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ITEM 1: Cover Page

FS TACTICAL ADVISOR, LLC

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As of June 11th, 2019

This brochure provides information about the qualifications and business practices of FS Tactical Advisor, LLC (“**FSTA**” or the “**Adviser**”). If you have any questions about the contents of this brochure, please contact us at (215) 220-6651. 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.

FSTA 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 FSTA 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 FSTA 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 June 11, 2019, is the initial brochure for FSTA.

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. FSTA may further provide other ongoing disclosure information about material changes, as necessary. This information will be provided at no charge.

Currently, FSTA’s Brochure may be requested by contacting Lisa Detwiler, Chief Compliance Officer, at (215) 220-6651 or lisa.detwiler@fsinvestments.com.

Additional information about FSTA 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 FSTA who are registered, or are required to be registered, as investment adviser representatives of FSTA.

ITEM 3: Table of Contents

<u>Item</u>	<u>Page</u>
Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-by-Side Management	5
Item 7 – Types of Clients	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Disciplinary Information	9
Item 10 – Other Financial Industry Activities and Affiliations	9
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	11
Item 12 – Brokerage Practices	12
Item 13 – Review of Accounts	13
Item 14 – Client Referrals and Other Compensation	13
Item 15 – Custody	13
Item 16 – Investment Discretion	13
Item 17 – Voting Client Securities	13
Item 18 – Financial Information	13

ITEM 4: Advisory Business

FSTA was formed on May 31, 2018 for the purpose of providing investment advisory services to FS Tactical Opportunities Fund (the “**Fund**”), a pooled investment vehicle (“**private equity fund**”) excluded from the definition of investment company under the Investment Company Act of 1940, as amended (the “**Company Act**”) that is qualified for exemption under section 3(c)7 of the Act. The Adviser may, subject to any limitations described in the investment advisory agreement between the Adviser and the Fund, advise other investment companies, private investment funds, structured finance vehicles, 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 the Fund. Investment professionals of the Adviser have extensive experience in secured lending and high yield securities, including senior loans, asset-based lending, structured finance, fixed income securities and distressed debt. The Adviser incorporates a sophisticated platform with an experienced team of investment professionals to identify opportunities in such assets, while at the same time assessing and monitoring risk. The Adviser will evaluate such investments and their appropriateness based on the Fund’s investment objectives, strategies, restrictions and guidelines, as described in the Fund’s governing documents (e.g., private placement memorandum, indentures, etc.). The Adviser does not provide individualized advice to investors, as such, investors must consider whether a particular security meets their investment objectives and risk tolerance prior to investing.

The Adviser is a subsidiary of Franklin Square Holdings, L.P. (“FSH”), and an affiliate of FS Global Advisor, LLC (“FSGA”), and certain other investment advisers affiliated with FSH. FSGA is the registered investment adviser to FS Global Credit Opportunities Fund (“FSGCO”), a closed-end investment company that focuses on investing in secured and unsecured floating and fixed rate loans, bonds and other credit instruments. As of 12/31/2018, FSGCO had approximately \$2.2 billion in assets under management.

FSTA has registered with the SEC for the purpose of providing advisory services to FS Tactical Opportunities Fund, L.P., a private fund designed to build an investment portfolio of capital structured solutions and special situations credit investments primarily in North America. Investment professionals of the Adviser, including certain members of the [Adviser’s investment committee] and its portfolio managers will consist of certain individuals who also make investment decisions for FSGA.

The Adviser has approximately \$25,000,000.00 in assets under management, which the Adviser manages on a discretionary basis.

The principal owner of the Adviser is FSH.

ITEM 5: Fees and Compensation

As compensation for the performance of its obligations as the manager of the Fund, the Adviser will generally be entitled to receive from the Fund, subject to the terms and conditions of the Fund's governing documents, a senior management fee and a subordinated management fee, and may receive an incentive or performance-based fee (collectively, the "Management Fees"). Generally, the senior management fee has a higher priority in the Fund's priority of payment waterfalls, and the subordinated management fee generally ranks below principal and interest payments to senior note holders in the payment waterfalls. The senior management fees and subordinated management fees are typically paid by the Fund or its trustee quarterly in arrears, in accordance with its governing documents. Performance fees are typically paid later in the Fund's lifecycle by the Fund or its trustee in arrears if specific internal rates of return thresholds are achieved. All Management Fees are billed and payable according to the priority of payments described in the private placement memorandum and indenture of the Fund. The Adviser may, in its sole discretion, waive, reimburse or delay all or part of such fees.

