

FS Global Advisor, LLC

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As of July 11, 2013

This brochure provides information about the qualifications and business practices of FS Global Advisor, LLC (“**FSGA**” or the “**Adviser**”). If you have any questions about the contents of this brochure, please contact us at (215) 495-1150. The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

FSGA is an investment adviser registered with the SEC. Please note that registration does not imply a certain level of skill or training.

Additional information about FSGA is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – Material Changes

On July 28, 2010, the SEC published “Amendments to Form ADV” addressing the information required to be included in the brochure disclosure document (the “**Brochure**”) that FSGA provides to clients as required by the rules promulgated by the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). This Brochure, dated July 11, 2013, is the initial brochure for FSGA. Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the Adviser’s fiscal year end. FSGA may further provide other ongoing disclosure information about material changes as necessary. This information will be provided at no charge.

Currently, FSGA’s Brochure may be requested by contacting Adrienne Hart, Chief Compliance Officer, at (215) 495-1172 or Adrienne.hart@franklinsquare.com.

Additional information about FSGA is also available via the SEC’s website at www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with FSGA who are registered, or are required to be registered, as investment adviser representatives of FSGA.

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ITEM 4 – Advisory Business

FSGA was formed in January 2013 for the purpose of providing investment advisory services to a closed-end investment company and other investment funds. At present, the Adviser has a single client, FS Global Credit Opportunities Fund (the “**Company**”), a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “**1940 Act**”). The Adviser may, subject to any limitations described in the investment advisory agreement between the Adviser and the Company, advise other investment companies, private investment funds, institutional investors or other persons or entities (collectively, the “**Clients**”), at which time the Adviser will make any necessary amendments to this Brochure.

The Adviser will be responsible for identifying potential investments for its Clients. The Adviser will evaluate such investments and their appropriateness based on the investment objectives and policies of its Clients, as adopted by their boards of trustees or other governing bodies. If the Adviser determines that certain investments are appropriate, and the Adviser’s investment committee unanimously approves such investments, the Adviser will effectuate the investments on behalf of its respective Clients. The Adviser will have the discretion, without limitation, to determine the broker-dealer used in effecting any investment and commissions to be paid. While brokerage commissions will not generally be implicated, in determining the appropriate level of commissions, the Adviser may consider the level of products, research and services to be obtained.

The Adviser will then close, monitor and continually service any investments made. Using a security analysis methodology that includes a combination of fundamental and cyclical analysis with a consideration of, among other things, a potential investment’s credit rating, if applicable, the Adviser will determine what securities are appropriate for purchase, sale or retention by its Clients.

From time to time, the Adviser may enter into sub-advisory arrangements with registered investment advisers (each, a “**Sub-Adviser**”) that possess skills that the Adviser believes will aid it in achieving its Clients’ investment objectives. Any such Sub-Adviser may, among other things, assist the Adviser in identifying investment opportunities and making investment recommendations to the Adviser. The Adviser will be responsible for compensating any such Sub-Adviser.

The Adviser will provide investment supervisory services to its Clients pursuant to an investment advisory agreement. Any such agreement will automatically terminate in the event of its assignment. The investment advisory agreement between the Adviser and the Company provides for its termination without penalty upon 60 days’ written notice, (i) by the vote of a majority of the outstanding voting securities of the Company, (ii) by the vote of the Company’s Board of Trustees, or (iii) by the Adviser.

The Adviser will initially focus its business on the provision of advice related to secured and unsecured floating rate and fixed rate loans, bonds and other types of credit instruments. However, it may also offer advice to the Company and other Clients on a

broad range of securities, including equity securities, that may be exchange listed, traded over-the-counter or issued by foreign entities, warrants, derivatives, structured products, commercial paper, certificates of deposit, convertible securities, mutual fund shares, U.S. government securities, option contracts on securities, interests in partnerships investing in real estate, oil and gas interests and commodities.

As of June 30, 2013, the Adviser had approximately \$200,000 in assets under management for its Clients, which the Adviser manages on a discretionary basis.

