



FS INVESTMENTS®

FS Credit Opportunities Corp.

Q2 2024

All information is as of June 30, 2024, unless otherwise noted.

FIRM OVERVIEW

FS Investments

We are a global alternative asset manager dedicated to delivering attractive returns across private equity, private credit and real estate. Our active partnership model creates a virtuous cycle of superior market insights and deal flow, which inform the underwriting process and help to generate strong returns.

Key facts As of June 30, 2024

\$82B+

Total assets under management¹

9

Global offices (Headquartered in Philadelphia)

30+

Years of leadership in private markets

300+

Sponsor relationships

500+

Professionals worldwide

22

Private and public market offerings

Access to a broad suite of alternative asset classes and strategies through our investment teams and partners:

Credit expertise

- Private credit
- Credit secondaries
- Multi-sector credit
- Special situations credit

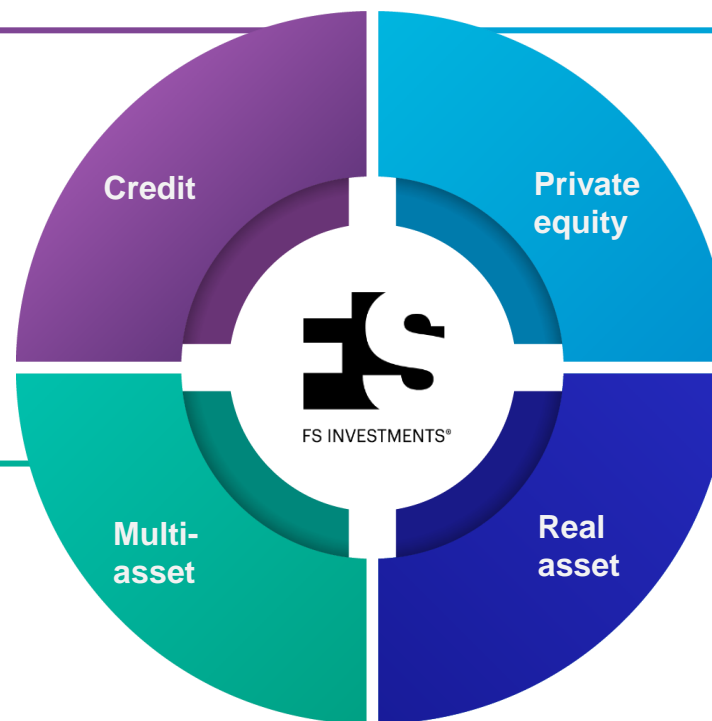
PORTFOLIO ADVISORS LLC

KKR



Multi-asset expertise

- Global allocation
- Multi-strategy



Private equity expertise

- Direct co-investments
- Secondaries (LP + GP-led)
- Primaries

PORTFOLIO ADVISORS LLC

Real asset expertise

- Real estate credit
- Real estate secondaries

PORTFOLIO ADVISORS LLC



1. Total AUM estimated as of June 30, 2024. References to "assets under management" or "AUM" represent the assets managed by FS Investments or its strategic partners as to which FS Investments is entitled to receive a fee or carried interest (either currently or upon deployment of capital) and general partner capital. FS Investments calculates the amount of AUM as of any date as the sum of: (i) the fair value of the investments of FS Investments' investment funds; (ii) uncalled capital commitments from these funds, including uncalled capital commitments from which FS Investments is currently not earning management fees or carried interest; (iii) the value of outstanding CLOs (excluding CLOs wholly-owned by FS Investments); (iv) the fair value of FS KKR Capital Corp. joint venture (JV) assets and FS Specialty Lending Fund JV assets; and (v) the fair value of other assets managed by FS Investments. The AUM also includes the estimated AUM of Portfolio Advisors, LLC as of June 30, 2024, which FS acquired through a merger on June 30, 2023. AUM for Portfolio Advisors, LLC is measured as adjusted reported value plus unfunded commitments. FS Investments' calculation of AUM may differ from the calculations of other asset managers and, as a result, FS Investments' measurements of its AUM may not be comparable to similar measures presented by other asset managers. FS Investments' definition of AUM is not based on any definition of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts that it manages and is not calculated pursuant to any regulatory definitions.

Global Credit team

Founded in 2017, a continuation of the strategy employed by Andrew Beckman as Managing Director and Co-Head of Goldman Sachs Special Situations' MSI



Andrew Beckman, Head of Global Credit, Portfolio Manager, **29 years experience**



Nicholas Heilbut, Portfolio Manager, Director of Research, **26 years experience**



Credit investment professionals

Dan Cohn-Sfetcu
Managing Director
30 years experience

Kenichiro Jin
Managing Director
21 years experience

Daniel Levan
Managing Director
17 years experience

Gabriel Malitzky
Managing Director
11 years experience

Scott Giardina
Managing Director
23 years experience

David Weiser
Managing Director
21 years experience

Brian Hightower
Managing Director
16 years experience

+ 9 other credit professionals

James Holley
Managing Director
21 years experience

Matthew Campbell
Managing Director
18 years experience

Rushabh Vora
Managing Director
16 years experience

Firm-wide support

Capital Markets
3 professionals

Legal/Compliance
30 professionals

Finance
20 professionals

Accounting
10 professionals

Portfolio Management
14 professionals

Operations & IT
82 professionals

Aligned management

17 years

Working together

Robust team

21

Professionals

Seasoned experience

15 years

Average experience

There can be no assurance that any of these professionals will remain with FS Investments or that past experience or performance of such professionals serves as an indicator of future performance or success. Please review the relevant fund offering documents for important disclosures.