Generally, the Fund (and, indirectly, the investors therein) bears all expenses as defined in the private placement memorandums and investment management agreement of the Fund, including (i) legal, filing, auditing, consulting, administration, accounting and other professional fees and expenses; (ii) expenses associated with periodic reporting; (iii) expenses associated with financial statements and tax returns; (iv) insurance, interest and other expenses incurred in respect of borrowings, if any; (v) other expenses associated with the acquisition, holding, monitoring, settlement and disposition of the Fund's investments (including, without limitation, any brokerage, transaction, custody or hedging costs); (vi) the costs and expenses of any custodians, lenders, investment banks and other financing sources; (vii) any indemnity expenses; (viii) the costs and expenses of any litigation involving the Fund or its investments; and (ix) certain compliance related costs and expenses.

For a more complete discussion of Fund fees, compensation and other expenses, please refer to the governing documents for the Fund and Item 12: Brokerage Practices.

As the Adviser establishes other relationships (such as, with additional Clients), it may arrange to receive different types of fees, including fixed fees or fees paid on some other negotiated basis.

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

Performance-based compensation will be paid in accordance with Section 205(3) of the Advisers Act or Rule 205-3 thereunder.

"Side-by-side management" refers to the simultaneous management of multiple types of client accounts and/or investment products. For example, as discussed above, the Adviser and FSGA share investment personnel and manage Clients that invest in similar types of assets and may follow similar, complementary or competing investment

objectives, policies or strategies. Side-by-side management gives rise to a variety of potential and actual conflicts of interest for the Adviser and its employees and affiliates, including, as discussed below, the incentive to favor certain accounts with performance-based fees, accounts with respect to the Adviser receives or retains relatively higher fees, or accounts in which the Adviser and its related persons have a pecuniary interest. Accordingly, the Adviser, FSGA, FSTA and their respective affiliates and personnel may have differing pecuniary interests with respect to different Clients and may have an incentive to favor those Clients in which they have greater pecuniary interests. See Item 10: Other Financial Industry Activities and Affiliations.

Conflicts of Interest Associated with Performance Fees and Side-by-Side Management of Accounts.

Allocation

The Adviser and its related persons have an incentive to allocate investment opportunities based on pecuniary interest. As discussed in Item 5: Fees and Compensation, Item 11: Code of Ethics, Participation in Client Transactions and Personal Trading, and Item 12: Brokerage Practices, the Adviser and its related persons may be entitled to a performance fee from the Fund and may also be eligible to receive performance-based compensation in their capacity as the investment manager, general partner or managing member of certain other Clients. Accordingly, the Adviser and its personnel face a conflict of interest when considering how to allocate investment opportunities among accounts having different fee structures or pecuniary interests. Through its trade allocation policies and procedures, conflicts of interest policy (described below) and Code of Ethics, the Adviser seeks to promote fair and equitable treatment of accounts, over time, based on considerations that are unrelated to pecuniary interests, which mitigate any actual or potential conflict of interest that may exist with respect to, for example, the Adviser's allocation of time, resources and investment opportunities to the Clients that have performance-based compensation arrangements over those Clients that do not or are not expected to pay performance-based compensation.

Speculative Investments

The existence of a performance fee may also create an incentive for the Adviser to make or recommend more speculative investments on behalf of certain Client accounts than it would otherwise make, although the Adviser's investment discretion to select such speculative investments may be constrained by the Fund's governing documents, which contain specific investment objectives, strategies, restrictions and guidelines.

