

**FS Global Advisor, LLC**

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**As of November 1, 2024**

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) 220-6651. The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**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](http://www.adviserinfo.sec.gov).

## ITEM 2 – Material Changes

FSGA is required to identify and discuss any material changes made to its Brochure, since its last update. Prior to 2024, FSGA had not filed an update, because it was not required to provide a Brochure under SEC rules.

This update includes additional disclosure regarding certain funds and accounts that transitioned from Portfolio Advisors, LLC to FS Global Advisor, LLC in March 2024.

To the extent that additional material changes occur and 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 and at such other times as required by applicable rules and regulations. This information will be provided at no charge.

Currently, FSGA's Brochure may be requested by contacting Lisa Detwiler, Chief Compliance Officer, at (215) 220-6651 or [lisa.detwiler@fsinvestments.com](mailto:lisa.detwiler@fsinvestments.com).

Additional information about FSGA is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### ITEM 3 – Table of Contents

<b><u>Item</u></b>	<b><u>Page</u></b>
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.....	7
ITEM 6 – Performance-Based Fees and Side-by-Side Management .....	15
ITEM 7 – Types of Clients .....	17
ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	18
ITEM 9 – Disciplinary Information .....	21
ITEM 10 – Other Financial Industry Activities and Affiliations.....	22
ITEM 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	25
ITEM 12 – Brokerage Practices .....	26
ITEM 13 – Review of Accounts .....	26
ITEM 14 – Client Referrals and Other Compensation.....	27
ITEM 15 - Custody .....	27
ITEM 16 – Investment Discretion.....	27
ITEM 17 – Voting Client Securities .....	28
ITEM 18 – Financial Information .....	28
ITEM 19 – Requirements for State-Registered Advisers .....	28

#### ITEM 4 – Advisory Business

FSGA was formed in January 2013 for the purpose of providing investment advisory and administrative services to a closed-end management investment company and other investment funds. As of December 31, 2023, the Adviser managed approximately \$2.08 billion in assets for its Clients, all of which it managed on a discretionary basis. The principal owner of the Adviser is Franklin Square Holdings, L.P. (“**FS**”).

Effective as of June 30, 2023, FS, the parent company of FSGA, acquired 100% of Portfolio Advisors, LLC (“**PA**”). FS is now the owner of PA. The resulting ownership changes are reflected on PA’s Form ADV, Part 1, Schedules A and B (regarding direct and indirect owners).

Effective March 1, 2024, certain funds and accounts previously managed by PA transitioned to management by FSGA. The specific funds and accounts that transitioned to FSGA are: 1) Portfolio Advisors Senior Credit Opportunity Fund, L.P. (“**PA SCOF I**”); 2) four (4) separately managed accounts (“**SMA**s”), as described more fully herein; and 3) FS Senior Credit Fund II and FS SCF II Feeder Fund, L.P., a newly formed private fund and related feeder fund (together, “**FS SCF II**”) (all accounts together, the “**Senior Credit Funds and SMA**s”).

In addition, certain employees and access persons of PA transitioned to employees of FS and access persons of FSGA and certain, affiliated registered investment advisers. Specifically, as of March 1, 2024, Dan Cohn-Sfetcu, Matthew Campbell and Muhammad Hussain, Albertus Kruger and Brandon Cohen transitioned to FSGA, as portfolio managers, reporting to Andrew Beckman, the senior portfolio manager of FSGA.

The Adviser currently provides, or may in the future provide, advice to various clients, including investment companies, private investment funds, institutional investors or other persons or entities (collectively such funds and accounts as the Adviser advises from time to time, the “**Clients**”). The Adviser is responsible for identifying potential investments for its Clients. The Adviser evaluates such investments and their appropriateness based on the investment objectives and policies of its Clients, as adopted by the Clients’ boards of trustees or other governing bodies. If the Adviser determines that certain investments are appropriate, and the relevant investment committee unanimously approves such investments, the Adviser will effectuate the investments on behalf of its respective Clients. 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 provides investment supervisory services to each of its Clients pursuant to an investment advisory agreement. The Adviser monitors and continually services any investments made. With respect to FSCO, using a security analysis methodology that includes a combination of fundamental and cyclical analyses with consideration of, among other things, a potential investment’s credit rating, if applicable, the Adviser determines the securities that 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 make investment recommendations to the Adviser.

The Adviser may serve as a Sub-Adviser to other funds. In July 2024, the Adviser was appointed as a non-discretionary sub-adviser to FS MVP Private Markets Fund.

In the event that the Adviser acts as a lead loan syndicator, the Adviser will be entitled to a fee for such role. At present, the Adviser does not act as a lead loan syndicator.

With respect to any Client, this Brochure is qualified in its entirety by the fund offering memorandum, prospectus, statement of additional information and/or similar disclosure and governing documents.

## **1. FSCO and Luxco**

Until March 1, 2024, the Adviser had two clients, FS Credit Opportunities Fund (“**FSCO**”), a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “**1940 Act**”) and listed on the New York Stock Exchange, and FS Global Credit Opportunities (Luxembourg) S.à r.l., a wholly-owned subsidiary of the Company, through which the Company holds interests in certain, non-controlled and non-affiliated portfolio companies (“**Luxco**”). The Adviser may, subject to any limitations described in the investment advisory agreements between the Adviser and each of the FSCO and Luxco, advise other Clients.

The Adviser’s investment committee with respect to FSCO and Luxco consists of three individuals: Andrew Beckman, Nick Heilbut and Robert Hoffman.

The investment advisory agreements between the Adviser and each of FSCO and Luxco provide for termination without penalty upon 60 days’ written notice, (i) by the vote of a majority of the outstanding voting securities of FSCO or Luxco, as applicable, (ii) by the vote of FSCO’s Board of Trustees or Luxco’s Board of Managers, as applicable, or (iii) by the Adviser.

With respect to FSCO and Luxco, the Adviser focuses 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. It may also offer advice to Clients on a broad range of securities, including, but not limited to, equity securities, which may be exchange listed, traded in the over-the-counter market 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 and interests in partnerships investing in real estate, oil and gas interests and commodities.

## **2. PA SCOF I**

PA SCOF I was formed as a Delaware limited partnership and a private fund in 2019, to invest in direct senior credit, investing in 1<sup>st</sup> lien senior secured loans to support leveraged buyouts, growth financing or recapitalization transactions in middle market companies. PA managed the fund from formation until March 1, 2024, when PA's investment advisory agreement with PA SCOF I was assigned by PA to FSGA.

PA SCOF I intends to continue to focus on senior debt investments (typically, first lien, "stretch senior" and "unitranche") generally made in conjunction with sponsored middle market transactions (e.g., leveraged buyouts, recapitalizations, refinancings and acquisitions). PA SCOF I targets investments with attractive current cash yields, while attempting to limit principal risk. More generally, the Adviser believes that on a risk-adjusted basis, middle market senior debt is an attractive asset class and can offer meaningful advantages over other credit investment strategies. Middle market senior secured loans generally offer investors the ability to generate attractive returns without an offsetting reduction in credit quality. Senior secured loans typically offer more protection than other forms of debt financing as they are first in line for repayment. Additionally, middle market loans typically yield a premium to comparable large-cap loans due to lower overall availability of capital, fewer market participants and a relative lack of liquidity.

