



FSICSM

KKR

CORPORATE
CAPITAL TRUST

FS INVESTMENTS & KKR FORM STRATEGIC PARTNERSHIP

Combining FSIC & CCT platforms to create stockholder value

FS INVESTMENTS AND KKR TO ESTABLISH INDUSTRY-LEADING PARTNERSHIP

FS Investments (“FS”) and KKR Credit Advisors (“KKR”) have announced an agreement to form a strategic partnership, creating a premier ~\$18B¹ alternative lending platform

FS INVESTMENTS

- Leading provider and manager of alternative investment solutions with \$20.5B in AUM²
- Largest manager of credit-focused business development companies with \$13.7B in BDC AUM³
- History of combining differentiated strategies, top institutional managers and innovative structures to provide investors with alternative sources of income and growth
- Best-in-class capital raising capabilities with 300,000 investors represented by over 18,000 financial advisors

KKR

- KKR & Co. L.P. is a leading global investment firm managing \$153B² in AUM across multiple alternative asset classes
- 41-year history of investment excellence
- \$15B² internal balance sheet largely invested alongside clients
- Manages \$41.3B in Credit AUM, including \$4.6B in BDC AUM²
- Global industry coverage in Credit strategies complemented by a significant sourcing, underwriting and capital markets platform

¹ Assumes stockholder approval for all funds

² As of September 30, 2017

³ \$18B of total BDC AUM as of September 30, 2017 comprised of \$13.7B across FSIC, FSIC II, FSIC III and FSIC IV and \$4B in FS Energy & Power Fund

TRANSACTION SUMMARY¹

KEY HIGHLIGHTS

COMBINED PLATFORM

- FSIC I, II, III & IV comprising \$13.7B in gross assets
- CCT I & II comprising \$4.6B in gross assets
- 150 sponsors, 325 borrowers

INVESTMENT ADVISORS

- FS & KKR to seek stockholder approval for joint venture as sole investment advisor (co-advisors on an interim basis)

CO-INVESTMENT

- Each FSIC fund expects that it will have the ability to co-invest pro rata alongside KKR's other client accounts upon receiving shareholder approval for new advisory agreements

FEES

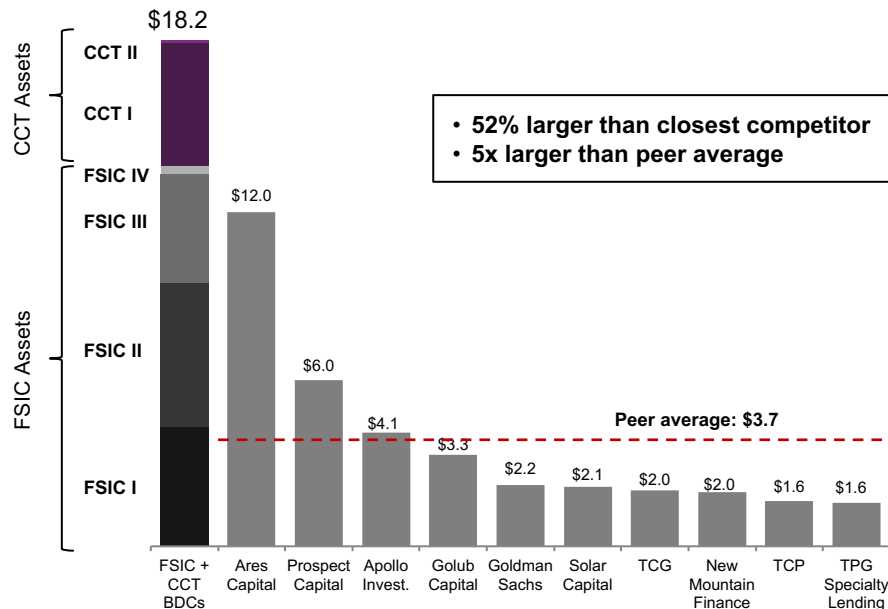
- Management fee for FSIC funds & CCT II to be reduced to 1.50% annually (CCT was reduced to 1.50% at listing)
- Enhancing FSIC incentive-fee lookback calculation to remove add-back of management fee²

¹ Metrics assume stockholder approval for all funds

² Look-back provision change becomes effective for quarters ending after January 1, 2018

³ As of September 30, 2017 per Wall Street research and company filings. BDC Platform data representative of reported gross assets.