The Adviser is owned by three entities and certain individuals as follows: Franklin Square Holdings, L.P., an entity controlled by Messrs. Michael C. Forman and David J. Adelman, owns 87.5%; The 2011 Forman Investment Trust, an estate planning trust established by Michael C. Forman, owns 5.6%; and Darco Capital, L.P., an entity controlled by David J. Adelman, owns 1.4%. The remaining 5.5% is owned by current and former officers of the Adviser or one of its affiliates.

ITEM 5 – Fees and Compensation

The Adviser has no set policy regarding calculating fees for its services and it will determine such fees on a client-by-client basis, as negotiated with each Client.

The Adviser will deduct fees from the Company's assets, and would deduct fees from the assets of any future Clients. With respect to the Company, the Adviser will receive a base management fee and an incentive fee. The base management fee will be calculated and payable quarterly in arrears at the annual rate of 2.0% of the Company's average daily gross assets during such period. The base management fee may or may not be taken in whole or in part at the discretion of the Adviser. All or any part of the base management fee not taken as to any quarter will be deferred without interest and may be taken in such other quarters as the Adviser may determine. The base management fee for any partial quarter will be appropriately prorated.

The incentive fee will be calculated and payable quarterly in arrears based upon the Company's "pre-incentive fee net investment income" for the immediately preceding quarter, and will be subject to a hurdle rate, expressed as a rate of return on the Company's "adjusted capital" at the beginning of such immediately preceding quarter, equal to 2.1625% per quarter (or an annualized hurdle rate of 8.65%), subject to a "catch-up" feature. For this purpose, "pre-incentive fee net investment income" means interest income, dividend income and any other income accrued during the calendar quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses reimbursed to the Adviser under an administration agreement to be entered into between the Adviser and the Company, and any interest expense and distributions paid on any issued and outstanding preferred shares, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued

income that the Company has not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. "Adjusted capital" means the cumulative gross proceeds received by the Company from the sale of the Company's shares (including pursuant to the Company's distribution reinvestment plan), reduced by the amounts paid in connection with purchases of Company shares pursuant to the Company's share repurchase program.

The calculation of the incentive fee on income for each quarter is as follows:

- No incentive fee is payable in any calendar quarter in which the Company's pre-incentive fee net investment income does not exceed the quarterly hurdle rate of 2.1625%;
- 100% of the Company's pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 2.703125% in any calendar quarter (10.8125% annualized) is payable to the Adviser. This portion of the Company's pre-incentive fee net investment income which exceeds the hurdle rate but is less than or equal to 2.703125% is referred to as the "catch-up." The "catch-up" provision is intended to provide the Adviser with an incentive fee of 20.0% on all of the Company's pre-incentive fee net investment income when the Company's pre-incentive fee net investment income reaches 2.703125% in any calendar quarter; and
- 20.0% of the amount of the Company's pre-incentive fee net investment income, if any, that exceeds 2.703125% in any calendar quarter (10.8125% annualized) is payable to the Adviser once the hurdle rate is reached and the catch-up is achieved (20.0% of all the Company's pre-incentive fee net investment income thereafter is allocated to the Adviser).

As the Adviser establishes other relationships it may arrange to receive fixed fees or fees paid on some other negotiated basis.

While brokerage commissions will not generally be payable by the Adviser, see Item 12 for information regarding certain trading execution costs that may be incurred by Clients of the Adviser. The Company may establish prime brokerage relationships to facilitate certain of its transactions, the costs of which will be borne by the Company.

ITEM 6 – Performance-Based Fees and Side-by-Side Management

As noted above in Item 5, the Adviser expects to receive performance-based fees. See also Item 10 below for information regarding certain potential conflicts of interest relating to the Adviser's current Client, the Company, and how such potential conflicts will be mitigated.

ITEM 7 – Types of Clients

The Adviser expects to provide investment advice to the Company. As discussed in Item 4, the Adviser may, subject to any limitations described in the investment advisory agreement between the Adviser and the Company, advise other investment companies, private investment funds, institutional investors or other persons or entities.

ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The Adviser will be responsible for evaluating potential investments for its Clients, including the Company. Any Sub-Adviser engaged by the Adviser may, among other things, assist the Adviser in identifying investment opportunities and making investment recommendations to the Adviser. The Adviser and any Sub-Adviser will review such investments and their appropriateness based on the investment objectives and policies of the Clients, as adopted by the Clients' boards of trustees or other oversight bodies. If the Adviser, together with any Sub-Adviser, determines that such investments are appropriate and the Adviser's investment committee unanimously approves such investment, the Adviser, with the assistance of any Sub-Adviser, will effectuate investments on behalf of the Clients. The Adviser has the discretion, without limitation, to determine the broker-dealer used in effecting any investment and the commissions to be paid. While brokerage commissions will not generally be implicated, in determining the appropriate level of commissions, the Adviser may consider the level of products, research and services to be obtained.

The Adviser, with the assistance of any Sub-Adviser, will then close, monitor and continually service any investments made. Using a security analysis methodology that includes a combination of fundamental and cyclical analysis with a consideration of, among other things, a potential investment's credit rating, if applicable, the Adviser, with the assistance of any such Sub-Adviser, will determine what securities are appropriate for purchase, sale or retention by its Clients. Relying on financial newspapers, magazines and trade journals, inspections of corporate activities, research material, annual reports and other filings with the SEC, company press releases and detailed management interviews, corporate rating services and other third-party data collection, the Adviser, with the assistance of any Sub-Adviser, will principally offer advice on investing in secured and unsecured floating rate and fixed rate loans, bonds and other types of credit instruments. However, the Adviser and any Sub-Adviser may also offer advice to the Company and other Clients on a broad range of securities, including equity securities, that may be exchange listed, traded over-the-counter or issued by foreign entities, warrants, derivatives, structured products, commercial paper, certificates of deposit, convertible securities, mutual fund shares, U.S. government securities, option contracts on securities, interests in partnerships investing in real estate, oil and gas interests and commodities. The Adviser may utilize various investment strategies, including, among others, leverage, both long and short term purchases and hedging techniques when appropriate. In addition, the Adviser may

seek to achieve a Client's investment objectives by focusing on high conviction investment opportunities, without respect to geographic constraints, and on strategies such as event-driven, special situations and market price inefficiencies.

Investing in securities involves a risk of loss that Clients must be prepared to bear. Investments of the type that the Adviser recommends are subject to financial market risks, including changes in interest rates, which may have a substantial negative impact on the value of Clients' investments. In addition, the Adviser may recommend investments in (i) securities and other obligations of companies that are experiencing distress (ii) securities in expectation of a specific event or catalyst, and/or (iii) various types of debt or equity securities, including credit instruments that may be secured, unsecured, rated or unrated, and such investments are subject to specific risks relating to the type of security held, the issuer of such security, and various other risks. 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. Investments in expectation of a specific event or catalyst can result in losses if the event fails to occur or it does not have the effect foreseen. 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. Subordinated investments in debt have lower priority in right of payment to any higher ranking obligations of the borrower, and the cash flows and assets of the borrower may be insufficient to meet scheduled payments after giving effect to any higher ranking obligations of the borrower. The value of equity securities may fluctuate in response to factors affecting the particular company, as well as broader market and economic conditions. Derivative investments have risks, including the imperfect correlation between the value of such instruments and the underlying assets. Securities of foreign issuers may be traded in undeveloped, inefficient and less liquid markets and may experience greater price volatility and changes in value. Further, securities recommended by the Adviser may have limited or no liquidity. The Adviser may also recommend that Clients borrow funds to make investments. As a result, such Clients would be exposed to the risks of borrowing, also known as leverage. Leverage increases the volatility of investments by magnifying the potential for gain and loss on amounts invested.

ITEM 9 – Disciplinary Information

The Adviser has not been involved in any disciplinary actions or legal or administrative proceedings related to its business activities.

