

Finding value to generate income and growth

FS Global Credit Opportunities Fund–A

FS Global Credit Opportunities Fund–D

FS Global Credit Opportunities Fund–T

FS Global Credit Opportunities Fund–ADV

FS Global Credit Opportunities Fund–T2

Electronic Reports Disclosure—Beginning on January 1, 2021, as permitted by regulations adopted by the SEC, paper copies of FS Global Credit Opportunities Fund’s (the “Fund”), FS Global Credit Opportunities Fund–A’s (“Fund–A”), FS Global Credit Opportunities Fund–D’s (“Fund–D”), FS Global Credit Opportunities Fund–T’s (“Fund–T”), FS Global Credit Opportunities Fund–ADV’s (“Fund–ADV”) and FS Global Credit Opportunities Fund–T2’s (“Fund–T2” and, collectively with Fund–A, Fund–D, Fund–T and Fund–ADV, the “Feeder Funds” and, collectively with the Fund, the “Funds”), shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Funds or from your financial intermediary (such as a broker-dealer or bank). Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. Shareholders who hold accounts directly may elect to receive shareholder reports and other communications from the Funds electronically by calling 877-628-8575 or emailing service@fsinvestments.com to make such arrangements. For shareholders who hold accounts through an investment advisor, bank or broker-dealer, please contact that financial intermediary directly for information on how to receive shareholder reports and other communications electronically.

You may elect to receive all future reports in paper free of charge. Shareholders who hold accounts directly may inform the Funds that you wish to continue receiving paper copies of your shareholder reports by calling 877-628-8575 or emailing service@fsinvestments.com. For shareholders who hold accounts through an investment advisor, bank or broker-dealer, please contact that financial intermediary directly to inform them that you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held through your financial intermediary or directly with the Funds.



Michael Forman

President & Chief Executive Officer
FS Global Credit Opportunities Fund

Fellow Shareholder,

Last year marked an important milestone in our ongoing efforts to drive value for FS Global Credit Opportunities Fund's (FSGCO, or the Fund) shareholders. During the second quarter, FS Global Advisor (the Adviser) assumed sole management of FSGCO with a focus on increasing the Fund's allocation to high-conviction investments, growing net asset value (NAV), reducing portfolio volatility and improving distribution coverage over time.

Recognizing that there is still more work to be done, we believe our internal credit investment team made significant strides in accomplishing these goals in 2018. Since assuming all operational and investment management functions of FSGCO, the Adviser has focused on three key areas:

- First, the Fund made significant progress toward its goal of rotating the portfolio out of investments that we believe have limited upside or are highly correlated to the broader high yield market and redeploying that capital into investments we believe offer the potential for strong returns and limited downside risk. We look for situations where yield premiums exist due to complexity, illiquidity or as a result of corporate events as opposed to elevated risk of loss.
- Second, FSGCO focused on stabilizing and improving its distribution coverage. We expect the continued rotation of the portfolio into high-conviction investments and the optimization of FSGCO's borrowing facilities will help to improve distribution coverage over time.
- Finally, FSGCO made meaningful progress toward optimizing its capital structure. In 2018, the Fund closed on \$200 million in term preferred shares. The financing provides the Fund with long-term capital and helps to better match the duration of the Fund's assets and liabilities.

Market review

U.S. equity and commodity price volatility negatively impacted the leveraged credit markets in the second half of 2018 as a mix of trade-related and global growth concerns had investors seeking safety in U.S. Treasuries. Higher-yielding areas of the market underperformed their higher-quality peers during the final quarter of the year. Both high yield bond mutual funds and bank loan mutual funds registered record outflows in the fourth quarter of 2018, helping to push high yield bond and senior secured loan prices to 2.5-year lows the last week of December.^{1,2}

High yield bonds returned -2.3% for all of 2018 after registering a modestly positive return during the first half of the year.¹ Senior secured loans posted a gain of 0.4% for all of 2018 after a decisively negative fourth quarter erased most of the gains achieved through the first nine months of the year.²

Against the backdrop of stable corporate fundamentals and evolving interest rate concerns, investor demand for higher-yielding corporate credit improved through the first three quarters of the year, only to reverse course during the fourth quarter as risk aversion sapped demand for lower-rated investments. In total, CCC rated high yield bonds and CCC rated senior secured loans returned -4.2% and 2.4%, respectively, during 2018.^{3,4}

FSGCO's feeder funds outperformed high yield bonds and senior secured loans in 2018.^{1,2,5}

Performance review

By focusing on select opportunities, such as event-driven opportunities, special situations and market-price inefficiencies, we aim to build a portfolio that offers the potential for higher total returns, comprised of both income and growth, compared to traditional investment strategies.

The feeder funds' total returns outperformed high yield bonds, senior secured loans, CCC rated high yield bonds and CCC rated senior secured loans during 2018.^{1,2,3,4,5,6}

2018 SHAREHOLDER RETURNS⁶

FSGCO-A	7.9%	High yield bonds¹	-2.3%
FSGCO-D	7.9%	Senior secured loans²	0.4%
FSGCO-T	6.9%		
FSGCO-ADV	7.3%		
FSGCO-T2	6.3%		

Investment activity during the year focused on reducing high-beta investments and redirecting the portfolio to investments whose returns are driven by idiosyncratic events in order to provide a differentiated way to deliver growth and income to our investors. Additionally, the team concentrated on reducing the number of portfolio holdings to create a higher-conviction portfolio.

During 2018, FSGCO continued to concentrate on investing at the top of the corporate capital structure. As of December 31, 2018, approximately 40% of the portfolio consisted of first-lien senior secured debt, up from 26% as of December 31, 2017. Concurrently, the allocation to unsecured bonds and equity/other declined to 20% and 7%, respectively, as of December 31, 2018, from 29% and 10%, respectively, as of December 31, 2017.

Amid tight and volatile high yield bond and senior secured loan markets, we believe our strategy of focusing on idiosyncratic, value-based opportunities across the capital structure offers the potential for stronger risk-adjusted returns. Our goal is to deliver higher total returns than traditional credit strategies with less market beta to generate value for our shareholders.

We will continue to seek out investments where yield premiums exist due to complexity, illiquidity or as a result of corporate events as opposed to elevated risk of loss. Meanwhile, we will continue to monetize the remaining investments in our portfolio that don't meet our standards.

Thank you for your continued support and trust in us.

Sincerely,



Michael Forman

President & Chief Executive Officer

FS Global Credit Opportunities Fund–A

FS Global Credit Opportunities Fund–D

FS Global Credit Opportunities Fund–T

FS Global Credit Opportunities Fund–ADV

FS Global Credit Opportunities Fund–T2

1 ICE BofAML U.S. High Yield Master II Index.

2 S&P/LSTA Leveraged Loan Index.

3 ICE BofAML U.S. High Yield CCC Rated or Below Index.

4 S&P/LSTA Leveraged Loan CCC Only Index.

5 FS Global Credit Opportunities Fund's feeder funds described herein are FS Global Credit Opportunities Fund–A (FSGCO–A or Fund–A), FS Global Credit Opportunities Fund–D (FSGCO–D or Fund–D), FS Global Credit Opportunities Fund–T (FSGCO–T or Fund–T), FS Global Credit Opportunities Fund–ADV (FSGCO–ADV or Fund–ADV) and FS Global Credit Opportunities Fund–T2 (FSGCO–T2 or Fund–T2).

6 The total return for each period presented is historical and is calculated by determining the percentage change in net asset value, assuming the reinvestment of all distributions in additional common shares of the feeder fund at the feeder fund's NAV per share as of the share closing date occurring on or immediately following the distribution payment date. The total return does not consider the effect of the sales load from the sale of the feeder fund's common shares. The payment of future distributions on Fund–A's, Fund–D's, Fund–T's, Fund–ADV's and Fund–T2's common shares is subject to the discretion of their boards of trustees and applicable legal restrictions and, therefore, there can be no assurance as to the amount or timing of any such future distributions.

FSGCO portfolio highlights

As of December 31, 2018 (unless otherwise noted)

Senior secured debt represented 71% of the Fund's portfolio.

Portfolio composition

Senior secured loans—1st lien	40%
Senior secured loans—2nd lien	14%
Senior secured bonds	17%
Subordinated debt	20%
Collateralized securities	2%
Equity/other	7%

Industry classification (by fair value)

Energy	18%
Software & Services	16%
Capital Goods	9%
Consumer Services	8%
Diversified Financials	7%
Materials	7%
Retailing	7%
Health Care Equipment & Services	4%
Insurance	4%
Media	4%
Technology Hardware & Equipment	4%
Transportation	3%
Consumer Durables & Apparel	2%
Household & Personal Products	2%
Real Estate	2%
Telecommunication Services	2%
Food & Staples Retailing	1%

FSGCO Officers + Trustees

Officers

Michael Forman
President & Chief Executive Officer

Edward T. Gallivan, Jr.
Chief Financial Officer

Stephen S. Sypherd
Vice President, Treasurer & Secretary

James F. Volk
Chief Compliance Officer

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& Chief Executive Officer
Tasty Baking Company

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FS Global Credit Opportunities Fund—T2 (“Fund—T2”)

(Collectively, the “FS Global Credit Opportunities Fund—Feeder Funds” or “Feeder Funds”)

Annual Report for the Year Ended December 31, 2018

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Boards of Trustees of:

FS Global Credit Opportunities Fund—A
 FS Global Credit Opportunities Fund—D
 FS Global Credit Opportunities Fund—T
 FS Global Credit Opportunities Fund—ADV
 FS Global Credit Opportunities Fund—T2

Collectively (the “Funds”)

Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities of FS Global Credit Opportunities Fund—A, FS Global Credit Opportunities Fund—D, FS Global Credit Opportunities Fund—T, FS Global Credit Opportunities Fund—ADV and FS Global Credit Opportunities Fund—T2 (the “Funds”), as of December 31, 2018, and the related statements of operations, cash flows, changes in net assets, and the financial highlights for each of the periods indicated in the table below and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds at December 31, 2018, and the results of their operations, cash flows, changes in net assets and financial highlights for each of the periods indicated in the table below, in conformity with U.S. generally accepted accounting principles.

Individual Funds	Statements of Operations and Cash Flows	Statements of Changes in Net Assets	Financial Highlights
FS Global Credit Opportunities Fund—A FS Global Credit Opportunities Fund—D	For the year ended December 31, 2018	For each of the two years in the period ended December 31, 2018	For each of the five years in the period ended December 31, 2018
FS Global Credit Opportunities Fund—T	For the year ended December 31, 2018	For each of the two years in the period ended December 31, 2018	For each of the two years in the period ended December 31, 2018 and the period from June 1, 2016 (Commencement of Operations) to December 31, 2016
FS Global Credit Opportunities Fund—ADV	For the year ended December 31, 2018	For each of the two years in the period ended December 31, 2018	For each of the two years in the period ended December 31, 2018 and the period from July 6, 2016 (Commencement of Operations) to December 31, 2016
FS Global Credit Opportunities Fund—T2	For the year ended December 31, 2018	For the year ended December 31, 2018 and the period from August 2, 2017 (Commencement of Operations) to December 31, 2017	For the year ended December 31, 2018 and the period from August 2, 2017 (Commencement of Operations) to December 31, 2017

Basis for Opinion

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as auditor of one or more FS Investments investment companies since 2013.

Philadelphia, Pennsylvania
March 1, 2019

FS Global Credit Opportunities Fund—Feeder Funds

**Statements of Assets and Liabilities
(in thousands, except share and per share amounts)
December 31, 2018**

	<u>Fund—A</u>	<u>Fund—D</u>	<u>Fund—T</u>	<u>Fund—ADV</u>	<u>Fund—T2</u>
Assets					
Investment in FS Global Credit Opportunities Fund, at fair value ⁽¹⁾	\$1,051,811	\$203,096	\$189,014	\$55,574	\$6,478
Cash	7,153	1,373	1,341	419	57
Distributions receivable from FS Global Credit Opportunities Fund	29	6	2	—	—
Expense reimbursement due from sponsor ⁽²⁾	—	—	—	—	1
Total assets	<u>\$1,058,993</u>	<u>\$204,475</u>	<u>\$190,357</u>	<u>\$55,993</u>	<u>\$6,536</u>
Liabilities					
Shareholder distributions payable	\$ 3,162	\$ 576	\$ 461	\$ 129	\$ 11
Distribution fees payable	—	—	49	10	7
Administrative services expense payable	34	1	16	5	—
Transfer agent fees payable	128	23	21	6	2
Professional fees payable	21	20	33	34	33
Accounting and administrative fees payable	73	14	13	4	—
Printing fees payable	46	32	37	16	2
Other accrued expenses and liabilities	10	2	5	4	11
Total liabilities	<u>\$ 3,474</u>	<u>\$ 668</u>	<u>\$ 635</u>	<u>\$ 208</u>	<u>\$ 66</u>
Net assets	<u>\$1,055,519</u>	<u>\$203,807</u>	<u>\$189,722</u>	<u>\$55,785</u>	<u>\$6,470</u>
Commitments and contingencies ⁽³⁾					
Composition of net assets					
Common shares, \$0.001 par value, unlimited shares authorized ⁽⁴⁾	\$ 140	\$ 27	\$ 25	\$ 7	\$ 1
Capital in excess of par value	1,207,002	232,669	196,670	58,516	6,741
Accumulated earnings (deficit)	(151,623)	(28,889)	(6,973)	(2,738)	(272)
Net assets	<u>\$1,055,519</u>	<u>\$203,807</u>	<u>\$189,722</u>	<u>\$55,785</u>	<u>\$6,470</u>
Net asset value per common share at period end	\$ 7.54	\$ 7.54	\$ 7.63	\$ 7.53	\$ 7.50
<hr/>					
(1) Investment in FS Global Credit Opportunities Fund, at cost	\$ 1,179,235	\$ 226,647	\$ 199,538	\$ 58,844	\$ 6,761
(2) See Note 4 for a discussion of reimbursements and other amounts paid by the sponsor and affiliates					
(3) Commitments and contingencies. See Note 6 for a discussion of commitments and contingencies	\$ 25,276	\$ 5,080	\$ 2	—	\$ 72
(4) Common shares issued and outstanding are as follows	139,954,541	27,020,192	24,870,141	7,406,327	862,481