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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



\$1.13B
 Originated & primary volume

+

\$890M
 Secondary volume

=

\$2.02B
 Trailing twelve-month transaction volumes¹

1. Last 12 months as of June 30, 2024. Represents transaction volume for FSCO and other vehicles managed by the FS Global Credit Team, including CLO transactions in Bridge Street CLO I, II, III and IV, FS Specialty Lending Fund and other drawdown funds.

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

Q2 2024 portfolio and performance highlights

Performance highlights

- Generated a 2.75% net return during the quarter¹
- Paid distributions of \$0.18 per share, fully covered by net investment income²
- Net investment income (NII) for the quarter ended June 30, 2024 was approximately \$58.8 million, or \$0.29 per share.
- Net asset value (NAV) increased by \$0.01 per share quarter-over-quarter to \$7.15 per share as of June 30, 2024.

Distributions

- Paid distributions of \$0.18 per share.²
- Annualized distribution rate: 10.01% (based on NAV) as of August 30, 2024.²
- Current yield: 11.45% (based on stock price) as of August 30, 2024.

Portfolio

- Diversified portfolio with 84 portfolio companies across 21 industries.
- 83% senior secured debt.
- 48% public credit / 52% private credit.³
- Top 10 holdings represented 24% of the portfolio's fair value.

Borrowings

- 0.48x debt-to-equity ratio (0.20x excluding preferred equity) as of June 30, 2024.
- Weighted average effective rate on borrowings was 6.22% as of June 30, 2024.
- 58% of total drawn leverage was comprised of fixed rate, preferred debt.
- \$265 million available borrowing capacity.

Past performance is no guarantee of future results. Data as of June 30, 2024, unless otherwise noted.

1. The total return for each period presented is historical and is calculated by determining the percentage change in net asset value, assuming the reinvestment of all distributions in additional common shares of FSCO at FSCO's net asset value per share as of the share closing date occurring on or immediately following the distribution payment date. The total return does not consider the effect of the sales load from the sale of FSCO's common shares.

2. The payment of future distributions 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 distributions.

3. Private credit represented by assets that are classified as Level 3 assets (excluding equity investments) for purposes of determining fair value.

FSCO portfolio overview

\$2.14B

Total assets

84

Portfolio companies

62%

Floating rate assets¹

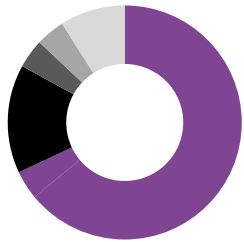
83%

Senior secured debt²

0.8 years

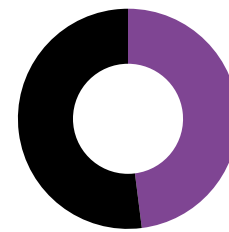
Average duration³

Asset type



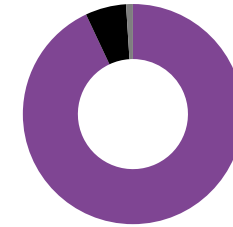
64%	Senior Secured Loans – 1st Lien
4%	Senior Secured Loans – 2nd Lien
15%	Senior Secured Bonds
4%	Subordinated Debt
4%	Asset Based Finance
9%	Equity/Other

Private vs. public



48%	Public
52%	Private

Geographic location



94%	United States
5%	Other
1%	Europe

Sector allocations⁴

16%	Consumer Services	5%	Consumer Discretionary Distribution & Retail
10%	Commercial & Professional Services	5%	Materials
10%	Healthcare Equipment & Services	5%	Pharmaceuticals, Biotechnology & Life Sciences
8%	Capital Goods	4%	Energy
8%	Financial Services	4%	Transportation
7%	Consumer Durables & Apparel	18%	Other

All figures based on fair value as of June 30, 2024.

- Includes floating rate assets on a look-through basis within the FSCO's Asset Based Finance investments.
- Senior secured debt includes first lien loans, second lien loans and senior secured bonds.
- 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 0.8 year suggests that a 1% rise in interest rates would equate to a 0.8% decline in FSCO's NAV and vice versa as rates fall.
- Other includes Software & Services, Telecommunication Services (3%); Automobiles & Components, Household & Personal Products, Real Estate Management & Development, Technology Hardware & Equipment (2%); Consumer Staples Distribution & Retail, Equity Real Estate Investments Trusts (REITs), Food, Beverage & Tobacco, Insurance (1%).

