

Liquid alternatives
Multi-strategy solution combining hedge funds & alternative beta strategies

Cryptocurrency
Bitcoin

Real estate
Private commercial real estate debt

Global, multi-asset investing
Family of mutual funds investing across global markets regardless of style, asset class, sector and market cap.

Liquid Credit & Special Situations
Event-driven & opportunistic investments, dislocated & special situations and private capital structure solutions

Investment research
Timely macroeconomic and cross-asset research, including education on alternative assets and strategies

Leveraging the full scale of FS Investments' platform

Investment + markets expertise

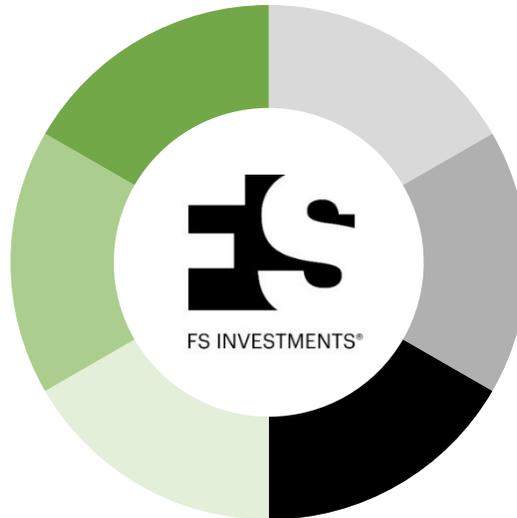
Shared insights among various research teams, including internal managers and external investment partners

Established credit franchise

Leveraging relationships across all FS verticals provides access to deal flow, idea generation and diligence sources

Capital markets

The Capital Markets team helps source, negotiate and structure financing facilities across the entire FS Investments platform, representing over \$24 billion in financing facilities



Legal + compliance

Oversees approximately \$26 billion in assets across 1940 Act funds, including closed-end funds, business development companies and interval funds by a team of 25 professionals.

Finance + accounting

Provide oversight of third-party books and records, enterprise risk management, accounting and tax, internal audit and controls, and financial statement preparation

Operations + technology

A team of 89 professionals oversee the firm's day-to-day operations, portfolio management and technology integration.

Investment philosophy

Seek excess return with downside protection by investing across public and private credit

Dynamically allocate to most attractive areas of the credit market

- Ability to adjust exposure between public and private credit and floating vs. fixed rate based on the opportunity set and outlook

Private equity-like due diligence

- Large lending platform provides industry and company specific expertise and rigorous underwriting
- Market presence enables differentiated access to external research and corporate management teams