In addition to its differentiated origination capabilities and its due diligence process, the fund structure seeks to provide benefits to its limited partners, including: (i) investors paying management fees based on invested capital rather than on committed capital; (ii) a "European-style" carried interest waterfall, where carried interest is deferred pending return of all invested capital and preferred return on realized investments; (iii) its relatively short investment period and fund life; and (iv) the ability to use conservative leverage at the fund asset level to increase returns.

FSGA provides investment management services to PA SCOF I, including but not limited to, long-term strategic and short-term tactical planning, sourcing and reviewing prospective investments and the principals created therewith, negotiation of the terms and conditions of investments, monitoring performance of investments and providing internal and external reporting regarding such investments.

The FSGA investment committee with respect to PA SCOF I consists of five individuals: Andrew Beckman, Nick Heilbut, Dan Cohn-Sfetcu, Matthew Campbell and Muhammad Hussain. Investment decisions made by the PA SCOF I investment committee are required to be unanimously approved.

## **3. SMAs**

FSGA manages various SMAs pursuant to the terms of the applicable Investment Management Agreements ("**IMAs**"). Pursuant to the IMAs, FSGA provides non-discretionary advisory services to the SMA clients. Each SMA Client has agreed to

investment guidelines relating to senior debt investments and to the allocation procedures described in each IMA. Each SMA client is required to consent to investments proposed by FSGA and has the ability to decline any such proposed investment. Each SMA Client has entered into a Limited Power of Attorney which permits FSGA to “purchase, sell, manage, negotiate the terms of and invest in senior debt investments (including any related collateral)” for the SMA Client’s account.

Pursuant to the IMAs, FSGA is generally responsible for: i) providing the Client with information, analysis and investment committee recommendations with respect to each proposed senior debt investment proposed; ii) facilitating external legal review of senior debt investment opportunities; iii) monitoring the senior debt investments in the accounts; iv) providing each Client with quarterly statements; and v) providing each Client with reporting related to any defaults in the payment.

The FSGA investment committee for the SMAs consists of five (5) individuals: Andrew Beckman, Nick Heilbut, Dan Cohn-Sfetcu, Matthew Campbell and Muhammad Hussain. Investment decisions made by the FSGA investment committee are required to be unanimous.

#### **4. FS Senior Credit Fund II, L.P. and FS SCF Feeder Fund, L.P.**

FS Senior Credit Fund II, L.P., formed as of February 14, 2024, is a Delaware limited partnership which will be treated as a partnership for U.S. federal income tax purposes for the benefit of certain U.S. investors and certain U.S. tax exempt investors. FS SCF Feeder Fund, L.P., formed as of February 14, 2024, is a Delaware limited partnership primarily for the benefit of non-U.S. investors and certain U.S. tax-exempt investors (together with FS Senior Credit Fund II, L.P., the “SCF Fund II”). The investment objective of the SCF Fund II is to seek attractive, risk-adjusted returns with current income by primarily making direct investments in U.S. middle market companies and specifically, senior debt investments (typically, first lien, “stretch senior” and “unitranche” investments). FSGA entered into an investment advisory agreement with the SCF Fund II dated as of March 1, 2024.

The FSGA investment committee for FS Senior Credit Fund II, L.P. consists of five (5) individuals: Andrew Beckman, Nick Heilbut, Dan Cohn-Sfetcu, Matthew Campbell and Muhammad Hussain. Investment decisions made by the FSGA investment committee are required to be unanimous.

#### **ITEM 5 – Fees and Compensation**

The Adviser has no set policy regarding the calculation of fees for its services, and it will determine such fees on a Client-by-Client basis, as negotiated with each Client. The Adviser deducts fees from FSCO’s assets and would deduct fees from the assets of any future Clients, provided, however, that the SMA Clients are billed directly for non-discretionary advisory services. With respect to the sub-adviser services provided by the Adviser to FS MVP Private Markets Fund, the Adviser is paid a sub-advisory fee at a

quarterly rate of 0.3125% (1.25% on an annualized basis) of the account's managed investments at the end of each calendar quarter.

## **1. FSCO and Luxco**

The Adviser and FSCO entered into an amended and restated investment advisory agreement, dated as of November 14, 2022. With respect to FSCO, the Adviser is entitled to a base, annual management fee as a percentage of FSCO's average daily gross assets and an incentive fee, based on FSCO's performance. The Adviser may agree to, temporarily or permanently waive, in whole or in part, the base management fee and/or the incentive fee. The base management fee is calculated and payable quarterly in arrears at the annual rate of 1.35% of FSCO's average daily gross assets during the most recently completed quarter. 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 Adviser does not receive a separate fee for services it provides to Luxco, as Luxco is a wholly owned subsidiary of FSCO.

Under the investment advisory agreement, the incentive fee is calculated and payable quarterly in arrears based upon FSCO's "pre-incentive fee net investment income" for the immediately preceding quarter, and is subject to a preferred rate of return, expressed as a rate of return on FSCO's "adjusted capital," equal to 1.50% per quarter (or an annualized preferred rate of return of 6.00%), subject to a "catch-up" feature. For this purpose, "pre-incentive fee net investment income" means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence and consulting fees or other fees that FSCO receives from portfolio companies) accrued during the calendar quarter, minus FSCO's operating expenses for the quarter (including the management fee, expenses reimbursed to the Adviser under the administration agreement, dated as of July 15, 2013, by and between the Adviser and FSCO, 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 paid-in-kind interest and zero-coupon securities), accrued income that FSCO 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 FSCO from the issuance of FSCO's common shares (including common shares issued in respect of reinvested distributions), reduced by amounts paid in connection with repurchases of FSCO's common shares pursuant to FSCO's share repurchase program.

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

- No incentive fee is payable in any calendar quarter in which FSCO's pre-incentive fee net investment income does not exceed the quarterly preferred rate of return of 1.50% (6.00% annualized);



- 100% of FSCO's pre-incentive fee net investment income, if any, that exceeds the preferred rate of return but is less than or equal to 1.667% in any calendar quarter (6.667% annualized) is payable to the Adviser. This portion of FSCO's pre-incentive fee net investment income which exceeds the preferred rate of return but is less than or equal to 1.667% is referred to as the "catch-up." The "catch-up" provision is intended to provide the Adviser with an incentive fee of 10.0% on all of FSCO's pre-incentive fee net investment income when FSCO's pre-incentive fee net investment income reaches 1.667% in any calendar quarter; and
- 10.0% of the amount of FSCO's pre-incentive fee net investment income, if any, that exceeds 1.667% in any calendar quarter (6.667% annualized) is payable to the Adviser once the preferred rate of return and catch-up have been achieved (10.0% of all FSCO's pre-incentive fee net investment income thereafter is allocated to the Adviser).