See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

**Statements of Operations
(in thousands)
Year Ended December 31, 2018**

	<u>Fund—A</u>	<u>Fund—D</u>	<u>Fund—T</u>	<u>Fund—ADV</u>	<u>Fund—T2</u>
Investment income					
Distributions from FS Global Credit Opportunities Fund	\$ 76,078	\$14,686	\$13,746	\$4,052	\$469
Interest income	11	2	3	1	—
Total investment income	<u>76,089</u>	<u>14,688</u>	<u>13,749</u>	<u>4,053</u>	<u>469</u>
Operating expenses					
Administrative services expenses	389	88	81	24	4
Distribution fees	—	—	1,859	272	64
Transfer agent fees	734	118	119	33	5
Accounting and administrative fees	273	55	56	17	2
Professional fees	61	33	48	50	40
Printing fees	332	75	122	66	41
Other general and administrative expenses	2	2	68	13	12
Total operating expenses	<u>1,791</u>	<u>371</u>	<u>2,353</u>	<u>475</u>	<u>168</u>
Less: Expense reimbursement from sponsor ⁽¹⁾	—	—	—	—	(52)
Net operating expenses	<u>1,791</u>	<u>371</u>	<u>2,353</u>	<u>475</u>	<u>116</u>
Net investment income	<u>74,298</u>	<u>14,317</u>	<u>11,396</u>	<u>3,578</u>	<u>353</u>
Realized and unrealized gain/loss from FS Global Credit Opportunities Fund					
Net realized gain (loss) on investment	(15,253)	(3,505)	354	33	(1)
Net change in unrealized appreciation (depreciation) on investment	<u>24,411</u>	<u>5,306</u>	<u>1,327</u>	<u>471</u>	<u>53</u>
Total net realized gain (loss) and unrealized appreciation (depreciation) on investment	<u>9,158</u>	<u>1,801</u>	<u>1,681</u>	<u>504</u>	<u>52</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 83,456</u>	<u>\$16,118</u>	<u>\$13,077</u>	<u>\$4,082</u>	<u>\$405</u>

(1) See Note 4 for a discussion of reimbursements and other amounts paid by the sponsor and affiliates.

See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

**Statements of Changes in Net Assets
(in thousands)**

	Fund—A		Fund—D	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾
Operations				
Net investment income	\$ 74,298	\$ 111,109	\$ 14,317	\$ 21,541
Net realized gain (loss) on investment	(15,253)	(9,793)	(3,505)	(1,850)
Net change in unrealized appreciation (depreciation) on investment	24,411	(68,455)	5,306	(13,353)
Net increase from additional support payment from sponsor ⁽²⁾	—	11,718	—	2,263
Net increase (decrease) in net assets resulting from operations	<u>83,456</u>	<u>44,579</u>	<u>16,118</u>	<u>8,601</u>
Shareholder distributions⁽³⁾				
Distributions to shareholders	<u>(71,050)</u>	<u>(122,827)</u>	<u>(13,710)</u>	<u>(23,804)</u>
Net decrease in net assets resulting from shareholder distributions	<u>(71,050)</u>	<u>(122,827)</u>	<u>(13,710)</u>	<u>(23,804)</u>
Capital share transactions⁽⁴⁾				
Reinvestment of shareholder distributions	35,557	68,377	7,286	15,177
Repurchases of common shares	<u>(57,950)</u>	<u>(44,802)</u>	<u>(13,078)</u>	<u>(8,418)</u>
Net increase (decrease) in net assets resulting from capital share transactions	<u>(22,393)</u>	<u>23,575</u>	<u>(5,792)</u>	<u>6,759</u>
Total increase (decrease) in net assets	(9,987)	(54,673)	(3,384)	(8,444)
Net assets at beginning of year	<u>1,065,506</u>	<u>1,120,179</u>	<u>207,191</u>	<u>215,635</u>
Net assets at end of year	<u>\$1,055,519</u>	<u>\$1,065,506</u>	<u>\$203,807</u>	<u>\$207,191</u>

(1) The presentation as of December 31, 2017 of distributions to shareholders has been updated to reflect the changes prescribed in amendments to Regulation S-X. As of December 31, 2017, Fund—A and Fund—D had accumulated net investment income of \$0.

(2) See Note 4 for a discussion of reimbursements and other amounts paid by the sponsor and affiliates.

(3) See Note 5 for a discussion of the sources of distributions.

(4) See Note 3 for a discussion of transactions with respect to common shares.

See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

**Statements of Changes in Net Assets
(in thousands)**

	Fund—T		Fund—ADV	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾
Operations				
Net investment income	\$ 11,396	\$ 12,575	\$ 3,578	\$ 3,531
Net realized gain (loss) on investment	354	29	33	6
Net change in unrealized appreciation (depreciation) on investment	1,327	(14,619)	471	(4,207)
Net increase (decrease) in net assets resulting from operations	<u>13,077</u>	<u>(2,015)</u>	<u>4,082</u>	<u>(670)</u>
Shareholder distributions⁽²⁾				
Distributions to shareholders	<u>(10,214)</u>	<u>(12,668)</u>	<u>(3,415)</u>	<u>(3,772)</u>
Net decrease in net assets resulting from shareholder distributions	<u>(10,214)</u>	<u>(12,668)</u>	<u>(3,415)</u>	<u>(3,772)</u>
Capital share transactions⁽³⁾				
Issuance of common shares	—	130,209	—	46,131
Reinvestment of shareholder distributions	4,774	6,415	1,780	2,218
Repurchases of common shares	<u>(8,949)</u>	<u>(372)</u>	<u>(3,234)</u>	<u>(316)</u>
Net increase (decrease) in net assets resulting from capital share transactions	<u>(4,175)</u>	<u>136,252</u>	<u>(1,454)</u>	<u>48,033</u>
Total increase (decrease) in net assets	<u>(1,312)</u>	<u>121,569</u>	<u>(787)</u>	<u>43,591</u>
Net assets at beginning of year	<u>191,034</u>	<u>69,465</u>	<u>56,572</u>	<u>12,981</u>
Net assets at end of year	<u>\$189,722</u>	<u>\$191,034</u>	<u>\$55,785</u>	<u>\$56,572</u>

- (1) The presentation as of December 31, 2017 of distributions to shareholders has been updated to reflect the changes prescribed in amendments to Regulation S-X. As of December 31, 2017, Fund—T and Fund—ADV had accumulated net investment income of \$1,920 and \$321, respectively.
- (2) See Note 5 for a discussion of the sources of distributions.
- (3) See Note 3 for a discussion of transactions with respect to common shares.

See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

**Statements of Changes in Net Assets
(in thousands)**

	Fund—T2	
	Year Ended December 31, 2018	Period from August 2, 2017 (Commencement of Operations) to December 31, 2017 ⁽¹⁾
Operations		
Net investment income	\$ 353	\$ 112
Net realized gain (loss) on investment	(1)	—
Net change in unrealized appreciation (depreciation) on investment	53	(336)
Net increase (decrease) in net assets resulting from operations	<u>405</u>	<u>(224)</u>
Shareholder distributions⁽²⁾		
Distributions to shareholders	(353)	(177)
Net decrease in net assets resulting from shareholder distributions	<u>(353)</u>	<u>(177)</u>
Capital share transactions⁽³⁾		
Issuance of common shares	—	6,640
Reinvestment of shareholder distributions	226	114
Repurchases of common shares	(161)	—
Net increase (decrease) in net assets resulting from capital share transactions	<u>65</u>	<u>6,754</u>
Total increase (decrease) in net assets	117	6,353
Net assets at beginning of period	6,353	—
Net assets at end of period	<u>\$6,470</u>	<u>\$6,353</u>

(1) The presentation as of December 31, 2017 of distributions to shareholders has been updated to reflect the changes prescribed in amendments to Regulation S-X. As of December 31, 2017, Fund—T2 had accumulated net investment income of \$12.

(2) See Note 5 for a discussion of the sources of distributions.

(3) See Note 3 for a discussion of transactions with respect to common shares.

See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

**Statements of Cash Flows
(in thousands)
Year Ended December 31, 2018**

	<u>Fund—A</u>	<u>Fund—D</u>	<u>Fund—T</u>	<u>Fund—ADV</u>	<u>Fund—T2</u>
Cash flows from operating activities					
Net increase (decrease) in net assets resulting					
from operations	\$ 83,456	\$ 16,118	\$ 13,077	\$ 4,082	\$ 405
Adjustments to reconcile net increase (decrease)					
in net assets resulting from operations to net					
cash provided by (used in) operating activities:					
Purchases of common shares of FS Global					
Credit Opportunities Fund	(37,766)	(7,669)	(4,806)	(1,681)	(215)
Sales of common shares of FS Global Credit					
Opportunities Fund	57,950	13,078	8,949	3,234	161
Net realized (gain) loss on investment	15,253	3,505	(354)	(33)	1
Net change in unrealized (appreciation)					
depreciation on investment	(24,411)	(5,306)	(1,327)	(471)	(53)
(Increase) decrease in distributions receivable					
from FS Global Credit Opportunities					
Fund	1	1	—	—	—
(Increase) decrease in expense reimbursement					
and additional support payment due from					
sponsor ⁽¹⁾	2,765	563	—	—	6
Increase (decrease) in payable for investment					
purchased	(6,883)	(1,504)	(1,263)	(415)	(50)
Increase (decrease) in expense recoupment					
payable to sponsor	—	—	—	(3)	—
Increase (decrease) in distribution fees					
payable	—	—	(620)	(94)	(8)
Increase (decrease) in administrative services					
expense payable	(43)	(25)	12	4	—
Increase (decrease) in transfer agent fees					
payable	54	—	7	2	1
Increase (decrease) in professional fees					
payable	(1)	(1)	12	14	10
Increase (decrease) in accounting and					
administrative fees payable	12	5	9	3	—
Increase (decrease) in printing fees payable . . .	16	(12)	36	16	(3)
Increase (decrease) in other accrued expenses					
and liabilities	(1)	(5)	—	1	9
Net cash provided by (used in) operating					
activities	<u>90,402</u>	<u>18,748</u>	<u>13,732</u>	<u>4,659</u>	<u>264</u>
Cash flows from financing activities					
Reinvestment of shareholder distributions	35,557	7,286	4,774	1,780	226
Repurchases of common shares	(57,950)	(13,078)	(8,949)	(3,234)	(161)
Shareholder distributions	(72,661)	(13,919)	(10,407)	(3,456)	(358)
Net cash provided by (used in) financing					
activities	<u>(95,054)</u>	<u>(19,711)</u>	<u>(14,582)</u>	<u>(4,910)</u>	<u>(293)</u>
Total increase (decrease) in cash	(4,652)	(963)	(850)	(251)	(29)
Cash at beginning of year	11,805	2,336	2,191	670	86
Cash at end of year	<u>\$ 7,153</u>	<u>\$ 1,373</u>	<u>\$ 1,341</u>	<u>\$ 419</u>	<u>\$ 57</u>

(1) See Note 4 for a discussion of reimbursements and other amounts paid by the sponsor and affiliates.

See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

**Financial Highlights
(in thousands, except share and per share amounts)**

	FS Global Credit Opportunities Fund—A				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Per Share Data:⁽¹⁾					
Net asset value, beginning of year . . .	\$ 7.46	\$ 8.01	\$ 7.08	\$ 8.91	\$ 10.02
Results of operations					
Net investment income ⁽²⁾	0.53	0.79	0.78	0.87	0.87
Net realized and unrealized appreciation (depreciation) on investment	0.06	(0.47)	1.02	(1.78)	(1.11)
Net increase (decrease) in net assets resulting from operations	0.59	0.32	1.80	(0.91)	(0.24)
Shareholder distributions ⁽³⁾					
Distributions from net investment income	(0.51)	(0.87)	(0.87)	(0.87)	(0.87)
Net decrease in net assets resulting from shareholder distributions	(0.51)	(0.87)	(0.87)	(0.87)	(0.87)
Capital share transactions					
Reimbursement of sponsor ⁽⁴⁾	—	—	—	(0.05)	—
Offering costs	—	—	—	(0.04)	(0.10)
Capital contributions of sponsor ⁽⁵⁾	—	—	—	0.04	0.10
Net increase (decrease) in net assets resulting from capital share transactions	—	—	—	(0.05)	0.00
Net asset value, end of year	\$ 7.54	\$ 7.46	\$ 8.01	\$ 7.08	\$ 8.91
Shares outstanding, end of year	139,954,541	142,925,358	139,931,140	109,659,116	54,670,071
Total return ⁽⁶⁾	7.93%	4.11%	27.39%	(11.72)%	(2.94)%
Ratio/Supplemental Data:					
Net assets, end of year	\$ 1,055,519	\$ 1,065,506	\$ 1,120,179	\$ 775,956	\$ 486,908
Ratio of net investment income to average net assets ⁽⁷⁾⁽⁸⁾	6.86%	9.97%	10.68%	10.52%	9.01%
Ratio of total operating expenses to average net assets ⁽⁷⁾	0.17%	0.16%	0.46%	0.25%	0.33%
Ratio of expense recoupment to (reimbursement) from sponsor to average net assets ⁽⁷⁾	—	(0.16)%	(0.21)%	(0.25)%	(0.33)%
Ratio of net operating expenses to average net assets ⁽⁷⁾	0.17%	0.00%	0.25%	0.00%	0.00%
Portfolio turnover of FS Global Credit Opportunities Fund	72%	94%	92%	125%	165%