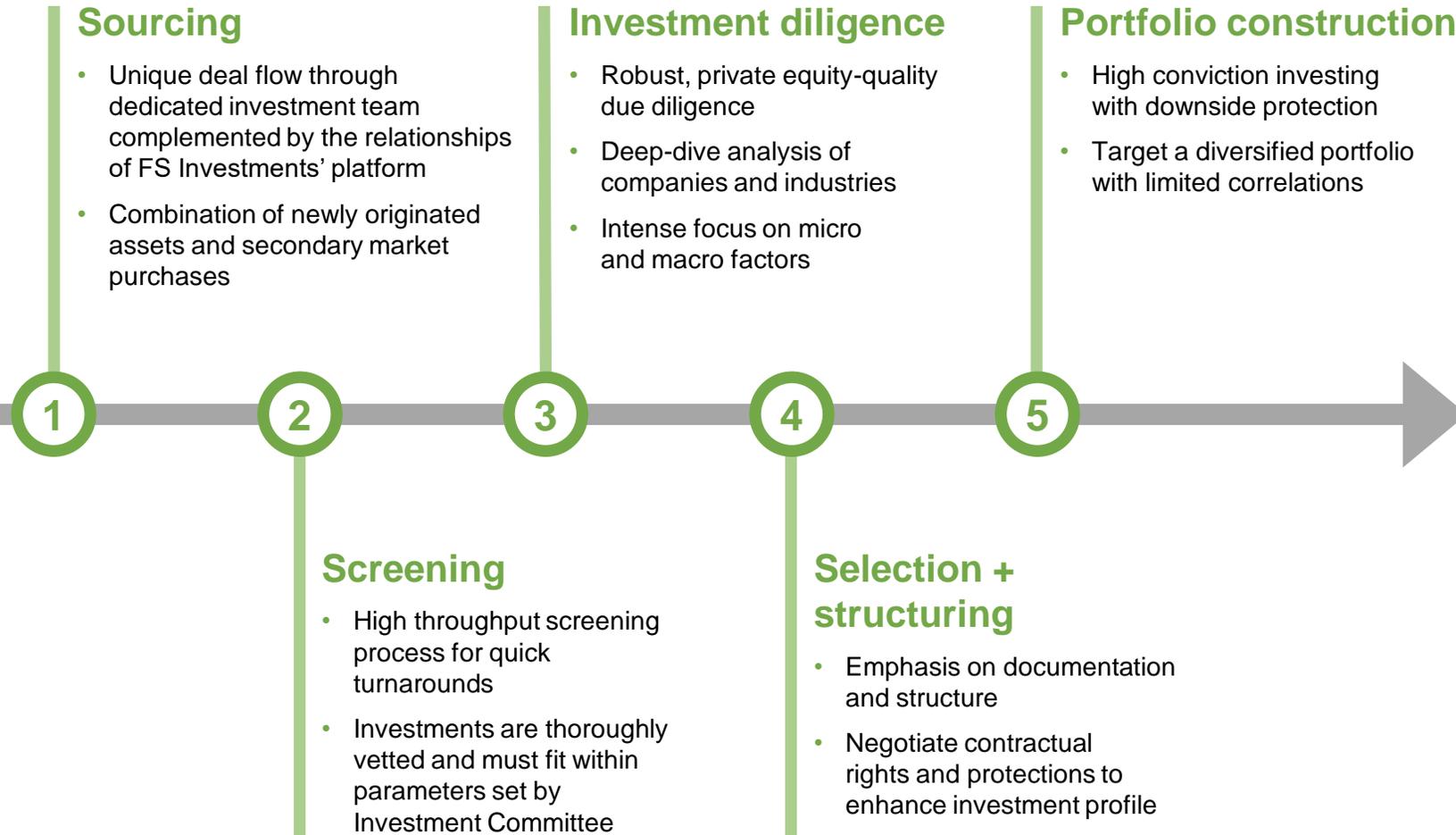
Emphasize quality

- Focus on high quality businesses, industries and management teams
- Identify stable business facing temporary issues or capital structure problems

Invest with downside in mind

- Focus primarily on secured credit
 - Highly structured nature of investments intended to provide downside protection
-

Investment process: Disciplined and repeatable



Key considerations

Downside protection

Anticipated duration

Asymmetric payoff profile

Minimum return threshold

Appropriate structural protections

Predictability of cash flows

Asset price volatility

Enterprise value volatility

Robust sourcing across public & private markets

Relationships across FS Investments' platform provide significant sourcing competitive edge

- Longstanding relationships** with banks and capital markets teams
- Favorable allocations** due to platform scale and breadth of relationships
- Private credit presence** gives us access to early looks on deals
- Well-positioned** for knowledge and access on middle-market credits

External sourcing relationships



Internal sourcing relationships



\$1.09B Originated & primary volume
 +
\$730M Secondary volume
 =
\$1.82B Trailing twelve-month transaction volumes¹

1. Last 12 months as of June 30, 2022. Represents transaction volume for FSCO and other vehicles managed by the FS Liquid Credit and Special Situations Team, including \$834 million of CLO transactions in Bridge Street CLO I & II and Bridge Street CLO Warehouse III.