ITEM 10 – Other Financial Industry Activities and Affiliations

The Adviser is affiliated with FS² Capital Partners, LLC (“**FS²**”), a broker-dealer registered with the SEC and the Financial Industry Regulatory Authority, Inc. (“**FINRA**”). FS², which is a wholly-owned subsidiary of Franklin Square Holdings, L.P., will serve as

the dealer manager for the distribution of the common shares of beneficial interest of the Company's affiliates, FS Global Credit Opportunities Fund—A and FS Global Credit Opportunities Fund—D. FS Global Credit Opportunities Fund—A and FS Global Credit Opportunities Fund—D will invest substantially all of their assets in the Company. Franklin Square Holdings, G.P., LLC is the general partner of Franklin Square Holdings, L.P. and is owned and controlled by Messrs. Forman and Adelman.

The Adviser is also affiliated with: (i) FS Investment Advisor, LLC, a registered investment adviser under the Advisers Act, which provides advisory services to FS Energy and Power Fund ("**FSEP**"), a non-diversified, closed-end management investment company that has elected to be regulated as a business development company ("**BDC**") under the 1940 Act; (ii) FB Income Advisor, LLC, a registered investment adviser under the Advisers Act, which provides advisory services to FS Investment Corporation ("**FSIC**"), a non-diversified, closed-end management investment company that has elected to be regulated as a BDC under the 1940 Act; and (iii) FSIC II Advisor, LLC, a registered investment adviser under the Advisers Act, which provides advisory services to FS Investment Corporation II ("**FSIC II**"), a non-diversified, closed-end management investment company that has elected to be regulated as a BDC under the 1940 Act. FS² acts as the dealer manager for the distribution of the shares of FSEP and FSIC II and distributed the shares of FSIC prior to the closing of its offering in May 2012.

The Adviser intends to engage GSO Capital Partners, LP ("**GSO**") to act as its investment sub-adviser with respect to the Company. GSO will assist the Adviser in identifying investment opportunities for the Company and will make recommendations to the Adviser on specific investments that are subject to approval by the Adviser, according to guidelines set by the Adviser. GSO is a registered investment adviser under the Advisers Act and is the credit platform of The Blackstone Group L.P.

Conflicts of interest with the Adviser's current Client, the Company, related to these relationships may include the following:

- The directors, officers and other personnel of the Adviser will allocate their time between advising the Company and managing other investment activities and business activities in which they may be involved, including managing and operating FSIC, FSIC II and FSEP;
- The Company may compete with certain of its affiliates for investments, including FSIC, FSIC II and FSEP, subjecting the Adviser and its affiliates to certain conflicts of interest in evaluating the suitability of investment opportunities and recommending acquisitions on the Company's behalf;
- Regardless of the quality of the assets acquired, the services provided to the Company or whether the Company makes distributions to its shareholders, the Adviser and GSO will receive base management fees in connection with the

management of the Company's portfolio and may receive incentive fees in connection with the sale of the Company's portfolio investments;

- Because the dealer manager, FS², is an affiliate of the Adviser, its due diligence review and investigation of the Company and the Adviser cannot be considered to be an independent review;
- The personnel of GSO will allocate their time between assisting the Adviser in identifying investment opportunities and making investment recommendations and performing similar functions for other business activities in which they may be involved, including in connection with GSO's role as sub-adviser to FSEP and as an affiliate of the sub-adviser to FSIC and FSIC II;
- The Company may compete with other funds managed by affiliates of GSO for investment opportunities, subjecting GSO and its affiliates to certain conflicts of interest in evaluating the suitability of investment opportunities and making or recommending investments to the Adviser;
- From time to time, to the extent consistent with the 1940 Act and the rules and regulations promulgated thereunder, the Company and other Clients for which the Adviser or GSO provide investment management services or carry on investment activities may make investments at different levels of an investment entity's capital structure or otherwise in different classes of an issuer's securities. These investments may give rise to inherent conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by the Company and such other Clients;
- The Adviser, GSO and their respective affiliates may give advice and recommend securities to other Clients which may differ from advice given to, or securities recommended or bought for, the Company, even though their investment objectives may be similar to the Company's;
- GSO and its affiliates may have existing business relationships or access to material, non-public information that would prevent GSO from recommending certain investment opportunities that would otherwise fit within the Company's investment objectives and strategies;
- The Adviser, GSO and their respective affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may compete with the Company and/or may involve substantial time and resources of the Adviser and GSO. Affiliates of GSO engage in investment advisory business with accounts that compete with the Company and have no obligation to make their investment opportunities available to the Company;

