

Class I: FCRIX Class U: FCRUX

FS Credit Income Fund

An opportunistic, alternative credit solution

Fund overview

FS Credit Income Fund is an alternative credit strategy that seeks to provide attractive total returns, including an attractive level of current income and capital appreciation, by investing in semi-liquid and event-driven credit.

Strategy

The fund's semi-liquid and event-driven credit strategy:

- Accesses assets that are outside the scope of traditional, liquid strategies and credit market indexes
- Provides a high degree of flexibility to adjust asset and strategy allocations across economic cycles, including changing interest rate environments, compared to fully illiquid direct lending strategies

Key facts

Portfolio companies⁶	229
Duration (years)⁷	3.29
Distributions¹	Quarterly
Structure	Closed-end interval fund
Tax reporting	Form 1099-DIV

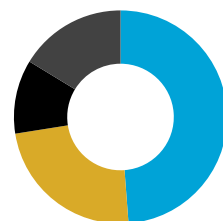
Performance

(total returns at NAV)

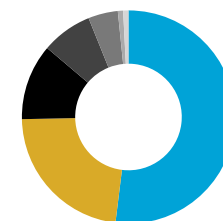
	Annualized distribution rate ¹	MTD	YTD	1 year	3 year	5 year	Since inception
FCRIX (Class I; inception 11/01/2017)	7.43%	1.20%	4.17%	1.01%	9.28%	4.61%	4.90%
FCRUX (Class U; inception 09/17/2019)	6.73%	1.12%	3.91%	0.16%	8.47%	-	2.93%

Performance data quoted represents past performance and is no guarantee of future results. Class I and Class U shares have no sales charges; therefore performance is at NAV. While neither the Fund nor the Fund's distributor imposes an initial sales charge on Class U shares, if an investor buys Class U shares through certain financial intermediaries, they may charge transaction or other fees in such amounts as they may determine. Please consult your financial intermediary for additional information. Returns less than one year are cumulative; all others are annualized. YTD information is provided on a calendar year basis. Total return figures reflect changes in share price and reinvestment of dividend and capital gain distributions. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 877-628-8575 or visit our website at www.fsinvestments.com.

Portfolio allocations^{2,3,4}



Strategies	
Event-driven	48.8%
Structured credit	23.7%
Non-U.S.	11.2%
Non-rated	16.3%



Asset class	
Bonds	51.9%
Loans	22.7%
U.S. CLOs	11.5%
European CLOs	7.7%
Other structured credit	4.5%
Emerging markets	0.8%
Other	0.8%

Top 10 holdings⁵ (as of 1/31/2023)

Holdings are subject to change.

Royal Caribbean Cruises Ltd.	2%	Ford Motor Company	1%
Frontier Communications Holdings LLC	2%	East Valley Tourist Development Authority	1%
Thryv, Inc.	2%	Harbor Purchaser Inc.	1%
Charlotte Buyer, Inc.	2%	Hexion, Inc.	1%
ProFrac Services, LLC	1%	NCL Corporation Ltd.	1%

Manager

FS Investments

A leading asset manager providing access to alternative sources of income and growth. Our investment solutions combine differentiated strategies, top institutional managers and investment structures tailored to our investors' needs.

Sub-adviser

GoldenTree Asset Management

GoldenTree is an employee-owned, global asset management firm that specializes in opportunities across the credit universe. Founded in 2000, GoldenTree is one of the world's largest independent asset managers focused on global credit.

Strategy definitions

Event-driven

Investments in performing companies where we believe that the security is undervalued/mispriced in the market and GoldenTree has identified a catalyst to unlock capital appreciation

Structured credit

U.S. and European CLOs, bank trust preferred securities, and other asset-backed securities

Non-U.S.

Investments in non-U.S. domiciled corporate and international sovereign debt, including emerging market debt

Non-rated

Investments that do not carry a credit rating, including stressed and distressed assets or companies undergoing restructurings

Strategies^{3,4}

	Current	Min	Range ⁸	Max
Event-driven	48.8%	45.4%		60.2%
Structured credit	23.7%	14.2%		33.3%
Non-U.S.	11.2%	6.5%		20.0%
Non-rated	16.3%	7.6%		19.5%

Asset class

Bonds	51.9%	49.7%		71.7%
Loans	22.7%	6.2%		25.5%
U.S. CLOs	11.5%	9.2%		22.7%
European CLOs	7.7%	3.2%		10.4%
Other structured credit	4.5%	0.0%		8.5%
Emerging markets	0.8%	0.3%		10.4%
Other	0.8%	0.0%		3.5%

Characteristics

Floating rate (loans and bonds)	48.8%	28.9%		53.8%
Portfolio rate duration (years) ⁷	3.29	2.11		4.34

Repurchase offer

Terms⁹	Quarterly (no less than 5% of shares outstanding and no more than 25% of shares outstanding)	
Upcoming repurchase offer dates	Repurchase request deadline	Payment by
Q2 2023	6/14/2023	6/21/2023
Q3 2023	9/13/2023	9/20/2023