Portfolio highlights & competitive positioning

FSCO investment portfolio overview

\$2.1B Total assets

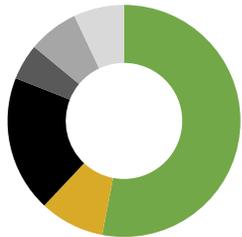
85 Portfolio companies

64% Floating rate¹

81% Secured debt²

1.25 years Average duration³

Asset type



53% Senior Secured Loans – 1st Lien

9% Senior Secured Loans – 2nd Lien

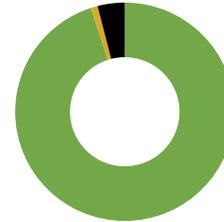
19% Senior Secured Bonds

5% Subordinated Debt

7% Asset Based Finance

7% Equity/Other

Geographic location



95% United States

1% Europe

4% Other

Sector allocations⁴



13% Consumer Services

9% Diversified Financials

11% Health Care Equipment & Services

7% Retailing

11% Capital Goods

5% Pharmaceuticals, Biotechnology & Life Sciences

10% Commercial & Professional Services

25% Other

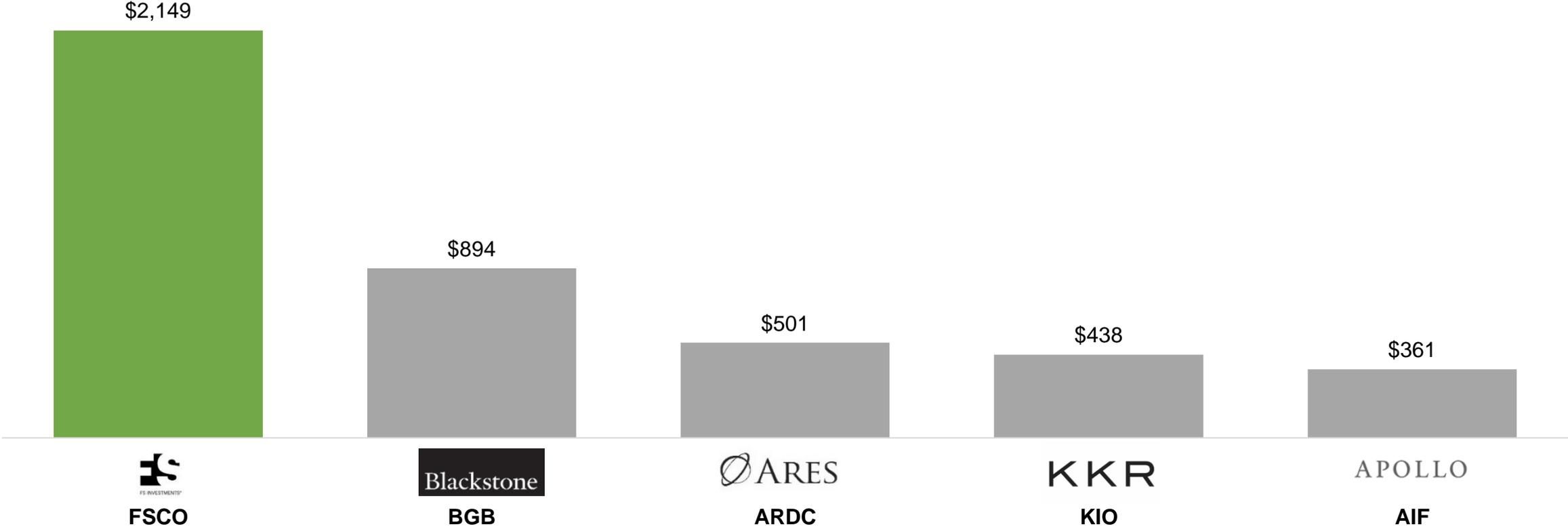
9% Energy

All figures based on fair value as of June 30, 2022.

1. Includes floating rate assets on a look-through basis within the FSCO's Asset Based Finance investments.
2. Senior secured debt includes first lien loans, second lien loans and senior secured bonds.
3. As of June 30, 2022. Includes all debt investments. Duration measures the sensitivity of a fixed income investment's price to changes in interest rates and is measured in years. A duration of 1.25 years suggests that a 1% rise in interest rates would equate to a 1.25% decline in FSCO's NAV and vice versa as rates fall.
4. Other includes Automobiles & Components, Transportation, Software & Services (4%); Materials, Insurance, Consumer Durables & Apparel and Telecommunication Services (2%); Technology Hardware & Equipment, Food & Staples Retailing, Food, Beverage & Tobacco, Banks, Banks and Media & Entertainment (1%).

FSCO has significant scale vs. closed-end fund peers

Assets under management (\$ millions)