See page 14 for footnotes to financial highlights

See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

**Financial Highlights
(in thousands, except share and per share amounts)**

	FS Global Credit Opportunities Fund—D				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Per Share Data:⁽¹⁾					
Net asset value, beginning of year	\$ 7.46	\$ 8.01	\$ 7.08	\$ 8.91	\$ 10.02
Results of operations					
Net investment income ⁽²⁾	0.53	0.79	0.78	0.87	0.87
Net realized and unrealized appreciation (depreciation) on investment	0.06	(0.47)	1.02	(1.78)	(1.11)
Net increase (decrease) in net assets resulting from operations	0.59	0.32	1.80	(0.91)	(0.24)
Shareholder distributions ⁽³⁾					
Distributions from net investment income	(0.51)	(0.87)	(0.87)	(0.87)	(0.87)
Net decrease in net assets resulting from shareholder distributions	(0.51)	(0.87)	(0.87)	(0.87)	(0.87)
Capital share transactions					
Reimbursement of sponsor ⁽⁴⁾	—	—	—	(0.05)	—
Offering costs	—	—	—	(0.04)	(0.11)
Capital contributions of sponsor ⁽⁵⁾	—	—	—	0.04	0.11
Net increase (decrease) in net assets resulting from capital share transactions	—	—	—	(0.05)	0.00
Net asset value, end of year	\$ 7.54	\$ 7.46	\$ 8.01	\$ 7.08	\$ 8.91
Shares outstanding, end of year	27,020,192	27,788,843	26,932,885	21,201,113	10,906,827
Total return ⁽⁶⁾	7.93%	4.11%	27.38%	(11.72)%	(2.94)%
Ratio/Supplemental Data:					
Net assets, end of year	\$ 203,807	\$ 207,191	\$ 215,635	\$ 150,024	\$ 97,139
Ratio of net investment income to average net assets ⁽⁷⁾⁽⁸⁾	6.85%	9.97%	10.68%	10.51%	9.01%
Ratio of total operating expenses to average net assets ⁽⁷⁾	0.18%	0.20%	0.53%	0.31%	0.45%
Ratio of expense recoupment to (reimbursement) from sponsor to average net assets ⁽⁷⁾	—	(0.20)%	(0.28)%	(0.31)%	(0.45)%
Ratio of net operating expenses to average net assets ⁽⁷⁾	0.18%	0.00%	0.25%	0.00%	0.00%
Portfolio turnover of FS Global Credit Opportunities Fund	72%	94%	92%	125%	165%

See page 14 for footnotes to financial highlights

See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

Financial Highlights
(in thousands, except share and per share amounts)

	FS Global Credit Opportunities Fund—T		
	Year Ended December 31,		Period from June 1, 2016 (Commencement of Operations) to December 31, 2016
	2018	2017	
Per Share Data:⁽¹⁾			
Net asset value, beginning of period	\$ 7.52	\$ 8.07	\$ 7.38
Results of operations			
Net investment income ⁽²⁾	0.46	0.61	0.38
Net realized and unrealized appreciation (depreciation) on investment	0.06	(0.54)	0.67
Net increase (decrease) in net assets resulting from operations	0.52	0.07	1.05
Shareholder distributions ⁽³⁾			
Distributions from net investment income	(0.41)	(0.62)	(0.36)
Net decrease in net assets resulting from shareholder distributions	(0.41)	(0.62)	(0.36)
Net asset value, end of period	\$ 7.63	\$ 7.52	\$ 8.07
Shares outstanding, end of period	24,870,141	25,410,621	8,605,273
Total return ⁽⁶⁾	6.91%	0.78%	14.51% ⁽⁹⁾
Ratio/Supplemental Data:			
Net assets, end of period	\$ 189,722	\$ 191,034	\$ 69,465
Ratio of net investment income to average net assets ⁽⁷⁾⁽⁸⁾ . .	5.83%	7.73%	4.82%
Ratio of total operating expenses to average net assets ⁽⁷⁾ . .	1.20%	2.44%	1.00%
Ratio of expense recoupment to (reimbursement) from sponsor to average net assets ⁽⁷⁾	—	—	(0.01)%
Ratio of net operating expenses to average net assets ⁽⁷⁾ . .	1.20%	2.44%	0.99%
Portfolio turnover of FS Global Credit Opportunities Fund	72%	94%	92% ⁽¹⁰⁾

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See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

Financial Highlights
(in thousands, except share and per share amounts)

	FS Global Credit Opportunities Fund—ADV		
	Year Ended December 31,		Period from
	2018	2017	July 6, 2016 (Commencement of Operations) to December 31, 2016
Per Share Data:⁽¹⁾			
Net asset value, beginning of period	\$ 7.45	\$ 8.04	\$ 7.32
Results of operations			
Net investment income ⁽²⁾	0.48	0.62	0.29
Net realized gain (loss) and unrealized appreciation (depreciation) on investment	0.06	(0.54)	0.76
Net increase (decrease) in net assets resulting from operations	0.54	0.08	1.05
Shareholder distributions ⁽³⁾			
Distributions from net investment income	(0.46)	(0.67)	(0.33)
Net decrease in net assets resulting from shareholder distributions	(0.46)	(0.67)	(0.33)
Net asset value, end of period	\$ 7.53	\$ 7.45	\$ 8.04
Shares outstanding, end of period	7,406,327	7,596,001	1,615,221
Total return ⁽⁶⁾	7.25%	0.89%	14.44% ⁽⁹⁾
Ratio/Supplemental Data:			
Net assets, end of period	\$ 55,785	\$ 56,572	\$ 12,981
Ratio of net investment income to average net assets ⁽⁷⁾⁽⁸⁾	6.21%	7.93%	3.70%
Ratio of total operating expenses to average net assets ⁽⁷⁾	0.82%	2.22%	1.48%
Ratio of expense recoupment to (reimbursement from) sponsor to average net assets ⁽⁷⁾	—	0.04%	(0.43)%
Ratio of net operating expenses to average net assets ⁽⁷⁾	0.82%	2.26%	1.05%
Portfolio turnover of FS Global Credit Opportunities Fund	72%	94%	92% ⁽¹⁰⁾

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See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

Financial Highlights
(in thousands, except share and per share amounts)

	FS Global Credit Opportunities Fund—T2	
	Year Ended December 31, 2018	Period from August 2, 2017 (Commencement of Operations) to December 31, 2017
Per Share Data:⁽¹⁾		
Net asset value, beginning of period	\$ 7.44	\$ 7.97
Results of operations		
Net investment income ⁽²⁾	0.41	0.16
Net realized and unrealized appreciation (depreciation) on investment	0.06	(0.43)
Net increase (decrease) in net assets resulting from operations	0.47	(0.27)
Shareholder distributions ⁽³⁾		
Distributions from net investment income	(0.41)	(0.26)
Net decrease in net assets resulting from shareholder distributions	(0.41)	(0.26)
Net asset value, end of period	\$ 7.50	\$ 7.44
Shares outstanding, end of period	862,481	853,769
Total return ⁽⁶⁾	6.29%	(3.50)% ⁽⁹⁾
Ratio/Supplemental Data:		
Net assets, end of period	\$ 6,470	\$ 6,353
Ratio of net investment income to average net assets ⁽⁷⁾⁽⁸⁾	5.30%	2.11%
Ratio of total operating expenses to average net assets ⁽⁷⁾	2.52%	2.62%
Ratio of expense recoupment to (reimbursement) from sponsor to average net assets ⁽⁷⁾	(0.78)%	(0.38)%
Ratio of net operating expenses to average net assets ⁽⁷⁾	1.74%	2.24%
Portfolio turnover of FS Global Credit Opportunities Fund	72%	94% ⁽¹⁰⁾

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See notes to financial statements.

FS Global Credit Opportunities Fund—Feeder Funds

**Financial Highlights
(in thousands, except share and per share amounts)**

- (1) Per share data may be rounded in order to compute the ending net asset value per share.
- (2) The per share data was derived by using the average number of common shares outstanding during the applicable period.
- (3) The per share data for distributions reflects the actual amount of distributions declared per common share during the applicable period.
- (4) See Note 4 for a discussion of reimbursements paid to the sponsor and affiliates.
- (5) See Note 4 for a discussion of reimbursements and other amounts paid by the sponsor and affiliates.
- (6) The total return for each period presented is historical and is calculated by determining the percentage change in net asset value, assuming the reinvestment of all distributions in additional common shares of each Feeder Fund at each Feeder Fund's net asset value per share as of the share closing date occurring on or immediately following the distribution payment date. The total return does not consider the effect of the sales load from the sale of each Feeder Fund's common shares. The historical calculation of total return in the table should not be considered a representation of each Feeder Fund's future total return, which may be greater or less than the total return shown in the table due to a number of factors, including, among others, FS Global Credit Opportunities Fund's (the "Fund") ability or inability to make investments that meet its investment criteria, the interest rates payable on the debt securities the Fund acquires, the level of the Fund's expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which the Fund encounters competition in its markets and general economic conditions. As a result of these and other factors, results for any previous period should not be relied upon as being indicative of performance in future periods. The total return calculations set forth above represent the total return on each Feeder Fund's investment in the Fund during the applicable period and do not represent an actual return to shareholders. Total return includes the effect of any waivers or additional support payments from sponsor, if applicable. For Fund—A and Fund—D, without such payments during the years ended December 31, 2017 and 2016, the total return would have been 2.99% and 26.27%, respectively. Total return for the year ended December 31, 2018 and periods prior to December 31, 2016 would be unchanged.
- (7) Average daily net assets for the applicable period is used for this calculation. Does not reflect the proportionate share of accrued income and expenses. Ratios for Fund—ADV and Fund—T2 for the periods July 6, 2016 (Commencement of Operations) to December 31, 2016 and August 2, 2017 (Commencement of Operations) to December 31, 2017, respectively, are not annualized.
- (8) Had the sponsor not reimbursed certain operating expenses, the ratio of net investment income to average net assets would have been as follows:

	Period Ended December 31,				
	2018	2017	2016	2015	2014
Fund—A	6.86%	9.81%	10.47%	10.27%	8.68%
Fund—D	6.85%	9.77%	10.40%	10.20%	8.56%
Fund—T	5.83%	7.73%	4.81%	—	—
Fund—ADV	6.21%	7.93%	3.27%	—	—
Fund—T2	4.52%	1.73%	—	—	—

- (9) Total return presented is not annualized.
- (10) Portfolio turnover of FS Global Credit Opportunities Fund is for the full year.

See notes to financial statements.

FS Global Credit Opportunities — Feeder Funds
Notes to Financial Statements
(in thousands, except share and per share amounts)

Note 1. Principal Business and Organization

FS Global Credit Opportunities Fund—A (“Fund—A”), FS Global Credit Opportunities Fund—D (“Fund—D”), FS Global Credit Opportunities Fund—T (“Fund—T”), FS Global Credit Opportunities Fund—ADV (“Fund—ADV”), and FS Global Credit Opportunities Fund—T2 (“Fund—T2”), (each a “Feeder Fund” or collectively the “Feeder Funds”) are organized as Delaware statutory trusts. The Feeder Funds’ primary investment objective is to generate an attractive total return consisting of a high level of current income and capital appreciation, with a secondary objective of capital preservation. The Feeder Funds invest substantially all of their net assets in FS Global Credit Opportunities Fund (“Fund”). The investment objectives and strategies of the Fund are identical to the Feeder Funds. The Feeder Funds’ financial statements should be read in conjunction with the consolidated financial statements of the Fund included herein. As of December 31, 2018, the Feeder Funds held the following percentages of the outstanding common shares of the Fund.

As of December 31, 2018, approximately 69.8%, 13.5%, 12.6%, 3.7% and 0.4% of the Fund’s outstanding common shares of beneficial interest, par value \$0.001 per share, or its common shares, were held by Fund—A, Fund—D, Fund—T, Fund—ADV and Fund—T2, respectively. As of December 31, 2017, each Feeder Fund had closed its respective public offering to new investors.

The Feeder Funds’ investment adviser, FS Global Advisor, LLC (“FS Global Advisor”), is a private investment firm that is registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and an affiliate of the Feeder Funds’ sponsor, Franklin Square Holdings, L.P., or FS Investments. On April 9, 2018, GSO Capital Partners LP (“GSO”), the former investment sub-adviser to FS Global Advisor, resigned as the investment sub-adviser to the Fund and terminated the investment sub-advisory agreement. Effective April 9, 2018, FS Global Advisor began to serve as the sole investment adviser to and provides all investment advisory services to the Fund.

Each Feeder Fund is a closed-end management investment company registered under the Investment Company Act of 1940, as amended, or the 1940 Act, that has elected to be treated for U.S. federal income tax purposes, and intends to qualify annually, as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code of 1986, as amended, or the Code.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation: The accompanying financial statements of the Feeder Funds have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The Feeder Funds are considered investment companies under GAAP and follow the accounting and reporting guidance applicable to investment companies under Accounting Standards Codification Topic 946, *Financial Services—Investment Companies*. The Feeder Funds have evaluated the impact of subsequent events through the date the financial statements were issued.

Investment in the Fund: The Feeder Funds’ investments in the Fund are recorded at fair value and are based upon the Feeder Fund’s percentage ownership of the common shares of the Fund. The performance of each Feeder Fund is directly affected by the performance of the Fund.

Use of Estimates: The preparation of each Feeder Fund’s financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Many of the amounts have been rounded and all amounts are in thousands, except share and per share amounts.

Cash and Cash Equivalents: The Feeder Funds consider all highly liquid investments with original maturities of three months or less to be cash equivalents. The Feeder Funds’ cash and cash equivalents are maintained with high credit quality financial institutions.

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued) (in thousands, except share and per share amounts)

Note 2. Summary of Significant Accounting Policies (continued)

Valuation of Portfolio Investment: The Feeder Funds invest substantially all of their net assets in the Fund. As such, the Feeder Funds determine the net asset value, or NAV, of their common shares of beneficial interest, par value \$0.001 per share, or their common shares, daily based on the NAV of their interest in the Fund (as provided by the Fund). Each Feeder Fund calculates NAV per common share by subtracting liabilities (including accrued expenses and distributions) from the total assets of each Feeder Fund (the value of their interest in the Fund, plus cash and other assets, including interest and distributions accrued but not yet received) and dividing the result by the total number of outstanding common shares. See Note 2 to the Fund's consolidated financial statements included herein for detailed information on the Fund's policies regarding the valuation of its portfolio investments.

Revenue Recognition: Realized gains and losses from Fund transactions are calculated on the specific share identification basis. Fund transactions are recorded on the effective date of the subscription in or the redemption from the Fund. Distributions received from the Fund are recorded on the record date. See Note 2 to the Fund's consolidated financial statements included herein for detailed information on the Fund's policies regarding revenue recognition.