PARTNERSHIP CREATES LARGEST BDC PLATFORM³



STRATEGIC RATIONALE

COMPLEMENTARY, LONG-TERM PARTNERSHIP

- Combines FS and KKR's investment acumen, distribution networks and geographic footprints
- KKR brings fundamental, private credit investing expertise, while FS brings experience in direct lending and all aspects of '40 Act fund management
- FSIC franchise becomes integral part of KKR Credit, investing alongside KKR's credit platform on a pro rata basis

SCALE – IMPACT ON SHAREHOLDERS

- Expanded origination platform to capture a broader set of investment opportunities
- Ability to hold larger investments, with a focus on the upper end of the middle market
- Largest BDC platform expected to increase operational efficiencies
- FSIC vehicles to reduce annual management fee rate to 1.50%

LENDER OF CHOICE AMONG BORROWERS

- Partnership well-positioned to provide a full suite of lending solutions at scale
- Borrowers benefit from KKR's symbiotic, solutions-oriented capital markets platform, and the combined credit investing and structuring expertise of FS and KKR
- "Ball control" ensures we can manage our borrowers' experience and support them as needed

FS INVESTMENTS: LARGEST MANAGER OF BDC ASSETS



Leading asset manager providing access to alternative sources of income and growth

\$21B Assets under management

PARTNERSHIP

Partner with best-in-class institutional managers

\$21B
AUM

10
Funds

5
Institutional partners

10 Registered investment vehicles

EXPERTISE

Manufacture and launch innovative products across all areas of alternative investments

PRIVATE CREDIT

PUBLIC ENERGY

PRIVATE ENERGY

LIQUID ALTERNATIVES

EVENT DRIVEN CREDIT

INFRASTRUCTURE

REAL ESTATE LENDING

300+ Employees

BDCs

Largest manager of business development company assets

\$18B
BDC AUM

5
of BDCs

2009
FSIC launched as first non-traded BDC

2014
FSIC was first non-traded BDC to list on NYSE

KKR – A LEADING ASSET MANAGEMENT PLATFORM

KKR

Founded 1976

\$153bn

Assets Under Management

\$15bn

Internal Balance Sheet
Largely Invested Alongside Clients

~360

Investment Professionals

20

Offices Globally

Private Equity & Real Assets

~260 investment professionals
(\$88bn AUM)

KKR Credit

~100 investment professionals
(\$41bn AUM)

Capital Markets

~40 capital markets professionals
(~\$315bn in global refinancings ITD)

Hedge Fund Partnerships

(\$24bn AUM)

KKR
Capstone⁽¹⁾
(~50 people)

Global Macro
and Asset Allocation
(7 people)

Stakeholder
Management
(14 people)

KKR
Global Institute
(3 people)

Client and
Partner Group
(~75 people)

“One-Firm” Culture – KKR will deliver the resources of the full firm to support the FSIC vehicles

Note: AUM and headcount as of September 30, 2017.

1) KKR Capstone is not a subsidiary or affiliate of KKR. Please see Important Information for additional disclosure regarding KKR Capstone, which can be found on slide 12.

KKR CREDIT OVERVIEW

CURRENT KKR CREDIT AUM

\$41bn → \$55bn¹

KKR Credit Assets Under Management

\$22bn

Leveraged Credit

- Leveraged Loans
- High Yield Bonds
- Opportunistic Credit
- CLOs
- Revolving Credit

\$10bn → \$24bn¹

Private Credit

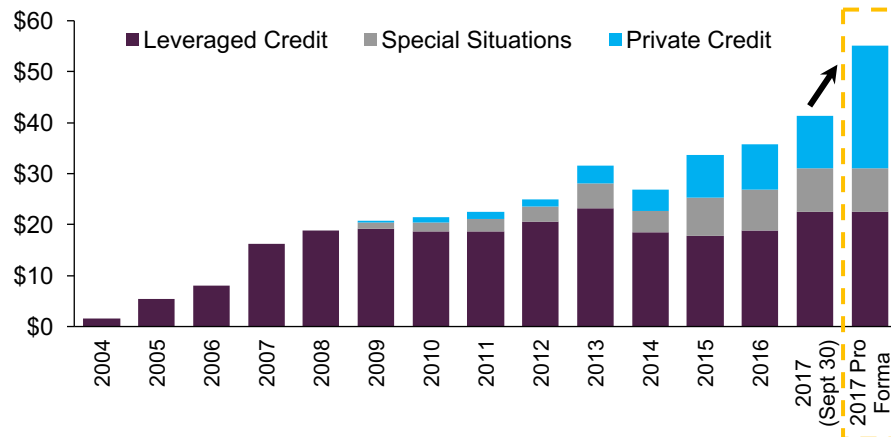
- Direct Lending
- Asset-based Finance
- Subordinated Debt