## **2. PA SCOF I**

The management fee to be paid to the Adviser is an amount equal to, in the case of limited partners in the Levered Series<sup>1</sup>, 0.50% per annum and in the case of limited partners in the Unlevered Series<sup>2</sup>, 1.25% per annum, of the capital contributions of such limited partner with respect to Unrealized Investments<sup>3</sup>, as defined herein, plus any outstanding borrowings related to such Unrealized Investments. The management fee is paid quarterly in advance. There is a management fee offset equal to 100% of all commitment, closing, origination, transaction, break-up, directors', monitoring, management, amendment and other similar fees.

With respect to the Fund, other expense reimbursements or non-advisory fees are charged by the Adviser or its affiliates. These reimbursements and fees are disclosed to investors and are in addition to the management fees and other fees described herein. The Adviser and/or its affiliates may charge the fund monitoring fees to cover supervisory services provided to the fund. The fund may bear expenses related to the organization of the fund, including, without limitation, legal fees (including in-house legal fees, where specified), costs of secondees of third-party law firms and temporary legal staffing, legal consultant fees, accounting fees, placement agent fees (which may be offset against management fees), placement agent expenses, fees and disbursements, other costs and expenses incurred by the fund in connection with the initial structuring, organization, syndication and closings of the fund and the entities related to the fund, including any feeder, parallel, and/or alternative investment vehicles, subsidiaries, holding companies and special purpose vehicles, costs of organizing the general partner of the fund, any

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<sup>1</sup> The term "Levered Series" refers to the series that does not borrow money other than (1) for short-term cash management purposes (i.e., amounts expected by the General Partner to be repaid within two years at the time of such borrowing) in amounts not to exceed unpaid capital commitments or (ii) excluding any borrowings defined in (i) above, any amounts that, in the aggregate, do not exceed 150% of the aggregate Capital Commitments to the Levered Series at the time of such borrowing.

<sup>2</sup> The term "Unlevered Series" refers to the series that only participates in fund indebtedness for short-term cash management purposes (i.e., subscription facilities).

<sup>3</sup> The term "Unrealized Investments" refers to investments that have not been the subject of a disposition.

costs and expenses incurred to comply with the laws of various jurisdictions or applicable regulations (including, but not limited to, costs and expenses to obtain exemptions, maintain qualifications, satisfy any regulatory or other jurisdiction fees, such as filing, notice and registration fees), notice, registration or other action to be undertaken by the fund, the Adviser or an affiliate thereof, fees and expenses payable to third parties, related to negotiations in connection with subscriptions to the fund, as well as any other similar fees required to facilitate fund marketing (including all printing, mailing, travel, and dining and entertainment costs associated with such marketing).

The fund also bears and pays all expenses related to the operations of the fund, including, without limitation, costs and expenses relating to: investigating, consummating and monitoring and reporting upon the fund's investments (including expenses related to the investment of such fund's assets); expenses incurred in connection with providing limited partners access to fund reporting sites; transactions not completed or breakup fees; expenses incurred by the fund as a result of defaulting partners, transfers, withdrawals or removal of partners; administrative and finance expenses; legal expenses and recording fees and expenses (including but not limited to amendments, consents and modifications, jurisdictional filing, regulatory fees and related expenses related to an investment in the fund; legal expenses (including a cost of internal legal counsel, where specified) and costs of secondees of third-party law firms and temporary legal staffing which may be either short-term or long-term staffing arrangements, all professional fees, costs and expenses for services rendered on behalf of the fund, including legal, banking, consulting and advisory services, costs incurred in connection with the acquisition or sale of any investment or potential investment, including any broken deal expenses, expenses related to obtaining or maintaining borrowings for the fund (or the option to borrow, including interest expenses and debt service attributable to borrowed money); placement agent fees (to the extent not deemed organizational expenses, which shall be offset against the management fee), external administration, custodian, trustee, registrar, accounting, depository, banking, investment banking, currency hedging, appraisal (including costs and expenses related to any valuation of investments), audit and tax preparation fees and expenses, the cost of government returns, reports and other filings, escrow agent fees and expenses, broker and intermediary fees and expenses, external distribution management services related to the sale of assets in kind received by the fund, including commissions, management fees, expenses of the fund's advisory committees, any fees or expenses related to financial statements, external accounting, tax returns and Schedules K-1, as well as any taxes, fees or other governmental charges levied against or reserved by the fund and expenses incurred in connection with any tax audit, investigation, settlement or review of the fund, its applicable portion of investment company professional and management liability insurance, the cost of any required ERISA fidelity bonds (if any out-of-pocket expenses incurred in connection with complying with provisions in side letter agreements entered into by the fund, including "most favored nations" provisions, fees paid by the fund to a placement agent by or on behalf of such fund for non-placement services (including but not limited to placement agent expenses, fees and disbursements for performing regulatory filings, regulatory driven services, rendering post-closing support to the fund, broker fees for secondaries interests or co-investments, retainers, indemnities and any costs and expenses associated therewith),

any costs relating to the indemnification of the fund's professionals, all unreimbursed expenses incurred in connection with the collection of amounts due to the fund from any person, reasonable fees and expenses of any third party professional engaged by any member of the fund's advisory committee to advise the advisory committee, costs and expenses (including required technology) associated with any other action taken by the general partner of a fund, the Adviser or an affiliate thereof in connection with the fund, investor servicing expenses, maintenance of books and records, meeting expenses (including travel expenses, meals and other expenses associated with meetings), all research, market analysis, data (including Bloomberg fees, research and software expenses and other expenses incurred in connection with data services providing price feeds, news feeds, securities and company information and company fundamental data) and related expenses, fees, expenses and costs incurred in connection with the operation of subsidiaries, holding companies, feeder funds or vehicles; marketing expenses as well as any other similar fees required to facilitate the offering of fund interests and/or the investment of fund assets, including its applicable portion of compliance consultant fee and/or legal consultant fees as determined in the general partner's sole discretion, as such fees relate to the review of marketing materials, the investment of the fund's assets and similar offering and compliance matters), valuing fund assets; the sale of assets in kind, entity-level taxes (if any), any costs and expenses to ensure on-going compliance with the laws of various jurisdictions or applicable regulations (including but not limited to, costs and expenses to obtain exemptions, maintain qualifications, satisfy any regulatory or other jurisdiction fees, such as filing, notice and registration fees, as well as costs and expenses relating to the preparation and filing of Form PF and/or other regulatory filings of the general partner of the fund, the Adviser, and their affiliates relating to the fund's activities, as well as all filings with the Commodities Futures Trading Commission ("CFTC") and any costs and expenses relating to maintaining regulatory compliance with the CFTC, including, but not limited to, filings, finger printing, exemptions and registration with the CFTC) to the extent such expenses are not deemed to be organizational expenses, regardless of whether the applicable jurisdiction mandates any such filing, notice, exemption, registration or other action be undertaken by the general partner of the fund, the Adviser or any affiliate thereof, the fund's share of the management fees, other fees, carried interest and other expenses charged by its underlying investments, costs and expenses related to valuation of the fund's underlying investments, mailings and other related expenses, as well as tax and extraordinary expenses, if any, such as litigation (including the cost of any investigation, prosecution or defense of any claims), the amount of any losses, judgments and all expenses related to indemnity or contribution payable to any person by the fund, and the costs and expenses associated with the dissolution, winding up, liquidation or termination of the fund or the entities related thereto (including but not limited to any subsidiaries, holding companies, feeder funds or vehicles) as well as any fees or expenses of a liquidator appointed by the fund in connection with operating the fund, any feeder fund(s) or related vehicle.