- To the extent permitted by the 1940 Act and SEC staff interpretations, and subject to the allocation policies of the Adviser, GSO and any of their respective affiliates, as applicable, the Adviser, GSO and any of their respective affiliates may determine it appropriate for the Company and one or more other investment accounts managed by the Adviser, GSO or any of their respective affiliates to participate in an investment opportunity. The Company may seek exemptive relief from the SEC to engage in co-investment opportunities with the Adviser and its affiliates, including FSIC, FSEP and FSIC II. However, there can be no assurance that the Company will obtain such exemptive relief. Any of these co-investment opportunities may give rise to conflicts of interest or perceived conflicts of interest among the Company and the other participating accounts; and
- The 1940 Act prohibits certain “joint” transactions with certain of the Company's affiliates, which could include investments in the same portfolio company (whether at the same or different times), without the prior approval of the SEC. If a person, directly or indirectly, acquires more than 25% of the Company's voting securities, the Company will be prohibited from buying or selling any security from or to such person or certain of that person's affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC. Similar restrictions limit the Company's ability to transact business with its officers or trustees or their affiliates. The SEC has interpreted the 1940 Act rules governing transactions with affiliates to prohibit certain “joint transactions” involving entities that share a common investment adviser. As a result of these restrictions, the scope of investment opportunities that would otherwise be available to the Company may be limited.

To mitigate these conflicts, the Adviser and/or GSO, as applicable, will seek to execute such transactions for all of the participating investment accounts, including the Company, on a fair and equitable basis and in accordance with their respective allocation policies, taking into account such factors as the relative amounts of capital available for new investments and the investment programs and portfolio positions of the Company, the Clients for which participation is appropriate and any other factors deemed appropriate. In addition, the Chief Compliance Officers of the Adviser and the Company will periodically meet with personnel of GSO, including its Chief Compliance Officer, to, among other things, review policies and procedures that are applicable to GSO in its capacity as investment sub-adviser to the Company, and GSO's compliance with such policies and procedures.

Further, as discussed above, the Adviser, its personnel, and certain affiliates may experience conflicts of interest in allocating management time, services, and functions among the Company and any other business ventures in which they or any of their key personnel, as applicable, are or may become involved. This could result in actions that are more favorable to other affiliated entities than to the Company. However, the Adviser believes that it and its affiliates have sufficient personnel to discharge fully their responsibilities to all activities in which they are involved.

ITEM 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser has adopted a code of ethics pursuant to Rule 204A-1 of the Advisers Act establishing procedures that govern the conduct and securities transactions of each of the Adviser's officers, employees and supervised persons. The "Code of Conduct, Ethics and Statement on the Prohibition of Insider Trading" (the "**Code**") is designed to prevent violations of the fiduciary responsibilities owed by the Adviser to its Clients, including the Company. It contains provisions relating to the confidentiality of firm information, a prohibition on insider trading, a discussion of media relations, a policy on gifts and personal securities trading procedures, among other things. All supervised persons of the Adviser will be required to acknowledge the terms of this document annually, or when it is amended.

The Code is designed to ensure that the personal securities transactions, activities and interests of the officers, employees and supervised persons of the Adviser will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, transactions involving certain classes of securities will be designated as exempt transactions, based upon a determination that trading in these securities would not materially interfere with the best interests of FSGA's Clients. In addition, the Code requires pre-clearance of certain transactions. Employee trading will be monitored under the Code to reasonably prevent conflicts of interest between the Adviser and its Clients. Generally, the securities purchased for the Adviser's Clients will not be available to a retail investor.