\$9bn

Special Situations

- Deep Value
- Distressed
- Event-Driven

KKR CREDIT AUM GROWTH (\$BN)²



IMPACT ON BDCs

- Global sourcing platform with investment expertise across the capital structure, covering 150 sponsors
- ~100 investment professionals within KKR Credit
- Aligned in outcomes – KKR’s Balance Sheet and employees have \$2.7 billion committed across KKR Credit
- BDCs will allow KKR to continue to invest in and expand its direct origination capabilities

¹Presentation of pro forma AUM as of September 30, 2017 is for illustrative purpose only and assumes that all of FS Investments’ AUM is in Private Credit.

²AUM as of September 30, 2017

GLOBAL AND DIVERSIFIED SOURCING PLATFORM TO IMPROVE CREDIT SELECTION

GLOBAL SPONSOR COVERAGE

- Combined sponsor coverage in excess of 150 sponsors
- Origination opportunities from combined 325 portfolio companies and KKR Credit's 750+ company relationships
- Access to global opportunities given KKR's substantial international footprint



GLOBAL CORPORATE AND NON-SPONSOR COVERAGE

- Family office, private banking, and direct-to-corporate relationships enhance non-sponsor deal flow
- Larger capital base increases cross-sale opportunities across KKR business lines
- Platform will be a "first call" to a wide range of intermediaries and company advisors



GLOBAL ASSET-BASED FINANCE

- KKR has a full-scale platform to source and make direct investments in dislocated asset classes with higher risk-adjusted returns
- FS & KKR to partner on structuring to ensure BDCs are provided tax-efficient access to opportunities
- Offers more compelling usage of capacity in 30% non-qualified bucket