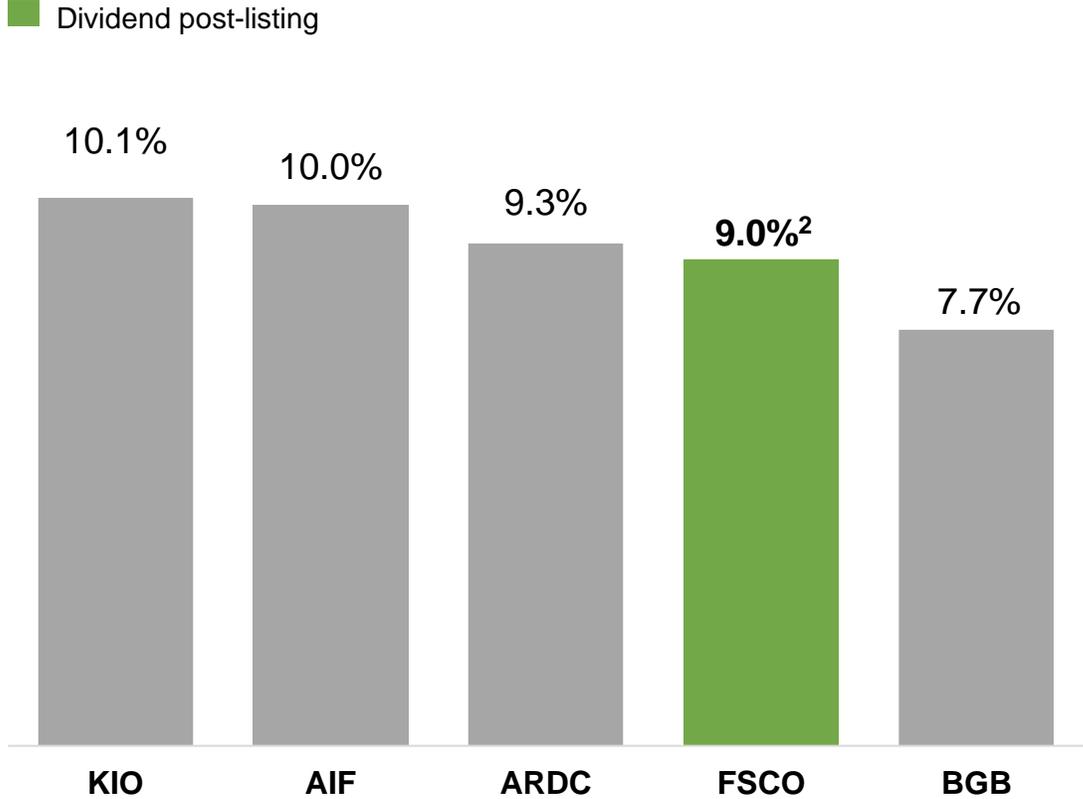


Source: Company filings. As of latest publicly available information. FSCO, BGB and KIO are as of June 30, 2022. ARDC and AIF are as of July 31, 2022. FSCO is FS Credit Opportunities Corp. BGB is Blackstone Strategic Credit Fund. ARDC is Ares Dynamic Credit Allocation Fund. KIO is KKR Income Opportunities Fund. AIF is Apollo Tactical Income Fund.

FSCO offers an attractive, fully-funded dividend

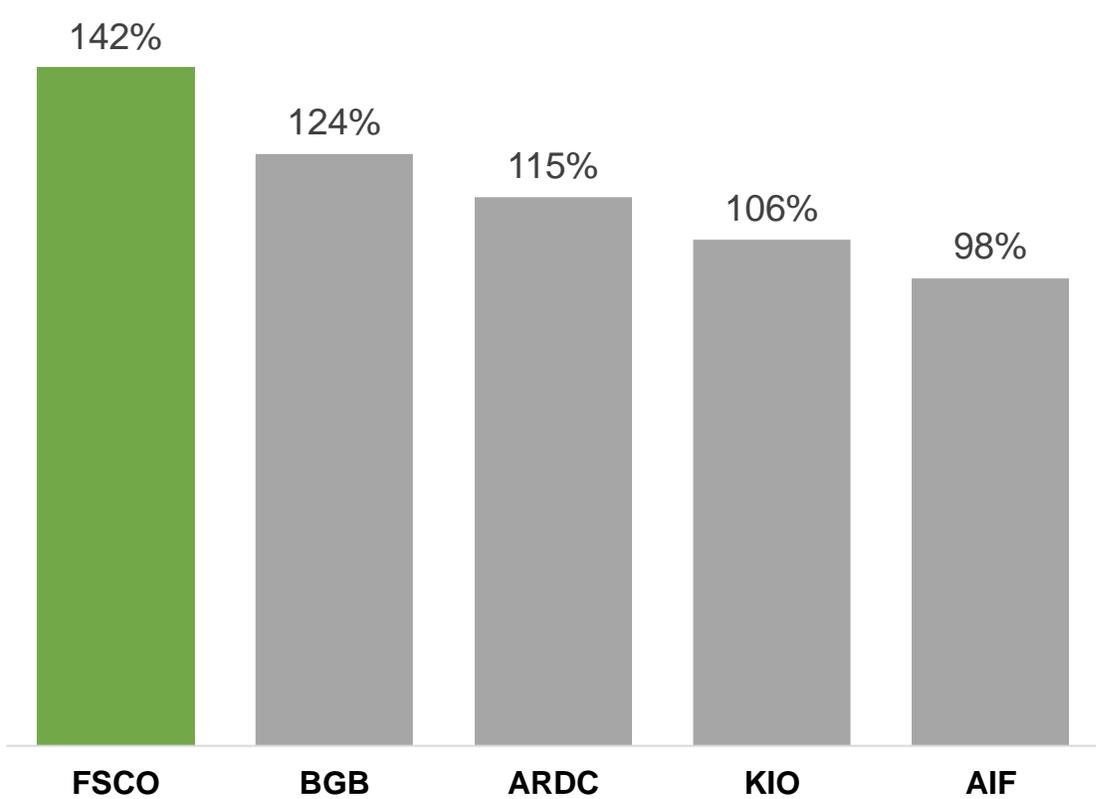
Dividend yield based on net asset value

Annualized dividend as % of last reported NAV¹



Dividend coverage

Net investment income as % of dividend³



Sources: funds' annual reports, semi-annual reports and other investor materials, FactSet.