Income Taxes: Each Feeder Fund has elected to be treated for U.S. federal income tax purposes, and intends to qualify annually, as a RIC under Subchapter M of the Code. Because each Feeder Fund invests substantially all of its net assets in the Fund, each Feeder Fund will generally qualify as a RIC if the Fund qualifies as a RIC. To qualify and maintain qualification as a RIC, the Feeder Funds and the Fund must, among other things, meet certain source-of-income and asset diversification requirements and distribute to their respective shareholders, for each taxable year, at least 90% of their "investment company taxable income" and their net tax-exempt interest income. In general, a RIC's "investment company taxable income" for any taxable year is its taxable income, determined without regard to net capital gains and with certain other adjustments. As a RIC, each Feeder Fund will not have to pay corporate-level U.S. federal income taxes on any income that it distributes to its shareholders. The Feeder Funds and the Fund intend to distribute all or substantially all of their "investment company taxable income," net tax-exempt interest income (if any) and net capital gains on an annual basis in order to maintain their RIC status each year and to avoid any U.S. federal income taxes on income so distributed. The Feeder Funds also will be subject to nondeductible U.S. federal excise taxes if they do not distribute at least 98% of their net ordinary income, 98.2% of net capital gain income, if any, and any recognized and undistributed income from prior years for which it paid no U.S. federal income taxes.

Uncertainty in Income Taxes: The Feeder Funds evaluate their tax positions to determine if the tax positions taken meet the minimum recognition threshold in connection with accounting for uncertainties in income tax positions taken or expected to be taken for the purposes of measuring and recognizing tax benefits or liabilities in the Feeder Funds' financial statements. Recognition of a tax benefit or liability with respect to an uncertain tax position is required only when the position is "more likely than not" to be sustained assuming examination by taxing authorities. The Feeder Funds recognize interest and penalties, if any, related to unrecognized tax liabilities as income tax expense on the statements of operations. During the year ended December 31, 2018, the Feeder Funds did not incur any interest or penalties.

The Feeder Funds have analyzed the tax positions taken on U.S. federal and state income tax returns for all open tax years, and have concluded that no provision for income tax is required in the Feeder Funds' financial statements. The Feeder Funds' U.S. federal and state income and U.S. federal excise tax returns for tax years for which the applicable statutes of limitations have not yet expired are subject to examination by the Internal Revenue Service and state departments of revenue.

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 2. Summary of Significant Accounting Policies (continued)

Distributions: Distributions to the Feeder Funds' shareholders are recorded as of the record date. Subject to the discretion of each Feeder Fund's board of trustees, or the Board, and applicable legal restrictions, the Feeder Funds intend to authorize and declare ordinary cash distributions on a weekly, semi-monthly or monthly basis and to pay such distributions on a monthly or quarterly basis. Such ordinary cash distributions are expected to be paid using ordinary cash distributions received from the Fund, net of any Feeder Fund operating expenses. At least annually, each Feeder Fund intends to authorize and declare special cash distributions of net realized long-term capital gains, if any, and any other income, gains and dividends and other distributions not previously distributed. Such special cash distributions are expected to be paid using special cash distributions received from the Fund.

Note 3. Share Transactions

Below is a summary of transactions with respect to each Feeder Fund's common shares during the years ended December 31, 2018 and 2017:

	FS Global Credit Opportunities Fund—A			
	Year Ended December 31,			
	2018		2017	
	Shares	Amount	Shares	Amount
Reinvestment of Distributions	4,592,072	\$ 35,557	8,677,676	\$ 68,377
Repurchases of Common Shares	(7,562,889)	(57,950)	(5,683,458)	(44,802)
Net Proceeds from Share Transactions	<u>(2,970,817)</u>	<u>\$(22,393)</u>	<u>2,994,218</u>	<u>\$ 23,575</u>

During the period from January 1, 2019 to February 20, 2019, FS Global Credit Opportunities Fund—A issued 725,424 common shares pursuant to its distribution reinvestment plan for gross proceeds of \$5,493.

	FS Global Credit Opportunities Fund—D			
	Year Ended December 31,			
	2018		2017	
	Shares	Amount	Shares	Amount
Reinvestment of Distributions	940,904	\$ 7,286	1,926,285	\$15,177
Repurchases of Common Shares	(1,709,555)	(13,078)	(1,070,327)	(8,418)
Net Proceeds from Share Transactions	<u>(768,651)</u>	<u>\$ (5,792)</u>	<u>855,958</u>	<u>\$ 6,759</u>

During the period from January 1, 2019 to February 20, 2019, FS Global Credit Opportunities Fund—D issued 149,820 common shares pursuant to its distribution reinvestment plan for gross proceeds of \$1,134.

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 3. Share Transactions (continued)

	FS Global Credit Opportunities Fund—T			
	Year Ended December 31,			
	2018		2017	
	Shares	Amount	Shares	Amount
Gross Proceeds from Offering	—	\$ —	16,039,289	\$135,525
Reinvestment of Distributions	610,520	4,774	813,201	6,415
Total Gross Proceeds	610,520	4,774	16,852,490	141,940
Commissions and Dealer Manager Fees	—	—	—	(5,316)
Net Proceeds	610,520	4,774	16,852,490	136,624
Repurchases of Common Shares	(1,151,000)	(8,949)	(47,142)	(372)
Net Proceeds from Share Transactions	<u>(540,480)</u>	<u>\$(4,175)</u>	<u>16,805,348</u>	<u>\$136,252</u>

During the period from January 1, 2019 to February 20, 2019, FS Global Credit Opportunities Fund—T issued 100,644 common shares pursuant to its distribution reinvestment plan for gross proceeds of \$771.

	FS Global Credit Opportunities Fund—ADV			
	Year Ended December 31,			
	2018		2017	
	Shares	Amount	Shares	Amount
Gross Proceeds from Offering	—	\$ —	5,738,111	\$46,131
Reinvestment of Distributions	230,070	1,780	282,427	2,218
Total Gross Proceeds	230,070	1,780	6,020,538	48,349
Repurchases of Common Shares	(419,744)	(3,234)	(39,758)	(316)
Net Proceeds from Share Transactions	<u>(189,674)</u>	<u>\$(1,454)</u>	<u>5,980,780</u>	<u>\$48,033</u>

During the period from January 1, 2019 to February 20, 2019, FS Global Credit Opportunities Fund—ADV issued 37,888 common shares pursuant to its distribution reinvestment plan for gross proceeds of \$287.

	FS Global Credit Opportunities Fund—T2			
	Year Ended December 31,			
	2018		2017	
	Shares	Amount	Shares	Amount
Gross Proceeds from Offering	—	\$ —	838,965	\$6,907
Reinvestment of Distributions	29,190	226	14,804	114
Total Gross Proceeds	29,190	226	853,769	7,021
Commissions and Dealer Manager Fees	—	—	—	(267)
Net Proceeds	29,190	226	853,769	6,754
Repurchases of Common Shares	(20,478)	(161)	—	—
Net Proceeds from Share Transactions	<u>8,712</u>	<u>\$ 65</u>	<u>853,769</u>	<u>\$6,754</u>

During the period from January 1, 2019 to February 20, 2019, FS Global Credit Opportunities Fund—T2 issued 4,825 common shares pursuant to its distribution reinvestment plan for gross proceeds of \$36.

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued) (in thousands, except share and per share amounts)

Note 3. Share Transactions (continued)

Share Repurchase Program

To provide shareholders with limited liquidity, the Feeder Funds intend to conduct quarterly repurchases of common shares. Any offer to repurchase common shares will be conducted solely through written tender offer materials mailed to each shareholder.

The Feeder Funds' quarterly repurchases will be conducted on such terms as may be determined by the Board in its complete and absolute discretion unless, in the judgment of the independent trustees, such repurchases would not be in the best interests of shareholders or would violate applicable law. The Board also will consider the following factors, among others, in making its determination regarding whether to cause the Feeder Funds to offer to repurchase common shares and under what terms:

- the effect of such repurchases on each Feeder Fund's and/or the Fund's qualification as a RIC (including the consequences of any necessary asset sales);
- the liquidity of the Fund's assets (including fees and costs associated with disposing of assets);
- the Fund's investment plans;
- the Feeder Funds' and the Fund's working capital requirements;
- the Feeder Funds' history in repurchasing common shares or portions thereof; and
- the condition of the securities markets.

Each Feeder Fund will limit the maximum number of common shares to be repurchased for any repurchase offer to the lesser of (i) the greater of (x) the number of common shares that each Feeder Fund can repurchase with the proceeds it receives from the sale of common shares under each Feeder Fund's distribution reinvestment plan during the twelve-month period ending on the expiration date of such repurchase offer (less the amount of any such proceeds used to repurchase common shares on each previous repurchase date for tender offers conducted during such period) (this limitation is referred to as the twelve-month repurchase limitation) and (y) the number of common shares that each Feeder Fund can repurchase with the proceeds it receives from the sale of common shares under each Feeder Fund's distribution reinvestment plan during the three-month period ending on the expiration date of such repurchase offer (this limitation is referred to as the three-month repurchase limitation) and (ii) 20.0% of the weighted average number of common shares outstanding in the prior calendar year, or 5.0% in each calendar quarter. As a result, the maximum number of common shares to be repurchased for any repurchase offer will not exceed the lesser of (i) 20.0% of the weighted average number of common shares outstanding in the prior calendar year, or 5.0% in each calendar quarter, and (ii) the greater of the twelve-month repurchase limitation described in clause (i)(x) above and the three-month repurchase limitation described in clause (i)(y) above. Each Feeder Fund will offer to repurchase such common shares at a price equal to the NAV per common share in effect on each date of repurchase.

Common shares of Fund—T and Fund—T2 are subject to an annual distribution fee of 1.33% of the NAV of the common shares for Fund—T and Fund—T2. If a Fund—T or Fund—T2 shareholder wishes to tender his or her common shares for repurchase at any time prior to July 1, 2020 for Fund—T and November 1, 2020 for Fund—T2, such common shares will be subject to a contingent deferred sales charge. The contingent deferred sales charge will be calculated based upon the lesser of the NAV of such common shares and the public offering price at the time such common shares were purchased. The contingent deferred sales charge was payable on a declining basis as follows: if common shares were tendered for repurchase (i) at any time prior to July 1, 2018 for Fund—T and November 1, 2018 for Fund—T2, the contingent deferred sales charge was 1.00%; (ii) during the period from July 1, 2018 through June 30, 2019 for Fund—T and the period from November 1, 2018 through October 31, 2019 for Fund—T2, the

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 3. Share Transactions (continued)

contingent deferred sales charge is 0.67%; and (iii) during the period from July 1, 2019 through June 30, 2020 for Fund—T and November 1, 2019 through October 31, 2020 for Fund—T2, the contingent deferred sales charge is 0.33%. Common shares issued pursuant to the DRP are not subject to a contingent deferred sales charge. If a shareholder tenders a portion of his or her common shares, common shares received pursuant to the DRP will be repurchased first. After all such common shares have been repurchased, common shares will be repurchased on a first-in, first-out basis.

The following tables provide information concerning each Feeder Fund’s repurchases of common shares pursuant to their share repurchase program during the years ended December 31, 2018 and 2017:

FS Global Credit Opportunities Fund—A

<u>For the Three Months Ended</u>	<u>Repurchase Date</u>	<u>Shares Repurchased</u>	<u>Percentage of Shares Tended That Were Repurchased</u>	<u>Percentage of Outstanding Shares Repurchased</u>	<u>Repurchase Price Per Share</u>	<u>Aggregate Consideration for Repurchased Shares</u>
Fiscal 2017						
December 31, 2016 . . .	January 4, 2017	766,131	100%	0.55%	\$8.008	\$ 6,135
March 31, 2017	April 5, 2017	1,079,306	100%	0.76%	\$8.016	8,652
June 30, 2017	July 5, 2017	1,687,104	100%	1.19%	\$7.815	13,184
September 30, 2017 . . .	October 4, 2017	2,150,917	100%	1.51%	\$7.825	16,831
Total		<u>5,683,458</u>				<u>\$44,802</u>
Fiscal 2018						
December 31, 2017 . . .	January 17, 2018	3,939,916	60%	2.76%	\$7.547	\$29,734
March 31, 2018	April 9, 2018	1,227,758	17%	0.88%	\$7.678	9,426
June 30, 2018	July 2, 2018	1,159,127	16%	0.83%	\$7.788	9,027
September 30, 2018 . . .	October 1, 2018	1,100,469	13%	0.79%	\$7.907	8,702
Total		<u>7,427,270</u>				<u>\$56,889</u>

On January 2, 2019, FS Global Credit Opportunities Fund—A repurchased approximately 1,117,322 common shares (representing approximately 13% of the common shares tendered for repurchase and 0.80% of the shares outstanding as of such date) at \$7.536 per common share for aggregate consideration totaling \$8,420.

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 3. Share Transactions (continued)

FS Global Credit Opportunities Fund—D						
For the Three Months Ended	Repurchase Date	Shares Repurchased	Percentage of Shares Tendered That Were Repurchased	Percentage of Outstanding Shares Repurchased	Repurchase Price Per Share	Aggregate Consideration for Repurchased Shares
Fiscal 2017						
December 31, 2016 . . .	January 4, 2017	80,288	100%	0.30%	\$8.009	\$ 643
March 31, 2017	April 5, 2017	158,437	100%	0.58%	\$8.017	1,270
June 30, 2017	July 5, 2017	349,373	100%	1.26%	\$7.816	2,731
September 30, 2017 . . .	October 4, 2017	482,229	100%	1.74%	\$7.826	3,774
Total		<u>1,070,327</u>				<u>\$ 8,418</u>
Fiscal 2018						
December 31, 2017 . . .	January 17, 2018	980,629	40%	3.53%	\$7.548	\$ 7,402
March 31, 2018	April 9, 2018	257,613	10%	0.95%	\$7.679	1,978
June 30, 2018	July 2, 2018	235,060	9%	0.87%	\$7.788	1,831
September 30, 2018 . . .	October 1, 2018	222,970	8%	0.83%	\$7.906	1,763
Total		<u>1,696,272</u>				<u>\$12,974</u>

On January 2, 2019, FS Global Credit Opportunities Fund—D repurchased approximately 227,491 common shares (representing approximately 8% of the common shares tendered for repurchase and 0.84% of the shares outstanding as of such date) at \$7.534 per common share for aggregate consideration totaling \$1,714.