Valuation

The Adviser's compensation may be reduced if the Adviser determines to write-down the value of a portfolio investment, creating a disincentive for the Adviser to do so. As a result, to the extent that the Adviser values a portfolio investment higher than its current

market value (or where such market values are unreliable), the Adviser may benefit by receiving a management fee or incentive allocation that is increased by the impact, if any, of such valuation discrepancy. The Adviser may have a role in determining asset values with respect to Clients and may be required to price an investment when the market price is unavailable or unreliable. Investments that are fair valued in accordance with the Adviser's valuation policies generally will not have reliable market values and the fair value assigned by the Adviser to such investments, as determined in good faith by the Adviser in accordance with its policies and procedures, may not match the next available and reliable market price or, in retrospect, have been the price at which the investment could have been purchased or sold. The Adviser's valuation policies serve to mitigate this conflict.

Conflicts of Interest

FSH has adopted a conflicts of interest policy, entitled "FS Investments' Policies and Procedures Regarding MNPI and Conflicts of Interest" (the "Policy"). The Policy is applicable to the Adviser and outlines controls which help to identify and appropriately address actual, apparent and potential conflicts of interest,

ITEM 7: Types of Clients

The Adviser provides investment advice to a private equity fund and may, in the future, provide such advice to other structured finance vehicles. As discussed in Item 4, the Adviser may, subject to any limitations described in the investment advisory agreement between the Adviser and the Fund, advise other Clients.

The required minimum investment is \$1,000,000.00. Lesser amounts may be accepted in certain limited circumstances based on the discretion of the General Partner.

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

Methods of Analysis

The investment professionals of the Adviser have extensive experience identifying investments in various credit products, including senior secured and unsecured loans, floating rate notes, second lien loans, middle market loans, debtor-in possession financing, discounted and distressed debt, re-organized company equities, and structured products. The investment professionals of the Adviser review all opportunities for, among other things, suitability, value, risk, indenture compliance, potential returns, potential downside, obligor management, capital structure and ownership, agency ratings, structure (including obligation documentation and covenants), and prepayment/event risk. The Adviser executes this strategy through its experienced team, proprietary investment platform and robust monitoring process.

Investment Strategy

The Fund intends to invest primarily in credit instruments in both public and private markets that offer risk premiums for illiquidity or complexity, as well as structural and downside protections. The Fund's investment portfolio will consist primarily of secured and unsecured floating and fixed rate loans, bonds and other types of credit instruments within the Region. The Fund may also invest in preferred equity, structured equity or common equity.

Risk

Currently, the Adviser provides investment advisory services only to the Fund, and the following is a summary of risks generally applicable to investors with respect to the securities offered. The Adviser's investment activities involve a significant degree of risk of loss that investors should be prepared to bear. Investors should reference the specific private placement memorandum of the Fund for a more complete description of all risks specifically applicable to those securities. Therefore, this summary of risks is qualified entirely by the disclosures to be made in the Private Placement Memorandum of the Fund.

Equities: The price of equities fluctuate due to many factors including changes in interest rates, global events, industry and company specific events, investor expectations, and general market conditions. It is possible to receive more or less than the original purchase price when selling a security. Concentrated positions in equities typically pose additional risks as a downturn in an investment will cause a more significant loss. Diversification assists in reducing concentration risk.

Fixed Income Investments:

- Interest rate risk, the risk encountered in the relationship between bond prices and interest rates, is the most common form of risk. The price of a bond will change in the opposite direction of movements in prevailing interest rates.
- Reinvestment risk is the risk that the interest rate at which the interim cash flows can be reinvested will decline and thus reinvestments will receive a lower interest rate. Reinvestment risk is greater for longer holding periods.
- Default risk is commonly referred to as "credit risk" and is based on the probability that the issuer of the debt obligation may default. Default risk is rated by quality ratings assigned by commercial rating companies.
- Call risk is the risk related to call provisions on debt obligations.
- Inflation risk arises based on the value of cash flows being received from a debt obligation may lose purchasing power over time due to the effects of inflation.
- Liquidity risk depends on the ease with which an asset can be sold at or near its current value. The best indicator to measure an issue's liquidity is the size of the spread between the bid price and the ask price quoted by a dealer. A wider spread on the asset indicates a greater liquidity risk.
- Exchange rate risk, which is encountered in non-dollar denominated bonds or bonds whose payments occur in a foreign currency, has unknown U.S. currency

cash flows. The dollar cash flows are dependent on the exchange rate at the time the payments are received.