1. As of 10/27/2022 for AIF, ARDC, BGB, and KIO. AIF is Apollo Tactical Income Fund. ARDC is Ares Dynamic Credit Allocation Fund. BGB is Blackstone Strategic Credit Fund. FSCO is FS Credit Opportunities Corp. KIO is KKR Income Opportunities Fund.
 2. Represents the targeted annualized dividend shortly following the listing. Based on FSCO's net asset value as of October 31, 2022. The actual dividend yield at listing may be higher or lower based on the then current NAV. The payment of future dividends on FSCO's common shares is subject to the discretion of FSCO'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 dividends.
 3. Dividend coverage calculated as net investment income per share, divided by the dividend per share, in each case for the latest 6-month reported period (6-month period ended April 30, 2022 for KIO and 6-month period ended June 30, 2022 for AIF, ARDC, BGB and FSCO)

Preferred financing offers competitive advantages

Benefits of preferred equity financings

Enhanced borrowing flexibility of underlying assets

Attractive multi-year fixed-rate borrowings

Favorable regulatory treatment

| Funding source | Rate | Amount Outstanding (\$M) | Undrawn (\$M) | Maturity |
|---------------------------|-----------|--------------------------|---------------|----------|
| Revolving Credit Facility | L + 1.10% | \$50 | \$150 | 270-days |
| Revolving Credit Facility | L + 2.65% | – | \$65 | 12/15/24 |
| Term Loan | L + 2.65% | \$285 | – | 12/15/24 |
| 2023 Preferred | L + 1.85% | \$45 | – | 8/1/23 |
| 2023 Preferred | 4.82% | \$55 | – | 8/1/23 |
| 2025 Preferred | 4.49% | \$50 | – | 11/1/25 |
| 2025-2 Preferred | 4.00% | \$50 | – | 11/1/25 |
| 2026 Preferred | 5.43% | \$100 | – | 2/1/26 |
| 2027 Preferred | 2.95% | \$100 | – | 1/31/27 |
| Total | | \$735 | \$215 | |

\$400M

Preferred debt financings

0.25x

Debt to-equity¹

~5.0%

Effective cost of borrowing

1. Calculation excludes preferred equity. When including the preferred shares, the debt-to-equity ratio was 0.54x as of June 30, 2022.