Additionally, the fund may bear the expenses incurred in connection with investigating, consummating, and monitoring of investments in portfolio companies and expenses of transactions not completed as well as ordinary day-to-day expenses incidental to the operation and administration of each investment made or contemplated by the fund. With

respect to any in-house legal costs, such legal costs are specified in the fund's documents and relate to a fee that the Adviser believes to be reasonable for the administrative services provided by the Adviser's legal staff in relation to the fund.

The Adviser has a conflict of interest in determining whether certain costs and expenses incurred in the course of operating multiple funds should be paid by a particular fund or by the Adviser. While the fund's partnership agreement identifies the costs and expenses to be paid by the fund, questions of interpretation inevitably arise in connection with determining whether a certain cost or expense has, in fact, been so identified, as well as whether newly arising and/or unanticipated costs or expenses (including but not limited to costs and expenses arising from newly imposed regulations and self-regulatory requirements) fit within the categories of costs and expenses described.

### **3. SMAs**

Each SMA Client negotiated an IMA with PA. Each IMA has been assigned to FSGA for on-going management. Generally, each SMA Client pays a management fee based on the average net asset value of the senior debt investments, that is payable quarterly in arrears.

Generally, the IMAs provide that the expenses incurred by the manager (including, custodial fees, administration and agency costs and expenses, interest and other costs of leverage, expenses of third-party valuation service providers, third party administrators, third-party rating agency fees, audit fees, legal fees, insurance coverage and premiums, exchange fees, broken deal expenses and deal workout expenses, for example) are paid by the SMA Client.

On a quarterly basis, the Adviser is contractually obligated to provide a written notice of fees and expenses to the SMA Client. To the extent that a senior debt investment is allocated among multiple clients, each client shall bear its allocable share of the applicable expenses.

### **4. FS Senior Credit Fund II, L.P. and FS SCF Feeder Fund, L.P.**

FS Senior Credit Fund II, L.P. will pay a management fee to FSGA quarterly in advance in respect of each limited partner. The management fee payment in respect of each limited partner in the Levered Series shall be equal to 0.50% per annum of the capital contributions of such limited partner with respect to investments that have not been the subject of a disposition and any outstanding borrowings relating to such investments. The management fee payment in respect of each limited partner in the Unlevered Series shall be equal to 1.25% per annum of the capital contributions of such limited partner with respect to investments that have not been the subject of a disposition and any outstanding borrowings, if any, related to such investments.

The management fee will be reduced by 100% of any commitment, closing, origination, transaction, break-up, directors', management, amendment fees, and other similar fees

paid to FSGA and its affiliates in connection with the provision of capital and/or services to a portfolio company by the fund. To the extent such offsets would reduce the management fee for a given quarterly period below zero, such offsets will be carried forward and reduce future installments of the management fee.

With respect to the Fund, other expense reimbursements or non-advisory fees are charged by the Adviser or its affiliates. These reimbursements and fees are disclosed to investors and are in addition to the management fees and other fees described herein.

The Adviser and/or its affiliates may charge the fund monitoring fees to cover supervisory services provided to the fund. The fund may bear expenses related to the organization of the fund, including, without limitation, legal fees (including in-house legal fees, where specified), costs of secondees of third-party law firms and temporary legal staffing, legal consultant fees, accounting fees, placement agent fees (which may be offset against management fees), placement agent expenses, fees and disbursements, other costs and expenses incurred by the fund in connection with the initial structuring, organization, syndication and closings of the fund and the entities related to the fund, including any feeder, parallel, and/or alternative investment vehicles, subsidiaries, holding companies and special purpose vehicles, costs of organizing the general partner of the fund, any costs and expenses incurred to comply with the laws of various jurisdictions or applicable regulations (including, but not limited to, costs and expenses to obtain exemptions, maintain qualifications, satisfy any regulatory or other jurisdiction fees, such as filing, notice and registration fees), notice, registration or other action to be undertaken by the fund, the Adviser or an affiliate thereof, fees and expenses payable to third parties, related to negotiations in connection with subscriptions to the fund, as well as any other similar fees required to facilitate fund marketing (including all printing, mailing, travel, and dining and entertainment costs associated with such marketing).

The Fund also bears and pays all expenses related to the operations of the fund, including, without limitation, costs and expenses relating to: investigating, consummating and monitoring and reporting upon the fund's investments (including expenses related to the investment of such fund's assets); expenses incurred in connection with providing limited partners access to fund reporting sites; transactions not completed or breakup fees; expenses incurred by the fund as a result of defaulting partners, transfers, withdrawals or removal of partners; administrative and finance expenses; legal expenses and recording fees and expenses (including but not limited to amendments, consents and modifications, jurisdictional filing, regulatory fees and related expenses related to an investment in the fund; legal expenses (including a cost of internal legal counsel, where specified) and costs of secondees of third-party law firms and temporary legal staffing which may be either short-term or long-term staffing arrangements, all professional fees, costs and expenses for services rendered on behalf of the fund, including legal, banking, consulting and advisory services, costs incurred in connection with the acquisition or sale of any investment or potential investment, including any broken deal expenses, expenses related to obtaining or maintaining borrowings for the fund (or the option to borrow, including interest expenses and debt service attributable to borrowed money); placement agent fees (to the extent not deemed organizational expenses, which shall be offset