FS Global Credit Opportunities Fund—T						
For the Three Months Ended	Repurchase Date	Shares Repurchased	Percentage of Shares Tendered That Were Repurchased	Percentage of Outstanding Shares Repurchased	Repurchase Price Per Share	Aggregate Consideration for Repurchased Shares
Fiscal 2017						
December 31, 2016 . . .	January 4, 2017	2,590	100%	0.03%	\$8.075	\$ 21
March 31, 2017 ⁽¹⁾	April 5, 2017	—	—	—	\$8.100	—
June 30, 2017	July 5, 2017	11,646	100%	0.05%	\$7.927	92
September 30, 2017 . . .	October 4, 2017	32,906	100%	0.13%	\$7.865	259
Total		<u>47,142</u>				<u>\$ 372</u>
Fiscal 2018						
December 31, 2017 . . .	January 17, 2018	153,370	46%	0.60%	\$7.586	\$1,164
March 31, 2018	April 9, 2018	675,384	85%	2.66%	\$7.748	5,233
June 30, 2018	July 2, 2018	151,900	10%	0.61%	\$7.862	1,194
September 30, 2018 . . .	October 1, 2018	148,371	8%	0.60%	\$7.988	1,185
Total		<u>1,129,025</u>				<u>\$8,776</u>

(1) No common shares were tendered for repurchase in connection with the quarterly tender offer.

On January 2, 2019, FS Global Credit Opportunities Fund—T repurchased approximately 152,436 common shares (representing approximately 8% of the common shares tendered for repurchase and 0.61% of the shares outstanding as of such date) at \$7.619 per common share for aggregate consideration totaling \$1,161. Repurchased shares that were not issued under the Feeder Fund’s distribution reinvestment plan

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 3. Share Transactions (continued)

were subject to a contingent deferred sales charge as described above, which was amount was paid to FS Investment Solutions, LLC (formerly FS2 Capital Partners, LLC), or FS Investment Solutions, which was the dealer manager for the Feeder Fund’s continuous public offering and an affiliate of FS Global Credit Opportunities Fund—T.

FS Global Credit Opportunities Fund—ADV

<u>For the Three Months Ended</u>	<u>Repurchase Date</u>	<u>Shares Repurchased</u>	<u>Percentage of Shares Tendered That Were Repurchased</u>	<u>Percentage of Outstanding Shares Repurchased</u>	<u>Repurchase Price Per Share</u>	<u>Aggregate Consideration for Repurchased Shares</u>
Fiscal 2017						
December 31, 2016 . . .	January 4, 2017	13,006	100%	0.81%	\$8.038	\$ 105
March 31, 2017	April 5, 2017	8,488	100%	0.23%	\$8.046	68
June 30, 2017	July 5, 2017	12,244	100%	0.17%	\$7.854	96
September 30, 2017 . . .	October 4, 2017	6,020	100%	0.08%	\$7.798	47
Total		<u>39,758</u>				<u>\$ 316</u>
Fiscal 2018						
December 31, 2017 . . .	January 17, 2018	31,370	10%	0.41%	\$7.519	\$ 236
March 31, 2018	April 9, 2018	272,830	32%	3.58%	\$7.669	2,092
June 30, 2018	July 2, 2018	56,496	10%	0.76%	\$7.779	439
September 30, 2018 . . .	October 1, 2018	55,067	11%	0.74%	\$7.898	436
Total		<u>415,763</u>				<u>\$3,203</u>

On January 2, 2019, FS Global Credit Opportunities Fund—ADV repurchased approximately 57,503 common shares (representing approximately 11% of the common shares tendered for repurchase and 0.78% of the shares outstanding as of such date) at \$7.525 per common share for aggregate consideration totaling \$433.

FS Global Credit Opportunities Fund—T2

<u>For the Three Months Ended</u>	<u>Repurchase Date</u>	<u>Shares Repurchased</u>	<u>Percentage of Shares Tendered That Were Repurchased</u>	<u>Percentage of Outstanding Shares Repurchased</u>	<u>Repurchase Price Per Share</u>	<u>Aggregate Consideration for Repurchased Shares</u>
Fiscal 2018						
December 31, 2017 . . .	January 17, 2018	1,686	100%	0.20%	\$7.532	\$ 13
March 31, 2018 ⁽¹⁾	April 9, 2018	—	—	—	\$7.656	—
June 30, 2018 ⁽¹⁾	July 2, 2018	—	—	—	\$7.766	—
September 30, 2018 . . .	October 1, 2018	18,792	100%	2.15%	\$7.879	148
Total		<u>20,478</u>				<u>\$161</u>

(1) No common shares were tendered for repurchase in connection with the quarterly tender offer.

On January 2, 2019, FS Global Credit Opportunities Fund—T2 repurchased approximately 2,123 common shares (representing 100% of the common shares tendered for repurchase and 0.25% of the shares outstanding as of such date) at \$7.502 per common share for aggregate consideration totaling \$16.

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 3. Share Transactions (continued)

In order to minimize the expense of supporting small accounts and provide additional liquidity to shareholders of each Feeder Fundholding small accounts after completion of the regular quarterly share repurchase offer, each Feeder Fund reserves the right to repurchase the shares of and liquidate any investor's account if the balance of such account is less than each Feeder Fund's \$5,000 minimum initial investment, unless the account balance has fallen below the minimum solely as a result of a decline in each Feeder Fund's net asset value per share. Each Feeder Fund will provide or will cause to be provided 30 days' prior written notice to potentially affected investors, which notice may be included in the regular quarterly repurchase offer materials, of any such repurchase. Any such repurchases will be made at each Feeder Fund's most recent price at which each Feeder Fund's shares were issued pursuant to its distribution reinvestment plan.

Each Feeder Fund conducted its first such repurchase and de minimis account liquidation after each Feeder Fund's second quarter 2018 share repurchase offer, pursuant to which, on July 19, 2018, each Feeder Fund repurchased the following common shares.

	Shares Repurchased	Percentage of Outstanding Shares Repurchased	Repurchase Price Per Share	Aggregate Consideration for Repurchased Shares
Fund—A	109,682	0.08%	\$7.798	\$855
Fund—D	7,256	0.03%	\$7.797	\$ 57
Fund—T	18,587	0.08%	\$7.877	\$146
Fund—ADV	2,830	0.04%	\$7.790	\$ 22
Fund—T2⁽¹⁾	—	—	\$7.770	—

(1) No common shares were tendered for repurchase in connection with the quarterly tender offer.

Each Feeder Fund conducted its second such repurchase and de minimis account liquidation after each Feeder Fund's third quarter 2018 share repurchase offer, pursuant to which, on October 10, 2018, each Feeder Fund repurchased the following common shares.

	Shares Repurchased	Percentage of Outstanding Shares Repurchased	Repurchase Price Per Share	Aggregate Consideration for Repurchased Shares
Fund—A	25,937	0.02%	\$7.921	\$206
Fund—D	6,027	0.02%	\$7.919	\$ 47
Fund—T	3,388	0.01%	\$8.006	\$ 27
Fund—ADV	1,151	0.02%	\$7.909	\$ 9
Fund—T2⁽¹⁾	—	—	\$7.886	—

(1) No common shares were tendered for repurchase in connection with the quarterly tender offer.

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued) (in thousands, except share and per share amounts)

Note 3. Share Transactions (continued)

Each Feeder Fund conducted its third such repurchase and de minimis account liquidation after each Feeder Fund's fourth quarter 2018 share repurchase offer, pursuant to which, on January 16, 2019, the Feeder Fund repurchased the following common shares.

	Shares Repurchased	Percentage of Outstanding Shares Repurchased	Repurchase Price Per Share	Aggregate Consideration for Repurchased Shares
Fund—A	45,198	0.03%	\$7.618	\$344
Fund—D	6,045	0.02%	\$7.619	\$ 46
Fund—T	3,139	0.01%	\$7.705	\$ 24
Fund—ADV	1,879	0.03%	\$7.608	\$ 14
Fund—T2⁽¹⁾	—	—	\$7.577	—

(1) No common shares were tendered for repurchase in connection with the quarterly tender offer.

Note 4. Related Party Transactions

Compensation of FS Global Advisor and its Affiliates

The Feeder Funds do not incur a separate management fee or incentive fee, but the Feeder Funds are indirectly subject to the Fund's management fee and incentive fee incurred pursuant to the amended and restated investment advisory agreement, by and between the Fund and FS Global Advisor. For the services it provides to the Fund, FS Global Advisor is entitled to a fee consisting of two parts—a management fee and an incentive fee. The management fee for each Feeder Fund is calculated and payable quarterly in arrears at the annual rate of 2.0% of the Fund's average daily gross assets during such period. The incentive fee is calculated and payable quarterly in arrears based upon the Fund's "pre-incentive fee net investment income" for the immediately preceding quarter, and is subject to a hurdle rate, expressed as a rate of return on the Fund's "adjusted capital," equal to 2.25% per quarter (or an annualized hurdle rate of 9.00%), subject to a "catch-up" feature. Effective January 1, 2018 and through December 31, 2018, FS Global Advisor agreed to waive (a) 0.50% of the base management fee such that the fee received will equal 1.50% of the Fund's average daily gross assets and (b) the incentive fee in its entirety. See Note 4 to the Fund's consolidated financial statements included herein for a detailed description of the management fee and incentive fee payable by the Fund to FS Global Advisor.

Under the administration agreements, dated as of July 15, 2013 for Fund—A and Fund—D, March 15, 2016 for Fund—T and Fund—ADV and March 31, 2017 for Fund—T2 by and between each Feeder Fund and FS Global Advisor, or the administration agreements, the Feeder Funds reimburse FS Global Advisor for its actual costs incurred in providing administrative services to the Feeder Funds, including FS Global Advisor's allocable portion of the compensation and related expenses of certain personnel of FS Investments providing administrative services to the Fund on behalf of FS Global Advisor. Such services include general ledger accounting, fund accounting, legal services, investor relations, government and legislative affairs and other administrative services. FS Global Advisor also performs, or oversees the performance of, the Feeder Funds' corporate operations and required administrative services, which includes being responsible for the financial records that the Feeder Funds are required to maintain and preparing reports to each Feeder Fund's shareholders and reports filed with the SEC. In addition, FS Global Advisor assists the Feeder Funds in calculating NAV, overseeing the preparation and filing of tax returns and the printing and dissemination of reports to the Feeder Funds' shareholders, and generally overseeing the payment of the Feeder Funds' expenses and the performance of administrative and professional services rendered to the Feeder Funds by others. FS Global Advisor is required to allocate the

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued) (in thousands, except share and per share amounts)

Note 4. Related Party Transactions (continued)

cost of these services to the Feeder Funds based on factors such as assets, revenues and/or time allocations. At least annually, the Board reviews the methodology employed in determining how the expenses are allocated to the Fund and the proposed allocation of administrative expenses among the Fund and certain affiliates of FS Global Advisor. The Board then assesses the reasonableness of such reimbursements for expenses allocated to the Fund based on the breadth, depth and quality of such services as compared to the estimated cost to the Fund of obtaining similar services from third-party service providers known to be available. In addition, the Board considers whether any single third-party service provider would be capable of providing all such services at comparable cost and quality. Finally, the Board compares the total amount paid to FS Global Advisor for such services as a percentage of the Fund's net assets to the same ratio as reported by other comparable investment companies. The Feeder Funds will not reimburse FS Global Advisor for any services for which they receive a separate fee or for any administrative expenses allocated to a controlling person of FS Global Advisor.

Under the administration agreement, the Feeder Funds, either directly or through reimbursement to FS Global Advisor or its affiliates, were responsible for their organization and offering costs in an amount up to 1.5% of aggregate proceeds raised in each Feeder Fund's continuous public offering, after payment of selling commissions and dealer manager fees. Organization and offering costs primarily included legal, accounting, printing and other expenses relating to the Feeder Funds' continuous public offering, including costs associated with technology integration between the Feeder Funds' systems and those of its selected broker-dealers, marketing expenses, salaries and direct expenses of FS Global Advisor's personnel, employees of its affiliates and others while engaged in registering and marketing the Feeder Funds' common shares, which included the development of marketing materials and presentations, training and educational meetings, and generally coordinating the marketing process for the Feeder Funds. As the Feeder Funds closed their offerings, no organization and offering cost amounts remain due or payable under the administration agreement.

The dealer manager for each Feeder Fund's continuous public offering was FS Investment Solutions, which is an affiliate of FS Investments. Under the dealer manager agreements, (dated as of July 15, 2013 for Fund—A and Fund—D, June 7, 2016 for Fund—T, October 21, 2016 for Fund—ADV, and May 26, 2017 for Fund—T2) by and between each Feeder Fund and FS Investment Solutions, or the dealer manager agreements, FS Investment Solutions was entitled to receive selling commissions and dealer manager fees in connection with the sale of common shares in each Feeder Fund's continuous public offering, all or a portion of which were re-allowed to selected broker-dealers. As the Feeder Funds closed their offerings, no amounts remain due or payable under the dealer manager agreements.

Distribution Fees

Common shares of Fund—T, Fund—ADV and Fund—T2 are subject to an annual distribution fee (1.33% of the NAV of the common shares for Fund—T and Fund—T2 and 0.67% of the NAV of the common shares for Fund—ADV), as determined in accordance with applicable rules of The Financial Industry Regulatory Authority, Inc., or FINRA. Distribution fees are paid by Fund—T, Fund—ADV and Fund—T2 to the dealer manager pursuant to a distribution plan adopted by the Board in compliance with Rules 12b-1 and 17d-3 under the 1940 Act, as if those rules applied to Fund—T, Fund—ADV and Fund—T2. Among other requirements, such distribution plan must be approved annually by a vote of the Board, including the trustees who are not "interested persons" as defined in the 1940 Act and have no direct or indirect financial interest in the operation of such distribution plan or in any agreements related to such distribution plan.