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	S + 1.30%	–	\$200	3/27/25
Revolving Credit Facility	S + 2.65%	–	\$65	12/15/24
Term Loan	S + 2.65%	\$285	–	12/15/24
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
2029 Preferred	6.70%	\$100	–	5/16/29
Total		\$685	\$265	

\$400M

Preferred debt financings

0.20x

Debt-to-equity
(without preferred shares)

0.48x

Debt-to-equity
(with preferred shares)

6.22%

Effective cost of borrowing

Appendix

Track record of generating strong risk-adjusted returns

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

						Since January 1, 2018		
As of June 30, 2024	YTD	1YR	3YR	5YR	10YR	Annualized return	Over/Under performance	Sharpe ratio
FSCO (Net NAV return)	8.67%	18.21%	6.30%	7.01%	5.24%	7.37%	--	0.54
Morningstar LSTA Leveraged Loan Index	4.40%	11.11%	6.14%	5.53%	4.60%	5.19%	217 bps	0.45
ICE BofAML U.S. High Yield Index	2.63%	10.45%	1.65%	3.73%	4.21%	4.03%	334 bps	0.20
HFRX Event-Driven Index	1.21%	4.83%	-2.87%	2.06%	0.14%	0.03%	733 bps	-0.43

Financial highlights

	1H 2021	FY 2021	1H 2022	FY 2022	1H 2023	FY 2023	1H 2024
\$ in millions	6/30/2021	12/31/2021	6/30/2022	12/31/2022	6/30/2023	12/31/2023	6/30/2024
Investment Portfolio	\$2,131	\$2,244	\$1,987	\$1,825	\$1,816	\$1,933	\$2,008
Debt	\$455	\$435	\$335	\$285	\$285	\$390	\$285
Preferred	\$298	\$397	\$397	\$398	\$398	\$299	\$398
Net Assets	\$1,510	\$1,506	\$1,359	\$1,256	\$1,325	\$1,373	\$1,419
Debt-to-Equity (including preferred shares)	0.50x	0.55x	0.54x	0.55x	0.52x	0.50x	0.48x
Debt-to-Equity (without preferred shares)	0.30x	0.29x	0.25x	0.23x	0.22x	0.28x	0.20x
Asset Coverage ¹	4.98x	5.37x	6.18x	6.63x	6.87x	5.28x	7.37x
Cash	\$122	\$87	\$114	\$92	\$192	\$106	\$104
Debt-to-Capital	0.50x	0.55x	0.54x	0.55x	0.52x	0.50x	0.48x
Net Debt-to-Capital ²	0.42x	0.49x	0.46x	0.47x	0.37x	0.42x	0.41x
NII Yield (to average net assets)	6.48%	7.32%	10.18%	9.71%	12.52%	11.49%	13.84%
Per Share Data							
NAV per share	\$7.66	\$7.64	\$6.90	\$6.33	\$6.68	\$6.92	\$7.15
NII per share	\$0.24	\$0.56	\$0.37	\$0.68	\$0.40	\$0.77	\$0.48
Distribution per share ³	\$0.26	\$0.51	\$0.26	\$0.52	\$0.30	\$0.64	\$0.35
Earnings per share	\$0.62	\$0.85	(\$0.48)	(\$0.79)	\$0.65	\$1.23	\$0.58
Shares Outstanding (MM)	197.248	197.138	197.092	198.356	198.356	198.356	198.356

Past performance is no guarantee of future results.

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.
3. Beginning July 2023, FSCO raised its monthly distribution amount from \$0.04945 per share to \$0.057 per share, equating to an annualized distribution of \$0.684 per share. The payment of future distributions 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 distributions.

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, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements with regard to future events or the future performance or operations of the Fund. Words such as "intends," "will," "expects," and "may" 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, geopolitical 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 price at which the Fund's shares of common stock may trade on the New York Stock Exchange and such other factors that are disclosed in the Fund's filings with the Securities and Exchange Commission. 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.

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 of common stock of the Company (the “Shares”) involves; however, investors should carefully consider all of the risks discussed in FSCO’s reports filed with the U.S. Securities and Exchange Commission (the “SEC”) before deciding to invest in the Shares. 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.

- Shareholders of the Company (the “Shareholders”) should consider that an investment in 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.
- FSCO’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 FSCO for investment. Any capital returned to Shareholders through distributions will be distributed after payment of fees and expenses, as well as the sales load.
- FSCO’s previous distributions 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 distributions may be funded from such waivers, reimbursements or payments. Significant portions of these distributions 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 distributions would have come from offering proceeds or borrowings. The repayment of any amounts owed to FS Investments will reduce the future distributions to which the Shareholders would otherwise be entitled.
- 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.

Risk factors

- 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 and its variants (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.
- Inflation increased substantially in 2022, and the Federal Reserve has raised interest rates several times to, among other things, control inflation, and has signaled that additional increases are likely in the future, which 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.