against the management fee), external administration, custodian, trustee, registrar, accounting, depository, banking, investment banking, currency hedging, appraisal (including costs and expenses related to any valuation of investments), audit and tax preparation fees and expenses, the cost of government returns, reports and other filings, escrow agent fees and expenses, broker and intermediary fees and expenses, external distribution management services related to the sale of assets in kind received by the fund, including commissions, management fees, expenses of the fund's advisory committees, any fees or expenses related to financial statements, external accounting, tax returns and Schedules K-1, as well as any taxes, fees or other governmental charges levied against or reserved by the fund and expenses incurred in connection with any tax audit, investigation, settlement or review of the fund, its applicable portion of investment company professional and management liability insurance, the cost of any required ERISA fidelity bonds (if any out-of-pocket expenses incurred in connection with complying with provisions in side letter agreements entered into by the fund, including "most favored nations" provisions, fees paid by the fund to a placement agent by or on behalf of such fund for non-placement services (including but not limited to placement agent expenses, fees and disbursements for performing regulatory filings, regulatory driven services, rendering post-closing support to the fund, broker fees for secondaries interests or co-investments, retainers, indemnities and any costs and expenses associated therewith), any costs relating to the indemnification of the fund's professionals, all unreimbursed expenses incurred in connection with the collection of amounts due to the fund from any person, reasonable fees and expenses of any third party professional engaged by any member of the fund's advisory committee to advise the advisory committee, costs and expenses (including required technology) associated with any other action taken by the general partner of a fund, the Adviser or an affiliate thereof in connection with the fund, investor servicing expenses, maintenance of books and records, meeting expenses (including travel expenses, meals and other expenses associated with meetings), all research, market analysis, data (including Bloomberg fees, research and software expenses and other expenses incurred in connection with data services providing price feeds, news feeds, securities and company information and company fundamental data) and related expenses, fees, expenses and costs incurred in connection with the operation of subsidiaries, holding companies, feeder funds or vehicles; marketing expenses as well as any other similar fees required to facilitate the offering of fund interests and/or the investment of fund assets, including its applicable portion of compliance consultant fee and/or legal consultant fees as determined in the general partner's sole discretion, as such fees relate to the review of marketing materials, the investment of the fund's assets and similar offering and compliance matters), valuing fund assets; the sale of assets in kind, entity-level taxes (if any), any costs and expenses to ensure on-going compliance with the laws of various jurisdictions or applicable regulations (including but not limited to, costs and expenses to obtain exemptions, maintain qualifications, satisfy any regulatory or other jurisdiction fees, such as filing, notice and registration fees, as well as costs and expenses relating to the preparation and filing of Form PF and/or other regulatory filings of the general partner of the fund, the Adviser, and their affiliates relating to the fund's activities, as well as all filings with the Commodities Futures Trading Commission ("CFTC") and any costs and expenses relating to maintaining regulatory compliance with the CFTC, including, but not limited to, filings, finger printing, exemptions and registration

with the CFTC) to the extent such expenses are not deemed to be organizational expenses, regardless of whether the applicable jurisdiction mandates any such filing, notice, exemption, registration or other action be undertaken by the general partner of the fund, the Adviser or any affiliate thereof, the fund's share of the management fees, other fees, carried interest and other expenses charged by its underlying investments, costs and expenses related to valuation of the fund's underlying investments, mailings and other related expenses, as well as tax and extraordinary expenses, if any, such as litigation (including the cost of any investigation, prosecution or defense of any claims), the amount of any losses, judgments and all expenses related to indemnity or contribution payable to any person by the fund, and the costs and expenses associated with the dissolution, winding up, liquidation or termination of the fund or the entities related thereto (including but not limited to any subsidiaries, holding companies, feeder funds or vehicles) as well as any fees or expenses of a liquidator appointed by the fund in connection with operating the fund, any feeder fund(s) or related vehicle.

Additionally, the fund may bear the expenses incurred in connection with investigating, consummating, and monitoring of investments in portfolio companies and expenses of transactions not completed as well as ordinary day-to-day expenses incidental to the operation and administration of each investment made or contemplated by the fund. With respect to any in-house legal costs, such legal costs are specified in the fund's documents and relate to a fee that the Adviser believes to be reasonable for the administrative services provided by the Adviser's legal staff in relation to the fund.

The Adviser may have a conflict of interest in determining whether certain costs and expenses incurred in the course of operating multiple funds should be paid by a particular fund or by the Adviser. While the fund's partnership agreement identifies the costs and expenses to be paid by the fund, questions of interpretation inevitably arise in connection with determining whether a certain cost or expense has, in fact, been so identified, as well as whether newly arising and/or unanticipated costs or expenses (including but not limited to costs and expenses arising from newly imposed regulations and self-regulatory requirements) fit within the categories of costs and expenses described.

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

### **1. FSCO and Luxco**

As noted above in Item 5, with respect to FSCO, the Adviser will receive performance-based fees upon the satisfaction of certain conditions. See also Item 10, below, for information regarding certain potential conflicts of interest relating to how the Adviser will mitigate such potential conflicts.

### **2. PA SCOF I**

The Adviser makes investments on behalf of the Fund and in making such investments, conflicts of interest exist. Where such conflicts of interest exist, investment opportunities will be allocated on a fair and equitable basis as determined by the Adviser in its sole

discretion in consideration of its allocation policies and such factors as the Adviser deems relevant.

The Adviser has made certain capacity commitments to certain Clients (including the funds) with respect to investments with a particular fund sponsor (generally, if such client has an existing investment relationship with such fund sponsor) under which one client would have priority ahead of another client on investing with such fund sponsor if that fund sponsor were to offer only a limited amount of its investment capacity to the Adviser's clients. As available investment amounts in other investment opportunities are likely to be limited, the accounts' ability to invest in such investment opportunities may be significantly affected by such allocations.

Prior to March 1, 2024, PA SCOF I was subject to the Allocation Policy of Portfolio Advisors. Effective March 1, 2024, PA SCOF I became subject to the FSGA Allocation Policy. The FSGA Allocation Policy addresses conflicts of interest that may arise between clients. Copies of the FSGA Allocation Policy are available to Clients upon request and subject to change from time to time without notice in the Adviser's sole discretion.

The Adviser accepts performance-based fees from certain clients. The acceptance of performance-based fees may create an incentive for the Adviser to make investments that are more speculative than would be the case in the absence of performance-based compensation. A conflict is also created with respect to allocations, created by performance-based fees and differing fee rates. However, this incentive may be tempered somewhat by the fact that losses will reduce performance and thus, the fees earned. Performance-based fees are not accepted from all Clients. In cases where performance-based fees are charged, they are charged in compliance with Rule 205-3 under the Advisers Act. The Adviser may, on occasion, waive certain expenses that otherwise would be charged to a Fund or an Account.

### **3. SMAs**

The SMA Clients do not pay performance-based fees. The SMA Clients' fees are paid to the Adviser based on contractual provisions negotiated between PA and each SMA Client.

### **4. FS Senior Credit Fund II, L.P. and FS SCF Feeder Fund, L.P.**

The Adviser makes investments on behalf of the funds and accounts having similar investment objectives and in making such investments, conflicts of interest may exist. Where such conflicts of interest exist, investment opportunities will be allocated on a fair and equitable basis as determined by the Adviser in its sole discretion in consideration of its allocation policies and such factors as the Adviser deems relevant, for example, the investment objectives of such Clients and the relative sizes of such Clients' respective investment appetite and size consideration, investment industry, targeted rates of return, investment period duration, investment time horizons, portfolio diversification requirements, and the relative sizes of the Clients.