- Floating Rate or adjustable rate risk, the loans may or may not hold a senior position in the capital structure of the underlying U.S. and foreign corporations, partnerships or other business entities. Senior Loans may allow them to have priority of claim ahead of (or at least as high as) other obligations of a borrower in the event of liquidation and may be collateralized or uncollateralized. They typically pay interest at rates that float above, or are adjusted periodically based on, a benchmark that reflects current interest rates.

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 FS Investment Solutions, LLC (“FSIS”), a broker-dealer registered with the SEC and the Financial Industry Regulatory Authority, Inc. (“FINRA”). FSIS is a wholly owned subsidiary of FSH and has been or is currently the dealer manager for the distribution of securities of certain funds and investment vehicles sponsored by FSH.

As described above in Item 1, the Adviser is an affiliate of FSGA, a registered investment adviser under the Advisers Act, which provides investment advisory services to FSGCO and FSTA which intends to provide investment advisory services to FS Tactical Opportunities Fund, L.P. The Adviser is also affiliated with the following investment advisers: (i) FS Energy Advisor, LLC, the registered investment adviser to FS Energy Total Return Fund, a continuously offered, non-diversified, closed-end, management investment company that operates as an interval fund pursuant to Rule 23c-3 under the 1940 Act; (ii) FS Fund Advisor, LLC, the registered investment adviser to FS Series Trust, an open-end management investment company that operates as a series trust; (iii) FS Real Estate Advisor, LLC, the investment adviser to FS Credit Real Estate Income Trust, Inc., a Maryland corporation that intends to elect to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes; (iv) FS Multi-Alternative Advisor, LLC, the registered investment adviser to FS Multi-Alternative Income Fund, a non-diversified, closed-end management investment company and operates as an interval fund pursuant to Rule 23c-3 under the 1940 Act.

In addition, the Adviser is affiliated with two joint-venture enterprises, FS/EIG Advisor, LLC, a registered investment adviser that is jointly owned and operated by affiliates of FSH and EIG Asset Management, LLC, and which provides investment advice to FS Energy and Power Fund, an externally managed, closed-end management investment company that has elected to be regulated as a business development company (“BDC”) under the 1940 Act, and FS/KKR Advisor, LLC, a registered investment adviser that is a jointly owned and operated by affiliates of FSH and KKR Credit Advisors (US) LLC, and

which provides investment advice to five private credit BDCs, including FS KKR Capital Corp, a publicly traded BDC.

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

- The directors, officers, investment and other personnel of the Adviser will allocate their time between advising the Fund and managing other investment activities and business activities in which they may be involved, including managing and operating the affiliated investment vehicles referenced above, or the "Fund Complex";
- The Fund may compete with certain of its affiliates for investments, including FSGCO, subjecting the Adviser and its affiliates to certain conflicts of interest in evaluating the suitability of investment opportunities and recommending acquisitions on the Fund's behalf;
- Regardless of the quality of the assets acquired, or the services provided to the Fund, the Adviser may receive fees in connection with the management of the Fund's portfolio and may receive incentive fees in connection with such activities;
- The personnel of the Adviser will allocate their time between assisting the Adviser in identifying investment opportunities for the Fund and otherwise providing investment management services to the Fund and making investment recommendations and performing similar functions for other business activities in which they may be involved, including in connection with certain other entities in the Fund Complex;
- From time to time, to the extent consistent with the 1940 Act and the rules and regulations promulgated thereunder, the Fund and certain other investment vehicles in the Fund Complex may make investments at different levels of an investment entity's capital structure or otherwise in different classes of the Fund'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 Fund and such other investment vehicles;
- The Adviser, and its investment personnel may give advice and recommend securities to other investment vehicles in the Fund Complex which may differ from advice given to, or securities recommended or bought for, the Fund;
- Personnel of the Adviser may have existing business relationships or access to material, non-public information that would prevent the Adviser from recommending certain investment opportunities that would otherwise fit within the Fund's investment objectives and strategies;
- The Adviser and its 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 Fund and/or may involve substantial time and resources of the Adviser;
- To the extent permitted by the 1940 Act and SEC staff interpretations, and subject to the allocation policies of the Adviser, the Fund and any of their respective affiliates, as applicable, the Adviser, and its affiliates may determine it appropriate for the Fund and one or more other investment accounts or vehicles

managed by the Adviser, personnel of the Adviser or the Adviser's affiliates to participate in an investment opportunity.