For Fund—T, up to 1.00% of the 1.33% annual distribution fee may be re-allowed to selected broker-dealers and financial representatives that participated in Fund—T's continuous public offering. For Fund—T2, all or a portion of the 1.33% annual distribution fee may be re-allowed to selected

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued) (in thousands, except share and per share amounts)

Note 4. Related Party Transactions (continued)

broker-dealers and financial representatives that participated in Fund—T2’s continuous public offering. For Fund—T and Fund—T2, the amount and timing of any such allowance will be based on such factors as the number of common shares they sold in the offering, the assistance they provided in marketing each Feeder Fund’s continuous public offering and due diligence expenses incurred. The distribution fee is intended, in part, to compensate the affiliated dealer manager, selected broker-dealers and financial representatives that participated in the respective Feeder Fund’s continuous public offering for services rendered in connection with the marketing, sale and distribution of the common shares.

For each applicable Feeder Fund, the distribution fee is payable with respect to all common shares, other than common shares issued under the distribution reinvestment plan. The distribution fee will terminate for all shareholders on the earliest to occur of the following: (i) the occurrence of a liquidity event; (ii) affiliated dealer manager advising that the aggregate underwriting compensation from all sources (determined in accordance with applicable FINRA rules), including upfront selling commissions, dealer manager fees, distribution fees, contingent deferred sales charges and any other underwriting compensation with respect to the common shares would be in excess of 8.0% of the gross offering proceeds received in each Feeder Fund’s continuous public offering; and (iii) when the total upfront sales load and distribution fees attributable to any common share equals 8.0% of the gross offering proceeds from the sale of such common share (the “Sales Charge Cap”). For Fund—T and Fund—T2, the Sales Charge Cap for any common share will be reduced by the amount of any portion of the upfront sales load that is waived for such common share.

The annual distribution fee accrues daily commencing upon the initial sale of common shares of beneficial interest in the continuous public offering until an investor reaches the Sales Charge Cap. The accrual as of and for the year ended December 31, 2018 reflects amounts beginning with the initial sale of common shares of beneficial interest in the applicable Feeder Fund’s continuous public offering through December 31, 2018. Annual distribution fees are paid on a monthly basis beginning in the third quarter of 2017 for Fund—T and Fund—ADV and the fourth quarter of 2017 for Fund—T2.

The following table describes the distribution fees, the contingent deferred sales charge and the fees and expenses incurred under each respective agreement during the year ended December 31, 2018:

Related Party	Source Agreement	Description	Fund—A	Fund—D	Fund—T	Fund—ADV	Fund—T2
FS Global Advisor	Administration Agreement	Administrative Services Expenses	\$389	\$88	\$ 81	\$ 24	\$ 4
FS Investment Solutions . . .	Distribution Plan	Distribution Fees ⁽¹⁾	—	—	\$656	\$272	\$22
FS Investment Solutions . . .	Share Repurchase Program	Contingent Deferred Sales Charges ⁽²⁾	—	—	\$ 75	—	\$ 2

- (1) Represents the distribution fees for the year ended December 31, 2018 retained by FS Investment Solutions and not re-allowed to selected broker-dealers or financial representatives.
- (2) Represents the total amount of contingent deferred sales charges paid to FS Investment Solutions by shareholders who tendered shares pursuant to the share repurchase program.

Potential Conflicts of Interest

FS Global Advisor’s senior management team is comprised of substantially the same personnel as the senior management teams of the investment advisers to certain other BDCs, open- and closed-end management investment companies and a real estate investment trust sponsored by FS Investments, or the Fund Complex. As a result, such personnel provide or expect to provide investment advisory services to certain others funds in the Fund Complex and such personnel may serve in similar or other capacities for the investment advisers to future investment vehicles in the Fund Complex. While the investment personnel

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued) (in thousands, except share and per share amounts)

Note 4. Related Party Transactions (continued)

of FS Global Advisor are not currently providing investment advisory services for clients other than for the Fund Complex, they may do so in the future. In the event that FS Global Advisor provides investment advisory services to other clients in the future, it intends to allocate investment opportunities in a fair and equitable manner consistent with the Fund's investment objectives and strategies, so that the Fund will not be disadvantaged in relation to any other client of FS Global Advisor or its management team. In addition, even in the absence of FS Global Advisor retaining additional clients, it is possible that some investment opportunities may be provided to other entities in the Fund Complex, rather than to the Fund.

Expense Reimbursement Agreements

Pursuant to expense support and conditional reimbursement agreements, dated as of August 20, 2013 for Fund—A and Fund—D, March 30, 2016 for Fund—T and Fund—ADV, and March 31, 2017 for Fund—T, as amended to date, by and between each Feeder Fund and FS Investments, or the expense reimbursement agreements, FS Investments agreed to reimburse the Feeder Funds for expenses to ensure that the Feeder Funds bear a reasonable level of expenses in relation to their income. The purpose of this arrangement was to ensure that no portion of any ordinary cash distributions made by the Feeder Funds were paid from offering proceeds or borrowings. Such ordinary cash distributions are expected to be paid using distributions received from the Fund.

The Fund has entered into a separate expense support and conditional reimbursement agreement with FS Investments to ensure that no portion of any ordinary cash distributions made by the Fund to the Feeder Funds are paid from offering proceeds or borrowings of the Fund. However, the fund may invest in certain investments that may generate dividends and other distributions to the Fund that are treated for tax purposes as a return of capital, a portion of the Fund's ordinary cash distributions (and therefore a portion of the Feeder Funds' ordinary cash distributions) may also be deemed to constitute a return of capital for tax purposes to the extent that the Feeder Funds may use such dividends or other distribution proceeds as a source of distributions. Under those circumstances, FS Investments would not reimburse the Feeder Funds for the portion of the Fund's or the Feeder Funds' ordinary cash distributions that represent a return of capital for tax purposes, as the purpose of the expense reimbursement arrangement was not to prevent tax-advantaged distributions.

Under the expense reimbursement agreements, FS Investments would reimburse each Feeder Fund quarterly to the extent that (x) the sum of the cumulative ordinary cash distributions paid by each Feeder Fund in such quarter plus the aggregate operating expenses in such quarter exceeded (y) the cumulative cash distributions from the Fund that were received by each Feeder Fund in such quarter.

Pursuant to the expense reimbursement agreements, the Feeder Funds have a conditional obligation to reimburse FS Investments for any amounts funded by FS Investments under this arrangement if (and only to the extent that), during any fiscal quarter occurring within three years of the date on which FS Investments funded such amount, (x) the cumulative ordinary cash distributions from the Fund that are received by each Feeder Fund in such quarter exceed (y) the sum of the cumulative ordinary cash distributions paid by each Feeder Fund in such quarter plus the aggregate operating expenses in such quarter; provided, however, that (i) each Feeder Fund will only reimburse FS Investments for expense support payments made by FS Investments to the extent that the payment of such reimbursement (together with any other reimbursement paid during such fiscal year) does not cause "other operating expenses" (as defined below) (on an annualized basis and net of any expense support payments received by each Feeder Fund during such fiscal year) to exceed the lesser of (A) 1.75% of each Feeder Fund's average net assets attributable to its common shares for the fiscal year-to-date period after taking such expense reimbursement payments into account and (B) the percentage of each Feeder Fund's average net assets attributable to its common shares represented by "other operating expenses" during the fiscal year in which such expense

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued) (in thousands, except share and per share amounts)

Note 4. Related Party Transactions (continued)

support payment from FS Investments was made (provided, however, that this clause (B) shall not apply to any reimbursement payment which relates to an expense support payment from FS Investments made during the same fiscal year) and (ii) each Feeder Fund will not reimburse FS Investments for expense support payments made by FS Investments if the annualized rate of distributions per common share declared by each Feeder Fund at the time of such expense reimbursement payment is less than the annualized rate of distributions per common share declared by each Feeder Fund at the time FS Investments made the expense support payment to which such reimbursement relates. “Other operating expenses” means each Feeder Fund’s total operating expenses, excluding organization and offering expenses and extraordinary expenses. “Operating expenses” means all operating costs and expenses incurred, as determined in accordance with GAAP for investment companies.

On November 13, 2018, FS Global Advisor informed the Board that for a period of one year, it will defer the receipt of base management fees under the investment advisory agreement if, and to the extent that, the Feeder Funds’ distributions paid to the Feeder Funds’ shareholders in the calendar quarter exceeds the sum of the Fund’s investment company taxable income (as defined in Section 852 of the Internal Revenue Code of 1986, as amended, or the Code), net capital gains (as defined in Section 1222 of the Code) and dividends and other distributions paid to the Fund on account of preferred and common equity investments in portfolio companies (to the extent such amounts were not included in net investment company taxable income or net capital gains) in the calendar quarter, or collectively, the Fund’s distributable funds on a tax basis. FS Global Advisor will only receive such deferred management fees in a future calendar quarter if, and to the extent that, the Fund’s distributable funds on a tax basis in the future calendar quarter exceeds the Feeder Funds’ distributions paid to the Feeder Funds’ shareholders in such quarter. In light of this commitment by FS Global Advisor, the expense reimbursement agreements were terminated on November 13, 2018. Prior to November 13, 2019, FS Global Advisor will evaluate whether to extend this commitment to future quarters.

The specific amount of expenses reimbursed by FS Investments pursuant to the expense reimbursement agreements, if any, was determined at the end of each fiscal quarter. The conditional obligation of the Feeder Funds to reimburse FS Investments pursuant to the terms of the expense reimbursement agreement shall survive the termination of such agreement.

FS Investments agreed to forgo reimbursement of all expense reimbursement and additional support payments made by it to the Feeder Funds through December 31, 2015. As such, as of December 31, 2015, there were no amounts subject to reimbursement by the Feeder Fund to FS Investments under the expense reimbursement agreements.

As of December 31, 2018, Fund—ADV did not have any reimbursements due from FS Investments and no amount remains subject to repayment by Fund—ADV to FS Investments in the future. For Fund—A, Fund—D and Fund—T during the year ended December 31, 2018 and for Fund—T during the year ended December 31, 2017, no amounts were accrued for expense reimbursements that FS Investments has agreed to pay.

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 4. Related Party Transactions (continued)

The following table reflects the expense reimbursement and additional support payments accrued from FS Investments to each Feeder Fund as of December 31, 2018 that may be subject to reimbursement to FS Investments:

For the Three Months Ended	Amount of Expense Reimbursement and Additional Support Payment	Annualized “Other Operating Expenses” Ratio as of the Date of Support Payment	Annualized Rate of Distributions Per Common Share ⁽¹⁾	Reimbursement Eligibility Expiration
FS Global Credit Opportunities Fund—A				
Fiscal 2016				
March 31, 2016	\$ 738	0.30%	12.79%	March 31, 2019
June 30, 2016	2,409	0.18%	12.01%	June 30, 2019
September 30, 2016	3,361	0.21%	11.36%	September 30, 2019
December 31, 2016	5,280	0.17%	10.86%	December 31, 2019
Total	<u>\$11,788</u>			
Fiscal 2017				
March 31, 2017	\$ 3,754	0.14%	10.85%	March 31, 2020
June 30, 2017	1,963	0.18%	11.11%	June 30, 2020
September 30, 2017	5,006	0.14%	11.11%	September 30, 2020
December 31, 2017	2,765	0.17%	11.41%	December 31, 2020
Total	<u>\$13,488</u>			
FS Global Credit Opportunities Fund—D				
Fiscal 2016				
March 31, 2016	\$ 175	0.40%	12.77%	March 31, 2019
June 30, 2016	492	0.25%	12.01%	June 30, 2019
September 30, 2016	661	0.25%	11.35%	September 30, 2019
December 31, 2016	1,052	0.25%	10.86%	December 31, 2019
Total	<u>\$ 2,380</u>			
Fiscal 2017				
March 31, 2017	\$ 750	0.25%	10.84%	March 31, 2020
June 30, 2017	386	0.19%	11.11%	June 30, 2020
September 30, 2017	1,001	0.20%	11.11%	September 30, 2020
December 31, 2017	563	0.22%	11.41%	December 31, 2020
Total	<u>\$ 2,700</u>			
FS Global Credit Opportunities Fund—T				
Fiscal 2016				
March 31, 2016	\$ 2	3.02%	8.19%	June 30, 2019
Total	<u>\$ 2</u>			

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 4. Related Party Transactions (continued)

For the Three Months Ended	Amount of Expense Reimbursement and Additional Support Payment	Annualized “Other Operating Expenses” Ratio as of the Date of Support Payment	Annualized Rate of Distributions Per Common Share ⁽¹⁾	Reimbursement Eligibility Expiration
FS Global Credit Opportunities Fund—T2				
Fiscal 2017				
September 30, 2017	\$ 13	3.63%	7.49%	September 30, 2020
December 31, 2017	7	1.88%	8.09%	December 31, 2020
Total	<u>\$ 20</u>			
Fiscal 2018				
March 31, 2018	\$ 19	2.01%	5.37%	March 31, 2021
June 30, 2018	18	1.83%	5.27%	June 30, 2021
September 30, 2018	14	1.58%	5.21%	September 30, 2021
December 31, 2018	1	0.85%	5.46%	December 31, 2021
Total	<u>\$ 52</u>			

(1) The annualized rate of distributions per common share is expressed as a percentage equal to the projected annualized distribution amount as of the end of the applicable quarter (which is calculated by annualizing the regular cash distribution per common share as of such date without compounding), divided by each Feeder Fund’s net asset value per common share as of such date.

In connection with each Feeder Fund’s previously announced Share Repurchase Program, the Fund intends to repurchase its common shares of beneficial interest (the “Fund Shares”) held by each Feeder Fund to the extent necessary to accommodate repurchase requests under each Feeder Fund’s share repurchase program. During the years ended December 31, 2018 and 2017, the Fund repurchased the following shares:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Shares Repurchased	Aggregate Consideration for Repurchased Shares	Shares Repurchased	Aggregate Consideration for Repurchased Shares
Fund—A	7,475,556	\$57,950	5,635,126	\$44,774
Fund—D	1,689,131	\$13,078	1,062,160	\$ 8,418
Fund—T	1,152,452	\$ 8,949	72,438	\$ 571
Fund—ADV	416,287	\$ 3,234	31,665	\$ 251
Fund—T2	20,262	\$ 161	—	—

During the period from January 1, 2019 to February 20, 2019, the Fund repurchased Fund Shares from each Feeder Fund for aggregate consideration as follows.