Appendix

Financial highlights

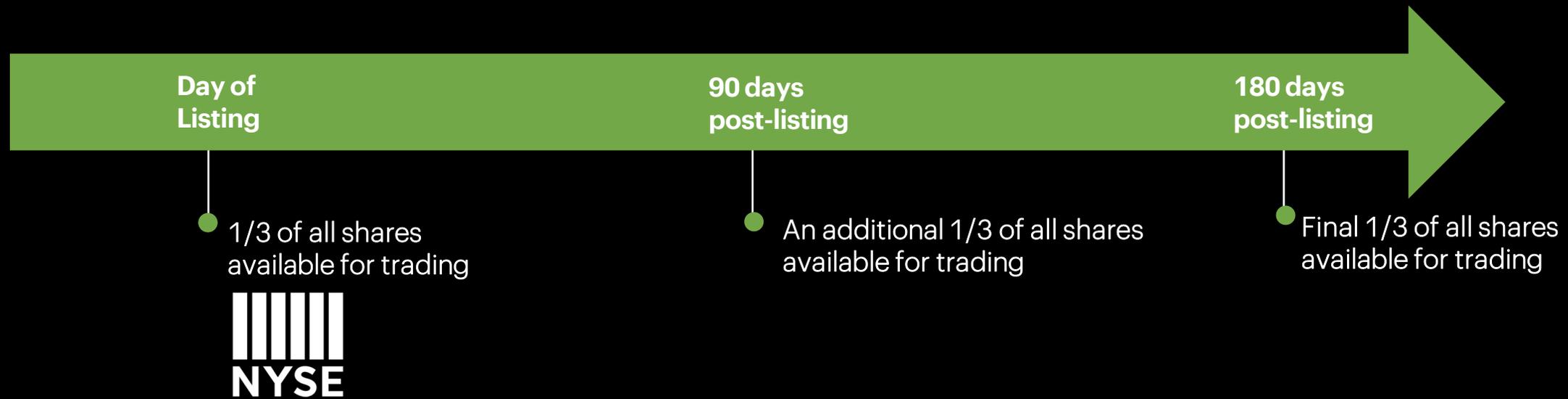
| | FY 2019 | HY 2020 | FY 2020 | HY 2021 | FY 2021 | HY 2022 |
|----------------------------------|-------------|--------------|--------------|--------------|-------------|--------------|
| \$ in millions | 12/31/2019 | 6/30/2020 | 12/31/2020 | 6/30/2021 | 12/31/2021 | 6/30/2022 |
| Investment Portfolio | \$1,690 | \$1,758 | \$1,900 | \$2,131 | \$2,244 | \$1,987 |
| Debt | \$125 | \$340 | \$385 | \$455 | \$435 | \$335 |
| Preferred | \$198 | \$199 | \$298 | \$298 | \$397 | \$397 |
| Net Assets | \$1,494 | \$1,309 | \$1,450 | \$1,510 | \$1,506 | \$1,359 |
| Debt to Equity | 0.22x | 0.41x | 0.47x | 0.50x | 0.55x | 0.54x |
| Debt-to-Equity (ex-Pref) | 0.08x | 0.26x | 0.27x | 0.30x | 0.29x | 0.25x |
| Asset Coverage ¹ | 14.42x | 5.40x | 5.51x | 4.98x | 5.37x | 6.18x |
| Cash | \$67 | \$108 | \$248 | \$122 | \$87 | \$114 |
| Net Debt to Capital ² | 0.17x | 0.33x | 0.30x | 0.42x | 0.49x | 0.46x |
| NII Yield | 9.23% | 8.22% | 8.27% | 6.48% | 7.32% | 10.18% |
| Per Share Data | | | | | | |
| NAV per share | \$7.50 | \$6.56 | \$7.30 | \$7.66 | \$7.64 | \$6.90 |
| NII per share | \$0.70 | \$0.28 | \$0.57 | \$0.24 | \$0.56 | \$0.37 |
| dividend per share | \$0.57 | \$0.27 | \$0.55 | \$0.26 | \$0.51 | \$0.26 |
| Earnings per share | \$0.49 | (\$0.67) | \$0.35 | \$0.62 | \$0.85 | (\$0.48) |
| Shares Outstanding (MM) | 199.245 | 199.474 | 198.572 | 197.248 | 197.138 | 197.092 |

1. Represents the value of the Fund's total assets available to cover senior securities, less all liabilities and indebtedness not represented by credit facility borrowings and term preferred shares, to the aggregate amount of credit facility borrowings outstanding representing indebtedness.

2. Total Net Debt represents (Total Debt - Cash) / Net Assets.

A phased approach to the listing

Designed to help ease downward pressure on FSCO's market share price shortly after listing



Accounts with balances of \$15,000 or less will not be subject to the phased liquidity schedule and will have all shares available for trading on the day of the listing¹