The Adviser has made certain capacity commitments to certain Clients (including the funds) with respect to investments with a particular fund sponsor (generally, if such client has an existing investment relationship with such fund sponsor) under which one client would have priority ahead of another client on investing with such fund sponsor if that fund sponsor were to offer only a limited amount of its investment capacity to the Adviser's clients. As available investment amounts in underlying funds and other investment opportunities are likely to be limited, the funds' and/or accounts' ability to invest in such underlying funds and/or other investment opportunities may be significantly affected by such allocations. The Adviser or its affiliates may also decide to buy or sell interests in underlying funds or other investments for the accounts of certain, but not all of its clients. As a result, each Fund and Account are likely to have substantially different portfolios and investment returns.

Effective March 1, 2024, PA SCOF II became subject to the FSGA Allocation Policy. The FSGA Allocation Policy addresses conflicts of interest that may arise between clients. Copies of the FSGA Allocation Policy are available to Clients upon request and subject to change from time to time without notice in the Adviser's sole discretion.

The Adviser accepts performance-based fees from certain clients. The acceptance of performance-based fees may create an incentive for the Adviser to make investments that are more speculative than would be the case in the absence of performance-based compensation. A conflict is also created with respect to allocations, created by performance-based fees and differing fee rates. However, this incentive may be tempered somewhat by the fact that losses will reduce performance and thus, the fees earned. Performance-based fees are not accepted from all clients. In cases where performance-based fees are charged, they are charged in compliance with Rule 205-3 under the Advisers Act. The Adviser may, on occasion, waive certain expenses that otherwise would be charged to a Fund or an Account.

#### ITEM 7 – Types of Clients

The Adviser provides investment advice to FSCO (an investment company registered under the 1940 Act) and Luxco, private funds, certain separately managed accounts and as a non-discretionary investment adviser. As discussed in more detail in Item 4, the Adviser may advise other investment companies, private investment funds, institutional investors or other persons or entities. Generally, when advising private funds or separately managed accounts, the Adviser provides advice on investments within a stated investment period, based upon the fund or the account's governing documents.

The following types of institutions may establish separate account advisory services with FSGA or invest in funds sponsored by the firm: sophisticated institutional investors, major public and private pension plan sponsors, corporations, foundations, endowments, charitable organizations, insurance companies, financial institutions, municipalities, sovereign funds, private investment funds, other pooled investment vehicles, family offices, high net worth individuals, and other U.S. and international institutions.

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

The Adviser is responsible for evaluating potential investments for its Clients. The Adviser will review such investments and their appropriateness based on the investment objectives and policies of its respective Clients, as adopted by the Clients' boards of trustees or other governing bodies. If the Adviser determines that certain investments are appropriate and the Adviser's applicable investment committee unanimously approves such investments, the Adviser will effectuate the investments on behalf of the Clients, provided that with respect to the SMAs, the Adviser will take instruction from the SMA Clients, after the SMA Client has approved the purchase or sale of an investment.

Generally, the Adviser closes, monitors and continually services any investments made. Using a security analysis methodology that includes a combination of fundamental and cyclical analyses with a consideration of, among other things, a potential investment's credit rating, if applicable, the Adviser determines the securities that are appropriate for purchase, sale or retention by its Clients. Relying on, among other things, 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 principally offers advice on investing in secured and unsecured floating rate and fixed rate loans, bonds and other types of credit instruments. The Adviser also offers advice to FSCO, Luxco and other Clients on a broad range of securities, including, but not limited to, equity securities, which may be exchange listed, traded in the over-the-counter market 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 and interests in partnerships investing in real estate, oil and gas interests and commodities. The Adviser utilizes various investment strategies, including, among others, leverage, both long-term and short-term purchases and hedging techniques when appropriate. In addition, the Adviser seeks to achieve its Clients' 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, but not limited to, 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, among other things, (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, but not limited to, 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.

The success of an investment in general is subject to a variety of risks, including without limitation, those related to: (i) the quality of the management of the investment vehicle and the ability of such management to successfully select and execute investment opportunities; (ii) general economic conditions; and (iii) the ability to manage the investments in a portfolio.

Identification of attractive investment opportunities by the Adviser involves a high degree of uncertainty. The success of each fund depends on the availability of appropriate investment opportunities and the ability of the portfolio managers to identify, select, gain access to and consummate appropriate investments. The availability of investment opportunities for each Fund or Account will generally be subject to market conditions. There can be no assurance that suitable investments will be available to each Fund and/or Account.

General market conditions affect the activities and success of the Adviser, its Funds and Accounts. Fluctuations in interest rates, market prices of securities, including public securities market prices, slowdown in the global economy or in specific regional economies may have a direct and/or indirect negative impact on Fund and Account investments.

The financial services industry generally, and the activities of alternative investment firms and their investment managers and advisers, in particular, have been subject to intense and increasing regulatory scrutiny. As a result, the Adviser and its Funds and Accounts may become subject to less favorable legal, tax and/or regulatory schemes which may increase the exposure to potential increased tax liabilities, as well as legal, compliance and other related costs.

The Funds managed by the Adviser include funds that are registered or otherwise regulated under the 1940 Act (“Regulated Clients”). As a result, a Fund may be prohibited from participating in certain investments that would otherwise be appropriate for such Fund. The Adviser has obtained exemptive relief from the SEC to permit certain Client to engage in co-investment transactions with a fund that would normally be prohibited under the 1940 Act. However, the allocation of investment opportunities in which a fund and a Regulated Client would jointly participate is required to be determined in accordance with the terms and conditions of such exemptive relief, which may cause the amount allocated to a Fund to be lower than it otherwise would be in the absence of such exemptive relief.

The Adviser may delegate certain tasks to third-party service providers. For example, certain aspects of fund administration, audit and tax reporting services may be provided by third-party service providers at the Funds’ and/or the Accounts’ expense.

The Funds and the Accounts rely on the experience, relationships and expertise of certain individuals employed by FS Investments. There can be no assurance that these individuals will remain employed with the Adviser or otherwise carry on their current duties throughout the term of the related investments. The loss of any such key personnel could have a materially adverse effect on the Adviser, the Funds and/or the Accounts.

**Disruption and Uncertainty in Financial Markets.** From time-to-time, capital markets may experience periods of disruption and instability. Social, economic, political and other conditions and events (such as, natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that have significant impacts on issuers, industries, governments and other systems, including the financial markets. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by misguided or faulty responses, or failure to adequately respond, by governments and societies to an emerging event or threat.

Significant political, social, economic conditions and events, such as Brexit, the COVID-19 pandemic, supply chain disruptions, increasing or volatile interest rates and inflationary environments, the Russia/Ukraine conflict, the Israel/Hamas conflict and further spread of conflict in the region, as well as escalated tensions globally, have created substantial uncertainty. While the specific source, nature and impact of any events that create uncertainty is inherently difficult to predict, uncertainty can both create and exacerbate risk, even for investments made in established markets. Some of the risks associated with political, economic and social uncertainty include: greater volatility in asset prices, value and performance; changes in interest rates and prevailing credit spreads; increased risk of default by obligors of underlying loans held by Clients; greater social, economic and political instability (including the risk of war or natural disaster); increased risk of nationalization and greater governmental involvement in the economy; increased regulatory restrictions and oversight; downgrades by rating agencies; lack of liquidity; limited ability to hedge interest rate risk; and difficulties in obtaining and/or enforcing legal judgments. During times of uncertainty the capital markets often become volatile.