Repurchase request deadline: The date the quarterly repurchase offers are scheduled to expire. The Fund must receive all repurchase requests in response to the repurchase offer or withdrawals/modifications of previously submitted repurchase requests for such repurchase offer from shareholders by this date. **Payment by:** The date by which the Fund must pay shareholders for any common shares repurchased. Proceeds sent to brokerage accounts may take 7 to 10 days to appear in accounts. Checks are sent via USPS and usually arrive within 7 to 10 days after mailing for registered shareholders. Proceeds sent via ACH to a bank account are typically credited to the bank account in 3 to 5 days for registered shareholders. Dates are subject to change. Repurchase offers are subject to the terms and conditions set forth in each repurchase offer notice.

Share classes

	Class I (FCRIX)	Class U (FCRUX)
CUSIP	30300R203	30300R609
Minimum initial investment¹⁰ (non-qualified/qualified)	\$1 million (both)	\$25,000 (both)
Net expense ratio¹¹	2.94%	3.69%
Net expense ratio¹¹ (excluding estimated interest expense associated with expected use of leverage)	1.85%	2.60%

1. 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 most recent quarterly cash distribution per share declared as of the date indicated, without compounding), divided by the Fund's NAV per share as of the date indicated, in each case on a per-class basis. The Fund intends to pay ordinary cash distributions quarterly. The payment of future distributions on FS Credit Income Fund's common shares is subject to the discretion of FS Credit Income 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 future distributions. The determination of the tax attributes of FS Credit Income Fund's distributions is made annually at the end of the calendar year, and a determination made on an interim basis may not be representative of the actual tax attributes of FS Credit Income Fund's distributions for a full year. The actual tax characteristics of distributions to shareholders are reported to shareholders annually on Form 1099-DIV. 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, borrowings or expense reimbursements and waivers. For the 12 months ended March 31, 2023, 100% of FS Credit Income Fund's distributions were funded through ordinary income.

Class I shares are not subject to a distribution fee. Class U shares pay to the distributor a distribution fee that accrues at an annual rate equal to 0.75% of the Fund's average daily net assets attributable to this share class and is payable on a monthly basis.

2. Percentages may change over time depending on market conditions. Calculated as a percentage of fair value.

3. Non-U.S. includes assets designated as emerging markets by the advisor.

4. Non-rated excludes any structured credit and emerging markets investments and includes assets designated as distressed by the adviser as well as investments rated D or below based on the Bloomberg Composite rating.

5. Securities may be an obligation of one or more entities affiliated with the named company.

6. Portfolio companies excludes structured credit and hedges.

7. Duration is a measure of how sensitive a fixed income investment's price is to a change in interest rates and is expressed as a number of years.

8. Range refers to the allocation range since inception of Class I shares (November 1, 2017).

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, unless such offer is suspended or postponed in accordance with regulatory requirements.

10. Any minimum initial investment requirement may be waived in FS Credit Income Fund's sole discretion.

11. Calculated as an estimated percentage of average net assets attributable to shares. The Fund's actual expenses may be different than the estimate above. The calculation also takes into account the fee waiver and/or expense reimbursement during such time period. FS Credit Income Advisor, LLC, the Fund's investment adviser, has entered into an expense limitation agreement with the Fund under which it has agreed to pay or waive the "ordinary operating expenses" (exclusive of (1) investment advisory fees, (2) portfolio transaction and other investment related costs, (3) interest expense and other financing costs, (4) taxes, (5) distribution or shareholder servicing fees and (6) extraordinary expenses) of the Fund attributable to a share class to the extent that such expenses exceed 0.25% per annum of the Fund's average daily net assets attributable to the applicable share class thereafter. The expense limitation agreement will continue indefinitely until terminated by the Fund's board of trustees on written notice to FS Credit Income Advisor. The expense limitation agreement permits the adviser to recoup the amounts it has paid or waived pursuant to the agreement in the future, subject to certain limitations. For full detail on the Fund's fees and expenses, please review the Fund's prospectus.

Closed-end interval funds may charge additional fees. Percentages and other numbers in this fact sheet may have been rounded.

GLOSSARY OF TERMS

A **collateralized loan obligation (CLO)** is a single security backed by a pool of debt. **Duration** is a measure of how sensitive a fixed income investment's price is to a change in interest rates, expressed as a number of years. **Floating rate** is an interest rate that fluctuates with the rest of the market or along with an index.

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 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.

Securities offered through ALPS Distributors, Inc. (1290 Broadway, Suite 1000, 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.

The Fund is "non-diversified" under the Investment Company Act of 1940 since changes in the financial condition or market value of a single issuer may cause a greater fluctuation in the Fund's net asset value than in a "diversified" fund.