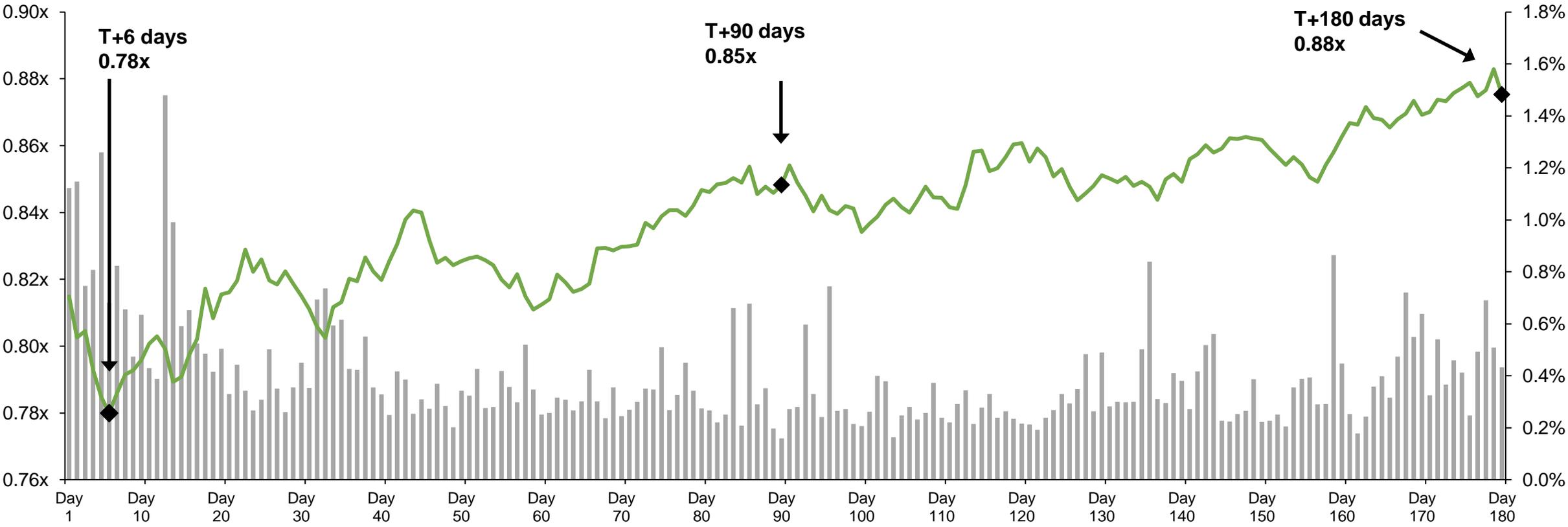
1. The timing of the listing is subject to market conditions and the satisfaction of other customary conditions. The net asset value per share used to determine which accounts meet this threshold was based on the Fund's NAV per share of \$6.48 as of October 31, 2022.

Prior listings in perspective

Valuations and stock prices have generally increased after initial downward pressure

Price-to-book value (indexed)

Daily trading volume as % of shares outstanding



For illustrative purposes only. Historical performance is not a guarantee or reliable indicator of future results. Public listings are subject to current market and economic conditions which can impact performance. Source: Factset, Bloomberg, company filings. Analysis represents average performance of RiverNorth Specialty Finance Corporation (RSF), Vertical Capital Income Fund (VCIF), Corporate Capital Trust (CCT), FS KKR Capital Corp. II (FSKR) and FS KKR Capital Corp. (FSK) 25

Performance

As of October 31, 2022

| | YTD | 1YR | 3YR | 5YR | Since Jan 1, 2018 | Since inception (December 13, 2013) |
|-----------------------------------|---------|---------|-------|--------|-------------------|--|
| FSCO (NAV total return) | -9.92% | -9.63% | 3.03% | 3.65% | 4.33% | 3.71% |
| Credit Suisse Leverage Loan Index | -2.49% | -2.03% | 2.57% | 3.04% | 3.04% | 3.44% |
| ICE BofAML U.S. High Yield Index | -12.19% | -11.45% | 0.18% | 1.90% | 1.96% | 3.53% |
| HFRX Event-Driven Index | -6.94% | -8.97% | 1.98% | -0.21% | -0.23% | 0.62% |

Past performance is not a guarantee of future results.

Returns for periods greater than one year are annualized. Returns assume dividends are invested pursuant to the Fund's dividend reinvestment plan. FS Investments' Liquid Credit & Special Situations Group took over all portfolio management responsibilities for FSCO in January 2018. Visit www.fsinvestments.com/investments for further performance information.

An investment in the Fund involves risk, including loss of principal. Investment return and the value of shares will fluctuate. Shares may be worth more or less than original purchase price. Current performance may be lower or higher than the performance shown. Returns are calculated by determining the percentage change in NAV or market price (as applicable) in the specific period. The calculation assumes that all dividends and dividends, if any, have been reinvested. NAV and market price returns do not reflect broker sales charges, commissions or dealer manager fees, as applicable, in connection with the purchase or sales of Fund shares and includes the effect of any expense reductions. Returns for a period of less than one year are not annualized. Returns for a period of more than one year represents the average annual return. Performance at market price will differ from results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the fund, market conditions, supply and demand for the fund's shares or changes in fund dividends and dividends.

On December 14, 2020, FS Global Credit Opportunities Fund-A (FSGCO-A), FS Global Credit Opportunities Fund-ADV (FSGCO-ADV), FS Global Credit Opportunities Fund-D (FSGCO-D), FS Global Credit Opportunities Fund-T (FSGCO-T), and FS Global Credit Opportunities Fund-T2 (FSGCO-T2) (the Funds) merged into FS Global Credit Opportunities Fund (FSGCO). On March 23, 2022, the Fund was renamed FS Credit Opportunities Corp. (FSCO). Performance for shareholders who initially invested in the Funds would differ based on fees. Shareholder Returns do not include selling commissions and dealer manager fees, which could have totaled up to 8% of FSGCO-A's public offering price, up to 2% of FSGCO-D's public offering price, up to 4% of FSGCO-T's public offering price, and up to 4% of FSGCO-T2's public offering price. Had such selling commissions and dealer manager fees been included, performance would be lower. Market conditions may cause the actual values to be more or less than the values shown.