The Adviser's Clients or prospective Clients may request a copy of the Code by contacting the Chief Compliance Officer, FS Global Advisor, LLC, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, Pennsylvania 19104.

As discussed in Item 10 above, conflicts of interest may arise from time to time as a result of the Adviser's or GSO's relationships with their respective affiliates. For more information on the conflicts that may arise and how they will be addressed, see Item 10.

ITEM 12 – Brokerage Practices

The Adviser will have responsibility for decisions to buy and sell securities and other instruments for its Clients, the selection of brokers and dealers to effect the transactions and the negotiation of prices and any brokerage commissions on such transactions, although the Adviser may delegate the responsibilities to execute many of its Clients' portfolio transactions to a Sub-Adviser.

As most transactions made by the Adviser's Clients are expected to be principal transactions at net prices, the Clients will generally incur little or no brokerage costs. The portfolio securities in which the Company expects to invest normally will be purchased directly from the issuer or in the over-the-counter ("OTC") market from an underwriter or market maker for the securities. Purchases from underwriters of portfolio securities include a commission or concession paid by the issuer to the underwriter and purchases from dealers serving as market makers include a spread or markup to the dealer between the bid and ask price. Sales to dealers generally will be effected at bid prices.

Clients may also purchase certain money market instruments directly from an issuer, in which case no commissions or discounts are paid (although the Client may indirectly bear fees and expenses of any money market funds in which it invests), or may purchase and sell listed securities on an exchange, which are effected through brokers who charge a commission for their services.

The Company may establish prime brokerage relationships to facilitate certain of its transactions, the costs of which will be borne by the Company.

To the extent the Adviser and any Sub-Adviser execute securities transactions for its Clients, the Adviser or Sub-Adviser will seek to obtain the best execution of orders. Commission rates are a component of price and are considered along with other relevant factors. In determining the broker or dealer to be used and the commission rates to be paid, the Adviser or Sub-Adviser will consider the utility and reliability of brokerage services, including execution capability and performance, financial responsibility, investment information, market insights, other research provided by such brokers, and access to analysts, management and idea generation. Accordingly, the commissions charged by any such broker may be greater than the amount another firm might charge if the Adviser or Sub-Adviser determines in good faith that the amount of such commissions is reasonable in relation to the value of the brokerage services and research information provided by such brokers. Consistent with the requirements of best execution, brokerage commissions on accounts may be directed to brokers in recognition of investment research and information furnished as well as for services rendered in execution of orders by such brokers. By allocating transactions in this manner, the Adviser or Sub-Adviser may be able to supplement their research and analysis with the views and information of brokerage firms. The Adviser or Sub-Adviser may also allocate a portion of its brokerage business to firms whose employees participate as brokers in the introduction of investors to the Adviser or Sub-Adviser or who agree to bear the expense of capital introduction, marketing or related services by third parties. Eligible research or brokerage services provided by brokers through which portfolio transactions for the Adviser are executed may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, financial publications and other products and services (e.g., software based applications for market quotes and news, database programs providing investment and industry data) providing lawful and appropriate assistance to the portfolio managers and their

designees in the performance of their investment decision-making responsibilities on behalf of the Adviser and other accounts which their affiliates manage (collectively, **“Soft Dollar Items”**). The Adviser and its affiliates generally will use such products and services (if any) for the benefit of all of their accounts. Soft Dollar Items may be provided directly by brokers, by third parties at the direction of brokers or purchased on behalf of a Client and/or its affiliates with credits or rebates provided by brokers. Any Soft Dollar Items obtained in connection with portfolio transactions for a Client are intended to fall within the “safe harbor” of Section 28(e) of the Securities Exchange Act of 1934, as amended. As noted above, because most of the transactions of the Adviser’s Clients will likely be principal transactions, the Client will likely not incur significant brokerage commissions (although it will be subject to mark ups and mark downs imposed by dealers). Section 28(e) generally only applies with respect to brokerage commissions; as such, a Client may not benefit from any significant amount of Soft Dollar Items.