Monitoring and regulation of markets while a country is experiencing political uncertainty, and the activities of investors in such markets and enforcement of existing regulations might be extremely aggressive or insufficient. Markets experiencing political uncertainty can have substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates can have negative effects on such countries' economies and securities markets. Additionally, uncertainty creates a greater risk of escalation of conflicts, such as trade wars, sanctions or military actions, in times or locations that are experiencing social, economic or political uncertainty and such an escalation, in turn, can increase the level of uncertainty experienced. Escalation of conflicts can lead to: higher prices; disruption in infrastructure; impairments to the supply chain; imposition of taxes, tariffs, duties and/or sanctions (and retaliatory measures in response thereto); rerouting of long-standing trade relationships; exacerbation of global supply and pricing issues; reduction and scarcity of key resources; migration and other dislocations; failed debt payments; and currency devaluations.

Given the ongoing and dynamic nature of recent market disruption and instability, it is difficult to predict the full impact of these conditions on a Client's portfolio. The extent of any such impact will depend on future developments, which are highly uncertain, including the duration or reoccurrence of any potential business or supply chain disruption, changes in interest rates and inflation rates, the conflicts between Russia and Ukraine and Israel and Hamas and any further spread of conflict, health epidemics and pandemics, and the actions taken by governments in response to these conditions.

During any such periods of market disruption and instability, companies may have limited access, if available, to alternative markets for debt and equity capital. Volatility and dislocation in the capital markets can also create a challenging environment in which to raise or access debt capital. The continuance or reappearance of market disruption for any substantial length of time could make it difficult to extend the maturity of, or refinance existing, indebtedness or obtain new indebtedness with similar terms, which could have a material adverse effect on assets held by Clients. Costs of debt capital may increase or be subject to less favorable terms and conditions. If issuers are unable to raise or refinance debt, then returns on investment may decrease, and any such decrease could be significant. Significant disruption or volatility in the capital markets could also have a negative effect on the valuations of Clients' investments and on the potential for liquidity events involving these investments.

#### ITEM 9 – Disciplinary Information

The Adviser has not been involved in any disciplinary actions or material legal or administrative proceedings related to its business activities. In addition, there are no legal or disciplinary events that are material to a Client's or prospective client's evaluation of FSGA's advisory business or the integrity of FSGA's management.

## ITEM 10 – Other Financial Industry Activities and Affiliations

The Adviser, its affiliates and its personnel serve as investment advisers to multiple clients. Therefore, the Adviser and its personnel may have conflicts in allocating their time and services among the firm's clients. The Adviser, its affiliates and its personnel will devote as much time to the activities of each Client as they deem necessary and appropriate and the amount of time devoted to different Clients may vary.

The Adviser is affiliated with FS Investment Solutions, LLC ("**FSIS**"), a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority, Inc. FSIS, a wholly owned subsidiary of Franklin Square Holdings, L.P., served as the dealer manager for the distribution of the common shares of FSCO, prior to its listing on the New York Stock Exchange. More generally, FSIS serves as the wholesaling broker-dealer for certain funds sponsored by FS Investments.

The Adviser is also affiliated with: (i) FS/EIG Advisor, LLC, a registered investment adviser under the Advisers Act, which provides advisory services to FS Specialty Lending Fund ("**FSSL**"), previously known as 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) FS/KKR Advisor, LLC, the investment adviser to FSK and KFIT; (iii) FS Credit Income Advisor, LLC, the investment adviser to FS Credit Income Fund, an interval fund; (iv) FS Tactical Advisor, LLC, the investment adviser to FS Tactical Opportunities Fund, a private fund; (v) FS Structured Products Advisor, LLC, the investment adviser to Bridge Street CLO I, Bridge Street CLO II, Bridge Street III, and Bridge Street IV; (vi) Chiron Investment Management LLC, the investment adviser to certain 1940 Act mutual funds; (vii) FS Real Estate Advisor, LLC, the investment adviser to FS Credit REIT; (viii) FS Fund Advisor, LLC, the investment adviser to certain 1940 Act mutual funds; (ix) Portfolio Advisors, LLC, the investment adviser to certain private funds, a registered fund and separately managed accounts; Portfolio Advisors Capital UK, Ltd.; and (x) Portfolio Advisors Singapore Pte Ltd. Portfolio Advisors LLC is also a co-owner of a subsidiary investment management company, Asia Select Management, Ltd., with an affiliate of United Overseas Bank.

Actual and potential conflicts of interest with the Adviser's Clients related to these relationships include, without limitation, the following:

- The directors, officers and other personnel of the Adviser allocate their time between advising FSCO, Luxco, PA SCOF I, the SMAs and PASCOF II and managing other investment activities and business activities in which they may be involved;
- FSCO may compete with certain affiliates for investments, subjecting the Adviser and its affiliates to certain conflicts of interest in evaluating the suitability of investment opportunities and making or recommending acquisitions on FSCO's behalf;

- Regardless of the quality of the assets acquired by a Client, the services provided to the Client or whether FSCO makes distributions to its shareholders, the Adviser will receive base management fees in connection with the management of the Client's portfolio and may receive incentive fees to the extent FSCO's "pre-incentive fee net investment income" exceeds the preferred rate of return;
- Because the dealer manager, FS Investment Solutions, LLC, is an affiliate of the Adviser, its due diligence review and investigation of FSCO and other products and accounts managed by the Adviser and the Adviser itself cannot be considered to be an independent review;
- The personnel of FSGA 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 activities relating to FS Tactical Advisor, LLC, FS Structured Products Advisor, LLC and FS/EIG Advisor, LLC;
- The Clients may compete with other funds managed by affiliates for investment opportunities, subjecting the Adviser and certain of its affiliates to certain conflicts of interest in evaluating the suitability of investment opportunities and recommending investments to the Adviser;
- From time to time, FSCO, Luxco and other Clients for which the Adviser or an affiliate provides 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, as may be permitted by law and subject to compliance with appropriate procedures. Such 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 FSCO, Luxco and such other Clients;
- The Adviser and its affiliates may give advice and recommend securities to other Clients, in accordance with the investment objectives and strategies of such other Clients, which may differ from advice given to, or the timing or nature of the action taken with respect to, a given Client, even though their investment objectives may overlap with those of such Client;
- 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 Adviser's other Clients and/or may involve substantial time and resources of the Adviser. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Adviser and its officers and employees will not be devoted exclusively to the business of FSCO, Luxco and/or the Adviser's other Clients. In addition, the Adviser (or an affiliate), in some cases receives a fee from third-party investors for making available investment

opportunities, and such fee creates an incentive to recommend such opportunities to Clients and to allocate opportunities to such a third-party investor. See Item 14 – Client Referrals and Other Compensation for discussion of this conflict of interest;