	Shares Repurchased	Aggregate Consideration for Repurchased Shares
Fund—A	1,154,119	\$8,749
Fund—D	232,195	\$1,760
Fund—T	156,413	\$1,186
Fund—ADV	58,966	\$ 447
Fund—T2	2,101	\$ 16

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 5. Distributions

The following table reflects the cash distributions per common share that the Feeder Funds declared on their common shares during the years ended December 31, 2018 and 2017:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Per Share	Amount	Per Share	Amount
Fund—A	\$0.5100	\$71,050	\$0.8711	\$122,827
Fund—D	\$0.5100	\$13,710	\$0.8711	\$ 23,804
Fund—T	\$0.4100	\$10,214	\$0.6164	\$ 12,668
Fund—ADV	\$0.4600	\$ 3,415	\$0.6653	\$ 3,772
Fund—T2	\$0.4100	\$ 353	\$0.2564	\$ 177

On December 31, 2018 and January 25, 2019, the Board declared the following regular monthly cash distributions for January and February 2019. The regular monthly cash distributions have been or will be paid monthly to shareholders of record as of monthly record dates previously determined by the Board. The timing and amount of any future distributions to shareholders are subject to applicable legal restrictions and the sole discretion of the Board.

	January 2019	February 2019
Fund—A	\$0.042500	\$0.042500
Fund—D	\$0.042500	\$0.042500
Fund—T	\$0.034167	\$0.034167
Fund—ADV	\$0.038334	\$0.038334
Fund—T2	\$0.034167	\$0.034167

The Feeder Funds have adopted an “opt in” distribution reinvestment plan for their shareholders. As a result, if the Feeder Funds make a cash distribution, their shareholders will receive distributions in cash unless they specifically “opt in” to the distribution reinvestment plan so as to have their cash distributions reinvested in additional common shares.

The Feeder Funds’ distributions to shareholders may be funded from offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to the Feeder Funds for investment. Any capital returned to shareholders through distributions will be distributed after payment of fees and expenses, as well as the sales load.

Substantial portions of the Feeder Funds’ distributions were funded through the reimbursement of certain expenses and additional support payments by FS Investments and its affiliates, including through the waiver of certain fees and expenses by FS Global Advisor, that were subject to repayment by each respective Feeder Fund within three years. The purpose of this arrangement was to ensure that no portion of the Feeder Funds’ distributions to shareholders will be paid from offering proceeds or borrowings. Any such distributions funded through support payments or waivers of fees and expenses are not based on the Fund’s investment performance and each Feeder Fund’s distributions can only be sustained if the Fund achieves positive investment performance in future periods and/or FS Investments continues to make such payments or waivers of such fees and expenses. Each Feeder Fund’s future repayments of amounts reimbursed or waived by FS Investments and its affiliates will reduce the distributions that shareholders would otherwise receive in the future. There can be no assurance that each Feeder Fund or the Fund will achieve the performance necessary to sustain its distributions or that each Feeder Fund will be able to pay distributions at a specific rate or at all. FS Investments and its affiliates have no obligation to waive fees and expenses or otherwise reimburse expenses in future periods. For the year ended December 31, 2018, if FS Investments had not reimbursed certain of the expenses, 15% of the cash distributions declared during such

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 5. Distributions (continued)

period would have been funded from offering proceeds or borrowings for Fund—T2. For the year ended December 31, 2018, no portion of the cash distributions declared was funded through the reimbursement of operating expenses by FS Investments for Fund—A, Fund—D, Fund—T and Fund—ADV. For the year ended December 31, 2017, if FS Investments had not reimbursed certain of the expenses and provided additional support payments, 11% of the cash distributions declared during such period would have been funded from offering proceeds or borrowings for Fund—A, Fund—D and Fund—T2. For the year ended December 31, 2017, no portion of the cash distributions declared was funded through the reimbursement of operating expenses by FS Investments for Fund—T and Fund—ADV. See Note 4 to the consolidated financial statements of the Fund included herein for information about the reimbursement of Fund expenses and additional support payments provided by FS Investments to the Fund.

The following table reflects the sources of the cash distributions on a tax basis that each Feeder Fund declared on its common shares during the years ended December 31, 2018 and 2017:

Source of Distribution	FS Global Credit Opportunities Fund—A			
	Year Ended December 31,			
	2018		2017	
	Distribution Amount	Percentage	Distribution Amount	Percentage
Net investment income (prior to expense reimbursement from sponsor)	\$71,050	100%	\$109,339	89%
Expense reimbursement and additional support payment from sponsor	—	—	13,488	11%
Total	<u>\$71,050</u>	<u>100%</u>	<u>\$122,827</u>	<u>100%</u>

Fund—A's net investment income on a tax basis for the year ended December 31, 2018 was \$74,298. As of December 31, 2018, Fund—A had undistributed net investment income on a tax basis of \$3,248.

Source of Distribution	FS Global Credit Opportunities Fund—D			
	Year Ended December 31,			
	2018		2017	
	Distribution Amount	Percentage	Distribution Amount	Percentage
Net investment income (prior to expense reimbursement from sponsor)	\$13,710	100%	\$21,104	89%
Expense reimbursement and additional support payment from sponsor	—	—	2,700	11%
Total	<u>\$13,710</u>	<u>100%</u>	<u>\$23,804</u>	<u>100%</u>

Fund—D's net investment income on a tax basis for the year ended December 31, 2018 was \$14,317. As of December 31, 2018, Fund—D had undistributed net investment income on a tax basis of \$607.

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 5. Distributions (continued)

Source of Distribution	FS Global Credit Opportunities Fund—T			
	Year Ended December 31,			
	2018		2017	
	Distribution Amount	Percentage	Distribution Amount	Percentage
Net investment income	\$10,214	100%	\$12,668	100%
Total	<u>\$10,214</u>	<u>100%</u>	<u>\$12,668</u>	<u>100%</u>

Fund—T’s net investment income on a tax basis for the year ended December 31, 2018 was \$11,461. As of December 31, 2018, Fund—T had undistributed net investment income on a tax basis of \$3,197.

Source of Distribution	FS Global Credit Opportunities Fund—ADV			
	Year Ended December 31,			
	2018		2017	
	Distribution Amount	Percentage	Distribution Amount	Percentage
Net investment income	\$3,415	100%	\$3,772	100%
Total	<u>\$3,415</u>	<u>100%</u>	<u>\$3,772</u>	<u>100%</u>

Fund—ADV’s net investment income on a tax basis for the year ended December 31, 2018 was \$3,587. As of December 31, 2018, Fund—ADV had undistributed net investment income on a tax basis of \$499.

Source of Distribution	FS Global Credit Opportunities Fund—T2			
	Year Ended December 31, 2018		Period from August 2, 2017 (Commencement of Operations) to December 31, 2017	
	Distribution Amount	Percentage	Distribution Amount	Percentage
Net investment income (prior to expense reimbursement from sponsor)	\$301	85%	\$157	89%
Expense reimbursement and additional support payment from sponsor	52	15%	20	11%
Total	<u>\$353</u>	<u>100%</u>	<u>\$177</u>	<u>100%</u>

Fund—T2’s net investment income on a tax basis for the year ended December 31, 2018 was \$353. As of December 31, 2018, Fund—T2 had undistributed net investment income on a tax basis of \$12.

Each Feeder Fund may make certain adjustments to the classification of net assets as a result of permanent book-to-tax differences. During the year ended December 31, 2018, Fund—T and Fund—ADV increased accumulated earnings (deficit) and decreased capital in excess of par value by \$66 and \$9, respectively. These reclassifications have no impact on the net assets of each Feeder Fund.

The determination of the tax attributes of each Feeder Fund’s distributions is made annually as of the end of each Feeder Fund’s fiscal year based upon each Feeder Fund’s taxable income for the full year and distributions paid for the full year. The actual tax characteristics of distributions to shareholders are reported to shareholders annually on Form 1099-DIV.

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 5. Distributions (continued)

As of December 31, 2018, the components of accumulated earnings (loss) on a tax basis were as follows:

	Fund—A	Fund—D	Fund—T
Distributable ordinary income	\$ 3,248	\$ 607	\$ 3,197
Distributable realized gains (capital loss carryover) ⁽¹⁾	(11,971)	(2,753)	354
Net unrealized appreciation (depreciation) on investment ⁽²⁾	(142,900)	(26,743)	(10,524)
	\$(151,623)	\$(28,889)	\$ (6,973)

(1) The capital loss carryover is available to reduce capital gain distribution requirements in future years and does not expire. As of December 31, 2018, Fund—A and Fund—D had long-term capital loss carryovers of \$11,971 and \$2,753, respectively.

(2) As of December 31, 2018, gross unrealized depreciation on Fund—A, Fund—D and Fund—T's investment in the Fund was \$142,900, \$26,743 and \$10,524, respectively.

	Fund—ADV	Fund—T2
Distributable ordinary income	\$ 499	\$ 12
Distributable realized gains (capital loss carryover) ⁽¹⁾	33	(1)
Net unrealized appreciation (depreciation) on investment ⁽²⁾	(3,270)	(283)
	\$(2,738)	\$(272)

(1) The capital loss carryover is available to reduce capital gain distribution requirements in future years and does not expire. As of December 31, 2018, Fund—T2 had a long-term capital loss carryover of \$1.

(2) As of December 31, 2018, gross unrealized depreciation on Fund—ADV and Fund—T2's investment in the Fund was \$3,270 and \$283.

The aggregate cost of each Feeder Fund's investment for U.S. federal income tax purposes and the aggregate net unrealized appreciation (depreciation) on a tax basis as of December 31, 2018 were as follows. As of December 31, 2018 the difference between each Feeder Fund's tax-basis unrealized appreciation (depreciation) and its GAAP-basis unrealized appreciation (depreciation) is attributable to basis adjustments on wash sale loss deferrals.

	Year Ended December 31, 2018	
	Aggregate Cost of the Investment for US Federal Income Tax	Aggregate Net Unrealized Appreciation (Depreciation) on a Tax Basis
Fund—A	\$1,194,711	\$(142,900)
Fund—D	\$ 229,839	\$ (26,743)
Fund—T	\$ 199,538	\$ (10,524)
Fund—ADV	\$ 58,844	\$ (3,270)
Fund—T2	\$ 6,761	\$ (283)

FS Global Credit Opportunities — Feeder Funds

Notes to Financial Statements (continued)
(in thousands, except share and per share amounts)

Note 6. Commitments and Contingencies

The Feeder Funds enter into contracts that contain a variety of indemnification provisions. The Feeder Funds' maximum exposure under these arrangements is unknown; however, the Feeder Funds have not had prior claims or losses pursuant to these contracts. Management of FS Global Advisor has reviewed the Feeder Funds' existing contracts and expects the risk of loss to the Feeder Funds to be remote.

The Feeder Funds are not currently subject to any material legal proceedings and, to the Feeder Funds' knowledge, no material legal proceedings are threatened against the Feeder Funds. From time to time, a Feeder Fund may be a party to certain legal proceedings in the ordinary course of business. While the outcome of any legal proceedings cannot be predicted with certainty, to the extent the Feeder Funds become party to such proceedings, the Feeder Funds would assess whether any such proceedings will have a material adverse effect upon their financial condition or results of operations.

See Note 4 for a discussion of the Feeder Funds' commitments to FS Investments and its affiliates, which consists of the conditional obligation of the Feeder Funds to reimburse FS Investments pursuant to the terms of the expense reimbursement agreements.

Supplemental Information (Unaudited)

Changes in Accountants and Disagreements with Accountants on Accounting and Financial Disclosure

The Feeder Funds have not had any changes in their independent registered public accounting firm or disagreements with their independent registered public accounting firm on accounting or financial disclosure matters since its inception.

Boards of Trustees

Information regarding the members of the Boards is set forth below. The trustees have been divided into two groups—interested trustees and independent trustees. The address for each trustee is c/o FS Global Credit Opportunities Fund, 201 Rouse Boulevard, Philadelphia, Pennsylvania 19112. As set forth in each Feeder Fund’s amended and restated declaration of trust, each trustee’s term of office shall continue until his or her death, resignation or removal.

<u>Name</u>	<u>Age</u>	<u>Trustee Since</u>	<u>Title</u>	<u>Principal Occupations During the Past Five Years</u>	<u>Number of Registered Investment Companies in Fund Complex* Overseen by Trustee</u>	<u>Other Directorships Held by Trustee</u>
<i>Interested Trustees</i>						
Michael C. Forman ⁽¹⁾	57	January 2013	Chairman, President and Chief Executive Officer	Chairman and Chief Executive Officer of FS Investments	10	FS Multi-Alternative Income Fund (since 2018); FS Series Trust (since 2016); FS Energy Total Return Fund (since 2016); FS Credit Income Fund (since 2016); FS Credit Real Estate Income Trust, Inc. (since 2016); FS Investment Corporation IV (since 2015); FS Investment Corporation III (since 2013); FS Investment Corporation II (since 2011); FS Energy and Power Fund (since 2010); and FS KKR Capital Corp. (formerly FS Investment Corporation) (since 2007)
<i>Independent Trustees</i>						
Walter W. Buckley, III	58	June 2013	Trustee	Chief Executive Officer of Actua Corporation (since 1996); and President of Actua Corporation (1996 – 2001; 2002 – 2009)	6	Actua Corporation (since 1996)
David L. Cohen	63	June 2013	Trustee	Senior Executive Vice President of Comcast Corporation (since 2015); and Executive Vice President of Comcast Corporation (2002 – 2015)	6	NBCUniversal Media, LLC (since 2013)
Barbara J. Fouss	49	November 2013	Trustee	Director of Strategic Initiatives of Sun National Bank (2012 – 2013); Chief Credit Policy Officer of Sun National Bank (2011 – 2012); and Deputy Chief Credit Policy Officer of Sun National Bank (2008 – 2011)	6	FS Investment Corporation IV (since 2015)

Name	Age	Trustee Since	Title	Principal Occupations During the Past Five Years	Number of Registered Investment Companies in Fund Complex* Overseen by Trustee	Other Directorships Held by Trustee
Philip E. Hughes, Jr.	69	June 2013	Trustee	Vice-Chairman of Keystone Industries (since 2011); Principal of Philip E. Hughes, Jr., CPA, Esq. Accounting, Tax and Business Services (since 2011); President of Fox Park Corporation (since 2005) and Sovereign Developers, LP (since 1999); and Partner of LarsonAllen LLP (2000 – 2011)	7	FS Series Trust (since 2017)
Oliver C. Mitchell, Jr.	64	June 2013	Trustee	Attorney and Consultant—Litigation Avoidance, Corporate Governance and Internal Investigations (since 2014); Senior Vice President, General Counsel and Secretary of American Cybersystems, Inc. (2013 – 2014); and Vice President, General Counsel and Secretary of Carpenter Technology Corporation (2007 – 2009)	6	National Commercial Bank Jamaica Limited (since 2015)
Charles P. Pizzi	68	June 2013	Trustee	President and Chief Executive Officer of Tasty Baking Company (2002 – 2011)	6	Pennsylvania Real Estate Investment Trust (since 2013); PHH Corporation (since 2012); FS Energy and Power Fund (since 2012); and Brandywine Realty Trust (since 1996)

* The “Fund Complex” consists of the Fund, its affiliated feeder funds, FS Series Trust, FS Credit Income Fund, FS Multi-Alternative Income Fund and FS Energy Total Return Fund.