Risk factors

FS Credit Opportunities Corp. (FSCO or the Company) is a non-diversified, closed-end management investment company that carries out the investment strategies generally described herein. An investment in FSCO involves a high degree of risk and may be considered speculative. The following are some of the risks an investment in the Shares (as defined below) involves; however, investors should carefully consider all of the risks discussed in FSCO's reports filed with the SEC before deciding to invest in the Shares.

- Shareholders of the Company (the Shareholders) should consider that an investment in the shares of common stock of the Company (the Shares) may result in loss in principal.
- When a Shareholder sells their Shares, the Shareholder may receive less than their purchase price and the then-current net asset value, or NAV, per Share.
- Shares of closed-end funds frequently trade at a discount to NAV and this creates a risk of loss for investors who purchased Shares at the time of listing on the New York Stock Exchange (the Listing). This risk is separate and distinct from the risk that FSCO's NAV will decrease.
- Following the Listing, certain directors and officers of the Company and its affiliates expect to make commitments to an investment fund that is currently intended to be established to invest from time to time in the Shares. The investment fund would be managed by a third party and the Company-related investors would not exercise investment or voting control over the investment fund. There can be no assurances that the investment fund will be established, and if it is, the amount or timing of any purchases of the Shares.
- FSCO's dividends 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 FSCO for investment. any capital returned to Shareholders through dividends will be distributed after payment of fees and expenses, as well as the sales load.
- FSCO's previous dividends to Shareholders were funded in significant part from the reimbursement of certain expenses, including through the waiver of certain investment advisory fees, and additional support payments that may be subject to repayment to FSCO's affiliate, Franklin Square Holdings, L.P. (FS Investments), and FSCO's future dividends may be funded from such waivers, reimbursements or payments. Significant portions of these dividends were not based on FSCO's investment performance and such waivers, reimbursements and payments by FS Investments may not continue in the future. If FS Investments had not agreed to reimburse certain of FSCO's expenses, including through the waiver of certain advisory fees payable by FSCO, and provide additional support payments, significant portions of FSCO's dividends would have come from offering proceeds or borrowings. The repayment of any amounts owed to FS Investments will reduce the future dividends to which the Shareholders would otherwise be entitled.

Risk factors

- FSCO's investments in securities and other obligations of companies that are experiencing distress involve a substantial degree of risk, require a high level of analytical sophistication for successful investment and require active monitoring.
- FSCO's investments in various types of debt securities and instruments may be secured, unsecured, rated or unrated, are subject to non-payment risk, and may be speculative in nature.
- Below investment grade instruments (commonly referred to as "high yield" securities or "junk bonds") may be particularly susceptible to economic downturns, which could cause losses.
- FSCO may invest in illiquid and restricted securities that may be difficult to dispose of at a fair price.
- FSCO's use of leverage could result in special risks for the Shareholders and can magnify the effect of any losses.
- Investments in certain securities or other instruments of non-U.S. issuers or borrowers may involve factors not typically associated with investing in the United States or other developed countries.
- Securities or other instruments of non-U.S. securities may be traded in underdeveloped, inefficient and less liquid markets and may experience greater price volatility, illiquidity and changes in value.
- FS Global Advisor, LLC and certain of its affiliates may experience conflicts of interest in connection with the management of FSCO.
- FSCO seeks to achieve its investment objectives by focusing on a limited number of opportunities across the investment universe.
- The global outbreak of COVID-19 (commonly known as the coronavirus) has caused volatility, severe market dislocations and liquidity constraints in many markets, including securities FSCO holds, and may adversely affect FSCO's investments and operations. Such impacts may adversely affect the performance of FSCO's investments and FSCO.
- The national and global political environment, including foreign relations and trading policies, as well as the impact of Russia's invasion of Ukraine and related sanctions, and potential retaliatory actions may adversely affect the performance of FSCO's investments and FSCO.
- We expect that the current market conditions may have a lasting and, in some instances, permanent impact on some of our portfolio companies as they struggle to meet covenant obligations and face insolvency in future periods. Poor performance or insolvency of our portfolio companies could have a material adverse impact on our financial condition and results of operations.