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 are particularly susceptible to economic downturns compared to higher rated investments. The Fund is subject to interest rate risk and will decline in value as interest rates rise. The Fund may use leverage to achieve its investment objective, which involves risks, including the likelihood of NAV volatility and the risk that fluctuations in interest rates on borrowings will reduce the return to investors. In addition to the normal risks associated with investing, investing in international and emerging markets involves 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, depending on market conditions and the type of derivative, are more volatile than other investments and will magnify the Fund's gains or losses. The Fund may invest in collateralized loan obligations ("CLOs") and other securitized products, which is highly complex and speculative. 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.

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.

Morgan Stanley Smith Barney LLC (“Morgan Stanley Wealth Management”) – IMPORTANT DISCLOSURES

Morgan Stanley Wealth Management acts as a placement agent in connection with the offering and sale of the securities of the Fund to current and prospective clients of Morgan Stanley Wealth Management or its affiliates (the “Investors”). Morgan Stanley Wealth Management will receive cash compensation from the Fund Manager for its activities as placement agent as described in Morgan Stanley Wealth Management’s point of sale letter. In addition, Morgan Stanley Wealth Management, its affiliates or employees, may have additional relationships with the Fund Manager (and, together with its affiliates, the “Fund Sponsor”), including as an investor in the Fund or other investment vehicles managed by the Fund Manager or as a client of the Fund Manager. The payment of cash compensation to Morgan Stanley Wealth Management, and any additional relationships that Morgan Stanley Wealth Management or its affiliates may have with the Fund Manager or other investment vehicles managed by the Fund Manager, create material conflicts of interest for Morgan Stanley Wealth Management in its role as placement agent.

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Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to:

- Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices;
- Lack of liquidity in that there may be no secondary market for a fund;
- Volatility of returns;
- Restrictions on transferring interests in a fund;
- Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized;
- Absence of information regarding valuations and pricing;
- Complex tax structures and delays in tax reporting;
- Less regulation and higher fees than mutual funds;
- Risks associated with the operations, personnel, and processes of the manager; and
- Risks associated with cybersecurity.

As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley therefore engages in activities where Morgan Stanley’s interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management.

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Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing.

Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be an appropriate comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

Certain assumptions have been made regarding the historical performance information included herein, and such performance information is presented by way of example only. Statements in this material are stated as of the dates specified herein. No representation or warranty (express or implied) is made or can be given with respect to the accuracy or completeness of the information in this material. No representation is made that the performance presented will be achieved as a result of implementing an investment strategy substantially identical or similar to that described herein or that every assumption made in achieving, calculating, or presenting the historical performance information has been considered or stated. Any changes to assumptions could have a material impact on the investment returns that are presented by way of example. Returns for any period may be attributable to certain market conditions, fund size, and timing of transaction, which may not be repeated. Diversification does not assure a profit or protect against loss in a declining market. Past performance is no guarantee of future results. Actual results may vary.

Unless otherwise stated herein, neither performance or related information nor any investment terms presented herein have been adjusted to reflect the impact of the additional fees paid to a placement agent by an investor (for Morgan Stanley Wealth Management placement clients, a one-time upfront Placement Fee of up to 3%, on committed capital, and for Morgan Stanley Wealth Management Consulting Clients, an annual advisory fee of up to 2%, generally on amount invested), which, if such fees were incorporated, would result in a substantial reduction in any returns presented herein and may impact any information related to investment terms presented herein, as applicable. In addition to such fees, clients will pay the fees and expenses of any funds in which their account is invested. These fees and expenses are an additional cost and will not be included in the fee amount in the account statements.

For most investment advisory clients, the program account will be charged an asset-based Advisory fee every month (the “Advisory Fee”). In general, the Advisory Fee covers investment advisory services and reporting. In addition to the Advisory Fee, clients will pay the fees and expenses of any funds in which their account is invested. These fees and expenses are an additional cost and will not be included in the Advisory Fee amount in the account statements. Additionally, unless stated otherwise herein, neither performance or related information nor any investment terms presented herein have been adjusted to reflect the impact of the Advisory Fee, which, if incorporated, would result in a substantial reduction in any returns presented herein and may impact any information related to investment terms presented herein, as applicable.

As Advisory Fees are deducted monthly, the compounding effect will be to increase the impact of the Advisory Fees by an amount directly related to the gross account performance. For example, for an account with an initial value of \$100,000 and a 2.0% annual Advisory Fee if the gross performance is 5% per year over a three-year period, the compounding effect of the Advisory Fee will result in a net annual compound rate of return of approximately 2.40% per year over a three-year period, and the total value of the client’s portfolio at the end of the three-year period would be approximately \$115,762.50 without the Advisory Fee and \$107,389.50 with the Advisory Fee. Please see the applicable Morgan Stanley Smith Barney LLC Form ADV Part 2A for more information including a description of the Advisory Fee schedule. It is available at www.morganstanley.com/ADV or from your Financial Advisor/Private Wealth Advisor.

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Interests in alternative investment products are only made available pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Wealth Management and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley Wealth Management or any of its affiliates, (3) are not guaranteed by Morgan Stanley Wealth Management and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Wealth Management is a registered broker-dealer, not a bank.