- To the extent permitted by the 1940 Act and SEC staff interpretations, and subject to the allocation policies of the Adviser and any of its affiliates, as applicable, the Adviser and certain of its affiliates may determine it appropriate for FSCO and one or more other investment accounts managed by the Adviser to participate in an investment opportunity. FSCO currently has exemptive relief from the SEC to engage in co-investment opportunities with the Adviser and only certain of its affiliates. Any of these co-investment opportunities may give rise to conflicts of interest or perceived conflicts of interest among FSCO and the other participating accounts. To mitigate these conflicts, the Adviser will seek to execute such transactions for all of the participating investment accounts, including FSCO, on a fair and equitable basis and in accordance with the applicable 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 FSCO and the Clients for which participation is appropriate and any other factors deemed to be appropriate; and
- The 1940 Act prohibits certain “joint” transactions with certain of FSCO’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 5% or more of FSCO’s voting securities, FSCO will be prohibited from buying securities or other property from or selling any securities or other property to such person or certain of that person’s affiliates, or entering into joint transactions with such persons, absent the availability of an exemption or prior approval of the SEC. Similar restrictions limit FSCO’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 FSCO and the Adviser’s other clients may be limited.

To mitigate these conflicts, the Adviser will seek to execute such transactions for all of the participating investment accounts, including FSCO and Luxco, on a fair and equitable basis, 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 FSCO and Luxco, the Clients for which participation is appropriate and any other factors deemed appropriate, provided, however, that the SMAs are contractually limited to receive only overage or excess that is not otherwise allocated. In addition, the Chief Compliance Officers of the Adviser and FSCO will periodically review policies and procedures that are applicable to ensure that such policies and procedures seek to mitigate such conflicts of interest.



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 Clients 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 Clients. However, the Adviser believes that it and its affiliates have sufficient personnel to discharge fully their responsibilities for 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 Business Conduct and Ethics" (the "**Code**") is designed to prevent violations of the fiduciary responsibilities owed by the Adviser to its Clients, including FSCO and Luxco. 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, whistleblower policies, among other things. All supervised persons of the Adviser are required to acknowledge the terms of the Code annually and at such other times as the Code 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 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 have been 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 is 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 are not available for purchase by a retail investor. The Adviser also has a separate policy with respect to insider trading.

The Adviser's Clients or prospective Clients may request a copy of the Code by contacting the Chief Compliance Officer, FS Global Advisor, LLC, 201 Rouse Boulevard, Philadelphia, Pennsylvania 19112.

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

## 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.

The portfolio securities in which FSCO 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.

FSCO and the Senior Credit Funds have and may in the future establish prime brokerage relationships to facilitate certain of their transactions, the costs of which will be borne by FSCO and the Senior Credit Funds.

To the extent the Adviser executes securities transactions for its Clients, the Adviser will seek to obtain the best execution of orders. Commission rates are a component of price and may be considered along with other relevant factors, including other eligible research or brokerage services provided (e.g., research reports, online quotations, news and research services, financial publications and other products and services, etc. (collectively, “**Soft-Dollar Items**”). Accordingly, the commissions charged by any broker engaged by the Adviser may be greater than the amount another firm might charge if the Adviser determines in good faith that the amount of such commission is reasonable in relation to the value of the brokerage and other services provided such brokers. While the Adviser has not engaged a broker to execute transactions on behalf of Clients in recognition of Soft-Dollar Items to date and does not expect to do so to any significant degree, the Adviser reserves the right to do so in accordance with its Clients’ investment objectives and stated policies. To the extent that it does so in the future, 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.

## ITEM 13 – Review of Accounts

Generally, the Adviser manages active portfolios for its Clients<sup>4</sup>. These portfolios are reviewed daily by the Adviser to consider, among other things, their composition,

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<sup>4</sup> With respect to the Adviser’s role as a non-discretionary sub-adviser to FS MVP Private Markets Fund and the SMAs, the Adviser does not actively manage a portfolio.

performance and compliance with applicable legal requirements. The supervised persons, with respect to FSCO who conduct the review are Andrew Beckman and Nick Heilbut. The supervised persons, with respect to the Senior Credit Funds and the SMAs are Dan Cohn-Sfetcu, Andrew Beckman and Nick Heilbut.

In addition, with respect to the Adviser's Client portfolios, the Adviser values the Clients' respective assets in good faith pursuant to the applicable valuation policy and consistently applied valuation process. Portfolio securities and other assets for which market quotes are readily available are valued at market value. In circumstances where market quotes are not readily available, the Adviser has adopted methods for determining the fair value of such securities and other assets.

#### ITEM 14 – Client Referrals and Other Compensation

FSGA, on behalf of FSCO, does not retain consultants or other parties to solicit Clients on its behalf. FSGA, on behalf of the Senior Credit Funds, employs certain placement agents.

In addition, if the Adviser identifies a potential investment and an opportunity to participate remains available after the Clients have been permitted to participate, the Adviser from time to time offers the excess opportunity to third-party investors. Such investors do not have preexisting entitlements to investment opportunities in any strategy, and so the principles for offering excess availability to these potential investors are in the Adviser's discretion and differ from the principles that apply to Clients. In some cases, the Adviser (or an affiliate) will receive a fee from a third-party investor for making the opportunity available, and such fee creates an incentive to recommend such opportunities to Clients and to allocate opportunities to such a third-party investor. The Adviser seeks to address this conflict of interest through application of its investment process and allocation policies.

#### ITEM 15 - Custody

The Adviser complies with the provisions of Rule 206(4)-2 under the Advisers Act with respect to the custody of Client assets. The Adviser complies with the Custody Rule by: (i) maintaining Clients' funds and securities with a qualified custodian to the extent required by Rule 206(4)-2; (ii) ensuring that clients (as applicable) receive account statements from the qualified custodians; (iii) ensuring that an annual audit is conducted of the Funds, as applicable, by an independent public accountant and delivered to the Funds' investors within the requisite time frame; and (iv) when required by the Custody Rule, ensuring that a surprise audit by an independent public accountant is conducted.

#### ITEM 16 – Investment Discretion

With respect to certain funds, the Adviser has full discretion to invest on behalf of its Clients. With respect to the SMAs, the Adviser provides advice to clients on a non-discretionary basis. In all cases, the Adviser evaluates 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. The Adviser recognizes that, as an investment adviser registered under the Advisers Act, it 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 and in the best interests of its Clients.

Under the policies and procedures, the Adviser votes proxies related to portfolio securities in the best interest of its Clients. 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 exist compelling long-term reasons to do so.

The Adviser's proxy voting decisions are 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, 201 Rouse Boulevard, Philadelphia, Pennsylvania 19112.

## 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 any bankruptcy proceeding.

## ITEM 19 – Requirements for State-Registered Advisers

Not applicable.