To mitigate these conflicts, the Adviser will seek to execute such transactions for all of the participating investment accounts, including the Fund, on a fair and equitable basis and in accordance with its 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 Fund, the Clients for which participation is appropriate and any other factors deemed appropriate. In addition, the Chief Compliance Officer of the Adviser will periodically review policies and procedures that are applicable to the Adviser in its capacity as investment adviser to the Fund, and the Adviser's compliance with such policies and procedures.

Further, as discussed above, certain investment and other professional personnel of the Adviser may also be involved in managing the assets of other affiliated investment vehicles pursuant to a different compensation structure which may create conflicts of interest with the Fund with respect to their allocation of management time, services and functions.

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 Fund. 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 FSTA'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 Tactical Advisor, LLC, 201 Rouse Boulevard, Philadelphia, Pennsylvania 19112.

ITEM 12: Brokerage Practices

In general, the investment activity in the Fund's accounts will not require the involvement of a broker-dealer. However, the Adviser is required under various agreements to seek best execution in its purchase and sale of credit products from various trading desks. In either case, the Adviser will seek to obtain best execution by taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the Fund's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying other selection criteria.

Research and Soft Dollar Benefit

In the event that the Adviser's investment activity does involve a broker-dealer or a trading desk offers such arrangements, the Adviser is authorized by the Fund to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with investment and research information, or to pay higher commissions to such firms if the Adviser determines such prices or commissions are reasonable in relation to the overall services provided.

Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. The Adviser is not required to weigh any of these factors equally. Information so received is in addition to and not in lieu of services required to be performed by the Adviser, and the Adviser's fee is not reduced as a consequence of the receipt of such supplemental research information. The Adviser has also determined to stay within the so-called "28(e) safe harbor" for such "soft dollar" benefits. The availability of these benefits may influence the Adviser to select one broker or trading desk rather than another to perform services for the Fund, because the proprietary and third-party research received through soft dollar arrangements relieves the Adviser from having to produce or otherwise pay for such research itself. This creates an incentive for the Adviser to select a broker-dealer or a trading desk based on its interest in receiving research or other services rather than on any particular Fund's interest in receiving best execution. Nevertheless, the Adviser will attempt to assure either that the fees and costs for services provided to the Fund by brokers or desks offering these benefits are not materially greater than they would be if the services were

performed by equally capable brokers or desks not offering such services or that the Fund also will benefit from the services.

Order Aggregation

To the extent that the Adviser in its sole judgment believes that such aggregation will result in an overall economic benefit (taking into consideration the transaction price and other expenses), the Adviser will aggregate purchase and sales.

ITEM 13: Review of Accounts

The Adviser is required to prepare and deliver written reports and other data required by the Fund's indenture and other governing documents, in sufficient time to the parties entitled thereto.

ITEM 14: Client Referrals and Other Compensation

The Adviser does not pay inside or outside parties for referring investors to the Funds.

ITEM 15: Custody

The Adviser has limited custody of assets as a related person to the general partner of the limited partnership as defined in section 206(4)-2(5) of the Act. Physical custody of assets will be retained by State Street Bank and Trust, as trustee for the Fund. The Adviser will provide account statements to each limited partner (or member or beneficial owner) as required under section 206(4)-2(3) of the Act.

ITEM 16: Investment Discretion

The Adviser has investment discretion over the investments made in the Fund. The Adviser exercises its discretion in a manner consistent with the indenture and agreements.

ITEM 17: Voting Client Securities

The Adviser does not generally manage assets that come with proxy voting rights. To the extent it does, it shall vote all such proxies in the best interest of its clients. The Adviser's written voting policies and procedures, and history of votes are available for review by existing clients upon request.

ITEM 18: Financial Information

There is no financial condition that is reasonably likely to impair Adviser's ability to continue to meet its contractual commitments and provide services to its clients. In addition, the Adviser has not been the subject of a bankruptcy proceeding.