ITEM 13 – Review of Accounts

The Adviser, with the assistance of any Sub-Adviser it may engage, will manage active portfolios for its Clients. These portfolios will be reviewed daily by the Adviser and Sub-Adviser to consider, among other things, their composition, performance and compliance with applicable legal requirements. The supervised persons who will conduct the review are Michael C. Forman, Gerald F. Stahlecker, Zachary K. Klehr and Robert Hoffman. These individuals are the Adviser’s Chairman and Chief Executive Officer, Executive Vice Presidents and Vice President, respectively.

In addition, with respect to the Company’s portfolio, at the close of each business day, the Adviser will value the Company’s assets in good faith pursuant to the Company’s valuation policy and consistently applied valuation process, which are developed by the Company’s valuation committee and approved by the Company’s Board of Trustees. Portfolio securities and other assets for which market quotes are readily available will be valued at market value. In circumstances where market quotes are not readily available, the Company’s Board of Trustees has adopted methods for determining the fair value of such securities and other assets, and has delegated the responsibility for applying the valuation methods to the Adviser. On a quarterly basis, the Company’s Board of Trustees will review the valuation determinations made with respect to the Company’s investments during the preceding quarter and evaluate whether such determinations were made in a manner consistent with the Company’s valuation process. Valuations of Company investments will be disclosed quarterly in reports filed with the SEC.

The Adviser expects that the Company’s portfolio will primarily consist of securities listed or traded on a recognized securities exchange or automated quotation system or securities traded on a privately negotiated OTC secondary market for institutional investors for which indicative dealer quotes are available. The Company’s Board of Trustees receives written weekly, monthly and quarterly reporting about its portfolio.

ITEM 14 – Client Referrals and Other Compensation

FSGA does not retain consultants or other parties to solicit Clients on its behalf.

ITEM 15 - Custody

The Adviser does not custody assets and requires its Clients to provide their own qualified custodian.

ITEM 16 – Investment Discretion

The Adviser has full discretion to invest on behalf of its Clients; provided that the Adviser will evaluate all investments and their appropriateness based on the investment objectives and policies of its Clients.

ITEM 17 – Voting Client Securities

The Adviser may recommend investments in equity securities. FSGA recognizes that, as an investment adviser registered under the Advisers Act, the Adviser has a fiduciary duty to act solely in the best interests of its Clients. As part of this duty, the Adviser has adopted proxy voting policies and procedures. The Adviser recognizes that it must vote Client securities in a timely manner free of conflicts of interest and in the best interests of its Clients.

Under the policies and procedures, the Adviser will vote proxies related to portfolio securities in the best interest of its Client's shareholders. The Adviser will review, on a case-by-case basis, each proposal submitted for a shareholder vote to determine its impact on the portfolio securities held by the Adviser's Clients. Although the Adviser will generally vote against those proposals that would have a negative impact on its Client's portfolio securities, the Adviser may vote for such a proposal if there exists compelling long-term reasons to do so.

The Adviser's proxy voting decisions will be made by the senior officers who are responsible for monitoring each of the investments held by its Clients. To ensure that its vote is not a product of a conflict of interest, the Adviser requires that: (i) anyone involved in the decision-making process disclose to the Adviser's Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision-making process or vote administration are prohibited from revealing how the Adviser intends to vote on a proposal in order to reduce any attempted influence from interested parties.

Additional information about how the Adviser votes any proxies can be obtained by making a written request for proxy voting information to: Chief Compliance Officer, FS Global Advisor, LLC, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, Pennsylvania 19104.

ITEM 18 – Financial Information

FSGA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its Clients, and has not been the subject of a bankruptcy proceeding.

ITEM 19 – Requirements for State-Registered Advisers

Not applicable.