**OPTIMAL
PORTFOLIO
CONSTRUCTION
LEADS TO
ATTRACTIVE
RETURNS**

PARTNERSHIP BENEFITS

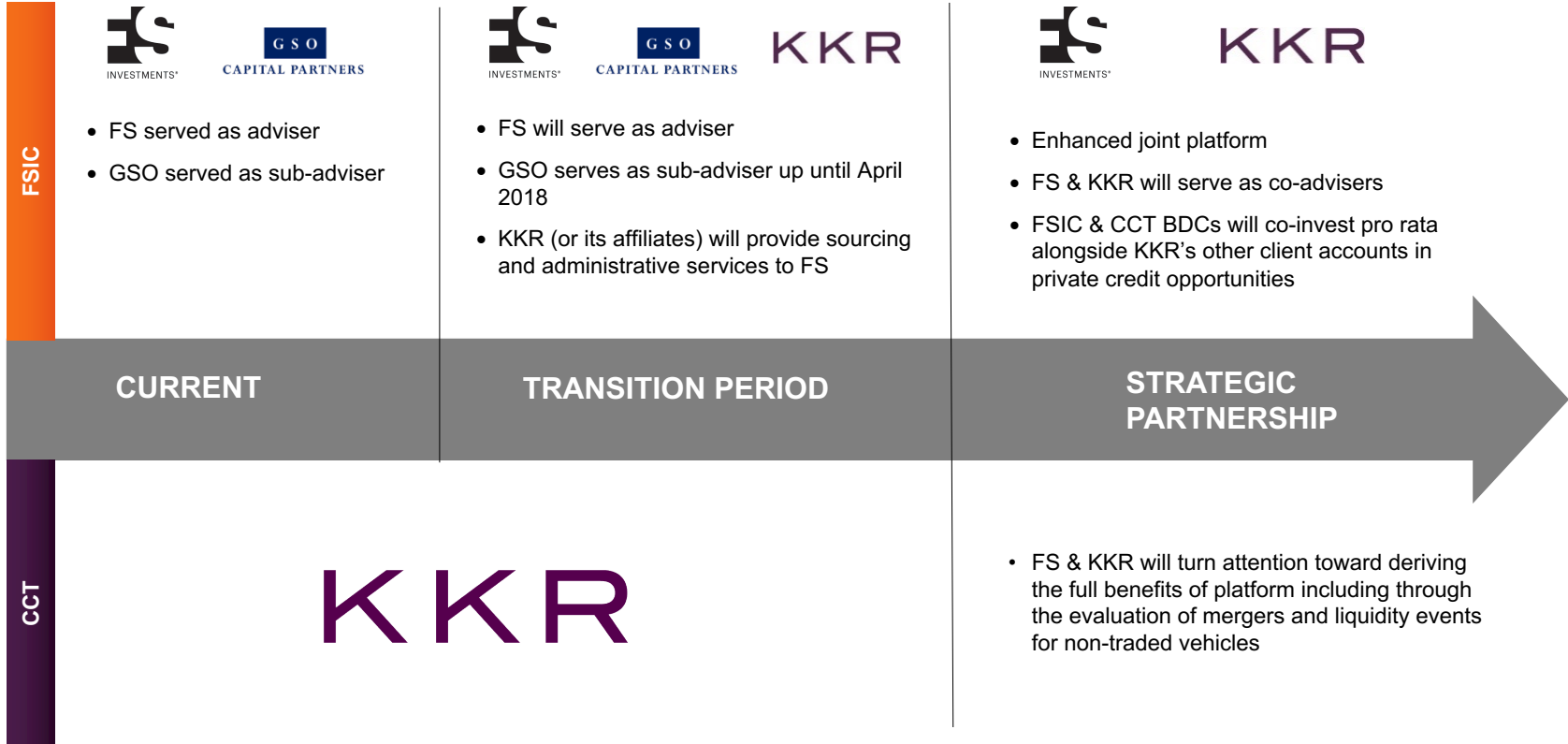


Scaled platform generates new sources of income and return by offering a full suite of lending solutions to a broader base of borrowers

		FS + KKR PLATFORM	TRADITIONAL BDC PLATFORM
COVERAGE UNIVERSE	U.S. sponsors	✓	✓
	International sponsors	✓	
	Direct corporate	✓	
	Financial intermediaries	✓	✓
PRODUCT SUITE	Direct lending	✓	✓
	Asset-based finance	✓	
	Partnerships with leading investment management firms	✓	
PLATFORM BENEFITS	Global investment platform	✓	
	Leading capital markets franchise	✓	
	Best-in-class distribution capabilities	✓	
	Multi-asset class expertise	✓	
	Cross-platform sourcing & diligence	✓	
	Rigorous monitoring & risk management processes	✓	✓

THE PATH FORWARD

COMMITTED TO A SEAMLESS TRANSITION FOR INVESTORS



PARTNERSHIP SUMMARY & KEY HIGHLIGHTS¹

6

BDCs

\$18B

AUM

150

SPONSORS

325

BORROWERS

20K

FINANCIAL ADVISORS

- ✓ Complementary long-term partnership to build the premier alternative lending platform
- ✓ Creation of scale advantages to drive returns
- ✓ Expanded investment opportunities and product offering
- ✓ FSIC and CCT combined platform creates opportunity to deliver greater value over time

¹ Metrics assume stockholder approval for all funds

DISCLOSURES

FORWARD-LOOKING STATEMENTS

This presentation may contain certain “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 by the Private Securities Litigation Reform Act of 1995, including statements with regard to future events or the future performance or operations of FS Investment Corporation (“FSIC”), FS Investment Corporation II, FS Investment Corporation III, FS Investment Corporation IV, Corporate Capital Trust, Inc. (“CCT”) and Corporate Capital Trust II (collectively, the “Funds”). Words such as “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, risks associated with possible disruption to a Fund’s operations or the economy generally due to terrorism or natural disasters, future changes in laws or regulations and conditions in a Fund’s operating area, and the price at which shares of FSIC’s or CCT’s common stock trade on the New York Stock Exchange. Some of these factors are enumerated in the filings the Funds makes with the Securities and Exchange Commission (the “SEC”) and will also be contained in the Proxy Statements (as defined below) when such documents become available. 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. The Funds undertake 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.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

This presentation relates to proposed new investment advisory agreements for certain of the Funds (collectively, the “Proposals”). In connection with the Proposals, certain Funds intend to file relevant materials with the SEC, including a proxy statement on Schedule 14A (each a “Proxy Statement”). This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. STOCKHOLDERS OF THE FUNDS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING ANY PROXY STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSALS. Investors and security holders will be able to obtain the documents filed with the SEC free of charge at the SEC’s web site, www.sec.gov and from FS Investments’ website at www.fsinvestments.com or CCT’s website at www.corporatecapitaltrust.com.

PARTICIPANTS IN THE SOLICITATIONS

The Funds and their respective directors, trustees, executive officers and certain other members of management and employees, including employees of FS Investments, KKR & Co. L.P. and their respective affiliates, may be deemed to be participants in the solicitation of proxies from the stockholders of the Funds in connection with the Proposals. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the Funds’ stockholders in connection with the Proposals will be contained in the Proxy Statements when such documents become available. These documents may be obtained free of charge from the sources indicated above.

KKR CAPSTONE

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