(1) Mr. Forman is deemed to be an “interested person” of the Feeder Fund, as defined in Section 2(a)(19) of the 1940 Act, due to his role as a controlling person of FS Global Advisor.

Executive Officers

Information regarding the executive officers of each Feeder Fund is set forth below. The address for each executive officer is c/o FS Global Credit Opportunities Fund, 201 Rouse Boulevard, Philadelphia, Pennsylvania 19112.

<u>Name</u>	<u>Age</u>	<u>Position Held with Registrant</u>	<u>Length of Time Served</u>	<u>Principal Occupations During the Past Five Years</u>
Michael C. Forman	57	Chairman, President and Chief Executive Officer	Since 2013	Chairman and Chief Executive Officer, FS Investments
Edward T. Gallivan, Jr.	56	Chief Financial Officer	Since 2018	Chief Financial Officer of Fund—A (since 2018), Fund—D (since 2018), Fund—T (since 2018), Fund—ADV (since 2018), Fund—T2 (since 2018), FS Energy and Power Fund (since 2012), FS Energy Total Return Fund, FS Credit Income Fund and FS Credit Real Estate Income Trust, inc.
Stephen S. Sypherd	41	Vice President, Treasurer and Secretary	Since 2013	General Counsel, FS Investments; and Associate of Skadden, Arps, Slate, Meagher & Flom LLP (2002 – 2010)
James F. Volk	56	Chief Compliance Officer	Since 2015	Senior Vice President of Fund Compliance, FS Investments (since 2014); and Chief Compliance Officer, Chief Accounting Officer and Head of Traditional Fund Operations at SEI's Investment Manager Services market unit (1996 – 2014)

Form N-Q Filings

Each Feeder Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Each Feeder Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov>. Each Feeder Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room located at 100 F Street, NE, Washington, DC 20549. Shareholders may obtain information on the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330.

Proxy Voting Policies and Procedures

The Fund has delegated its proxy voting responsibility to FS Global Advisor, the Fund's investment adviser. Shareholders may obtain a copy of FS Global Advisor's proxy voting policies and procedures upon request and without charge by calling the Fund collect at 215-495-1150 or on the SEC's website at <http://www.sec.gov>.

Proxy Voting Record

Each Feeder Fund invests substantially all of its assets in the Fund. All investments in portfolio companies are made at the Fund level. Information regarding how FS Global Advisor voted proxies relating to the Fund's portfolio securities during the most recent twelve-month period ended June 30 is available upon request and without charge by making a written request to the Fund's Chief Compliance Officer at FS Global Credit Opportunities Fund, 201 Rouse Boulevard, Philadelphia, Pennsylvania 19112, Attn: Chief Compliance Officer, by calling the Fund collect at 215-495-1150 or on the SEC's website at <http://www.sec.gov>.

Board Approval of Continuation of Investment Advisory Agreement and Initial Approval of New Investment Advisory Agreement

At a meeting of the Fund's board of trustees, or the Fund Board, held on December 10, 2018, the Fund Board, including a majority of the Independent Trustees, re-approved the Advisory Agreement with FS Global Advisor and approved for an initial two-year period, a new investment advisory agreement between the Fund and FS Global Advisor, or the New Advisory Agreement, and together with the Advisory Agreement, the Advisory Agreements, each as being in the best interests of the Fund and its

shareholders. In approving the Advisory Agreements, the Fund Board considered information furnished and discussed throughout the year at Fund Board meetings and executive sessions with management and counsel, including information specifically provided for in response to requests for information from the Independent Trustees and their independent legal counsel.

In their deliberations, the Fund Board considered a range of materials and information regarding the nature, extent and quality of services provided by FS Global Advisor; the past performance of the Fund compared to relevant indices and peer funds; the fees and expenses of the Fund and the Feeder Funds compared to those of other registered investment companies that FS Global Advisor believed were relatively comparable to the Fund in terms of structure, investment objectives, assets under management, portfolio mix and/or other similar criteria; and the profitability of FS Global Advisor. The Fund Board also considered information related to potential “fall out” or ancillary benefits enjoyed by FS Global Advisor (and its affiliates) as a result of its relationships with the Fund and the Feeder Funds. In addition to evaluating, among other things, the written information provided by FS Global Advisor, the Fund Board also considered the answers to questions posed by the Fund Board to representatives of FS Global Advisor at various meetings.

The Fund Board noted that the New Advisory Agreement would lower the quarterly hurdle rate used in calculating the incentive fee from 2.25% per quarter (or an annualized hurdle rate of 9.00%) to 1.50% per quarter (or an annualized hurdle rate of 6.00%), or the Hurdle Amendment. The Fund Board considered the Hurdle Amendment together with the New Advisory Agreement’s other proposed fee changes: (i) a reduction in the base management fee from 2.00% to 1.50% of the Fund’s average daily gross assets, and (ii) a reduction in the incentive fee from 20% to 10% of the Fund’s pre-incentive fee net investment income.

The Fund Board noted that, under the New Advisory Agreement and the Hurdle Amendment, the Adviser may be eligible to receive an incentive fee for pre-incentive fee net investment income earlier than it would have under the investment advisory agreement. However, the Fund Board noted that the lower hurdle rate better aligns the Fund and FS Global Advisor’s interests by removing disincentives for FS Global Advisor, where market conditions warrant it (for instance where higher leverage levels, lower required equity contributions and tighter pricing exists), from seeking to invest in senior assets with lower absolute, yet potentially higher risk-adjusted returns, due to a lower probability of defaults when compared to higher yielding junior assets. The Fund Board noted the desirability of setting the correct parameters to evaluate risk and best align the interests of the Fund, including the Feeder Funds, and the interests of FS Global Advisor.

The Fund Board also noted that, based on a presentation by FS Global Advisor, the New Advisory Agreement’s proposed fee structure was in line with certain of its peer group. The Fund Board noted that better aligning the interests of the Fund, including the Feeder Funds, and FS Global Advisor may assist FS Global Advisor to retain and compete for skilled investment professionals. The Independent Trustees also met separately in executive sessions with their independent legal counsel to review and consider the information provided regarding the Advisory Agreements.

Based on their review, the Independent Trustees and the Fund Board concluded that it was in the best interests of the Fund and its shareholders to approve the continuation of the Advisory Agreement and approve the New Advisory Agreement for an initial period of two years. In their deliberations, the Fund Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together. The material factors and conclusions that formed the basis for the Fund Board’s determinations are discussed below.

Nature, Extent and Quality of Services. In evaluating the nature, extent and quality of the services to be provided by FS Global Advisor as sole investment adviser to the Fund, the Fund Board reviewed information describing the financial strength, experience, resources, compliance programs and key personnel of FS Global Advisor, focusing specifically on the background and capabilities of the advisory team, including the significant number of new advisory team members added over the course of the last six months. The Fund Board recognized the significant investment of time, capital and human resources provided by the FS Investments that has resulted in the successful operation of the Fund and FS Global Advisor’s general success in managing the Fund. The Fund Board also considered the administrative services FS Global Advisor provides to the Fund, including general ledger accounting, fund accounting, legal services, investor relations and other administrative services.

The Fund Board and the Independent Trustees determined that they were satisfied with the nature, quality and extent of the services to be provided by FS Global Advisor, the expertise and capabilities of FS Global Advisor's personnel, FS Global Advisor's financial strength and its efforts to support the management of the Fund going forward.

Review of Performance. The Fund Board and the Independent Trustees considered the Fund's historical investment performance as compared to the performance of comparable funds in terms of structure, investment objectives, assets under management, portfolio mix and/or similar criteria, and compared to certain indices spanning the spectrum of primary asset classes in which the Fund invests as well as a custom benchmark index, previously requested by the Fund Board. The Board and the Independent Trustees noted that the Fund has outperformed most indices, peers and benchmarks for the year-to-date period ended September 20, 2018, which the Independent Trustees felt was notable, considering the internalization of certain advisory functions of FS Global Advisor since the beginning of 2018.

Costs of Services Provided and Profits Realized. The Fund Board considered the management and incentive fees existing under the investment advisory agreement, and the proposed management, incentive fees and hurdle rate under the New Agreement (together, the "Advisory Fees") and the Feeder Funds' net expense ratios as compared to a group of investment companies that FS Global Advisor believed to be relatively comparable to the Fund in terms of structure, investment objectives, assets under management, portfolio mix and/or similar criteria. The Independent Trustees considered that the Fund's fees were generally comparable with the peer group funds. The Fund Board noted factors driving higher gross expense levels, including the heightened regulatory, compliance and operational requirements for a master-feeder, non-traded, continuously-offered, closed-end investment Feeder Fund as compared to those of publicly-traded investment companies, the investment advisory fees applicable to each, the use of leverage and the event driven and special situations investment strategies employed by the Fund, which are more similar to strategies employed by private hedge funds than publicly-traded closed-end high yield funds.

The Fund Board reviewed the profitability information provided by FS Global Advisor and its methodology for determining profitability, as well as the potential for economies of scale. The Fund Board determined that the Advisory Fees, proposed expense ratios and profitability were reasonable in relation to the services to be rendered to the Fund by FS Global Advisor. The Fund Board also considered that the potential for economies of scale are less likely to be significant given the Fund's structure and focus on identifying and capitalizing upon event driven, special situations and market price inefficiency investment opportunities, which requires considerable resources. The Fund Board also considered FS Global Advisor's commitment to monitor economies of scale on an ongoing basis.

Other Benefits. The Fund Board considered other benefits that may accrue to FS Global Advisor and its affiliates from their relationships with the Feeder Fund, including that FS Global Advisor may potentially benefit from the success of the Fund, which could attract other business to FS Global Advisor.

Overall Conclusions. Based on all of the information considered and the conclusions reached, the Fund Board determined that the terms of the Advisory Agreements are fair and reasonable and that the approval of the Advisory Agreements are in the best interests of the Fund. The Fund Board, including a majority of the Independent Trustees, approved the renewal of the Advisory Agreement for an additional year and the New Agreement for an initial two-year period.

Distribution Reinvestment Plan

The Feeder Fund has adopted an "opt in" distribution reinvestment plan pursuant to which the Feeder Fund's shareholders may elect to have the full amount of their cash distributions reinvested in additional common shares of the Feeder Fund. Participants in the Feeder Fund's distribution reinvestment plan are free to elect to participate or terminate participation in the distribution reinvestment plan within a reasonable time as specified in the distribution reinvestment plan. If a shareholder does not elect to participate in the Feeder Fund's distribution reinvestment plan, the shareholder will automatically receive any distributions the Feeder Fund declares in cash. For example, if the Board authorizes, and the Feeder Fund declares, a cash distribution, then if a shareholder has "opted in" to the Feeder Fund's distribution reinvestment plan, the shareholder will have the cash distribution reinvested in additional common shares of

the Feeder Fund, rather than receiving the cash distribution. The Feeder Fund expects to issue common shares pursuant to the distribution reinvestment plan on the distribution payment date at a price equal to the NAV per common share of the Feeder Fund's common shares on such distribution payment date. Common shares issued pursuant to the distribution reinvestment plan will have the same voting rights as common shares offered in the Feeder Fund's continuous public offering.

If a shareholder wishes to receive distributions in cash, no action is required by the shareholder. If a shareholder is a registered shareholder, the shareholder may elect to have their entire distribution reinvested in common shares by notifying DST Systems, Inc., the plan administrator and the Feeder Fund's transfer agent, in writing at the address set forth below so that such notice is received by the plan administrator no later than the record date for distributions to shareholders. If a shareholder elects to reinvest their distributions in additional common shares, the plan administrator will set up an account for common shares acquired through the distribution reinvestment plan and will hold such common shares in non-certificated form. If common shares are held by a broker or other financial intermediary, a shareholder may "opt in" to the distribution reinvestment plan by notifying their broker or other financial intermediary of their election.

The Feeder Fund uses newly issued common shares under the distribution reinvestment plan. The number of common shares the Feeder Fund issues to a shareholder is determined by dividing the total dollar amount of the cash distribution payable to the shareholder by a price equal to the Feeder Fund's NAV per common share on the distribution payment date. There are no selling commissions, dealer manager fees or other sales charges to a shareholder if they elect to participate in the distribution reinvestment plan. The Feeder Fund pays the plan administrator's fees under the distribution reinvestment plan. If a shareholder receives their cash distributions in the form of common shares, the shareholder generally is subject to the same U.S. federal, state and local tax consequences as the shareholder would have had if the shareholder elected to receive their distributions in cash. A shareholder's basis for determining gain or loss upon the sale of common shares received in a distribution from the Feeder Fund will be equal to the total dollar amount of the distribution payable in cash. Any common shares received in a distribution will have a holding period for tax purposes commencing on the day following the day on which the common shares are credited to the shareholder's account.

The Feeder Fund reserves the right to amend, suspend or terminate the distribution reinvestment plan. A shareholder may terminate their account under the distribution reinvestment plan by calling the plan administrator at 877-628-8575. All correspondence concerning the distribution reinvestment plan should be directed to the plan administrator by mail at FS Global Credit Opportunities Fund c/o DST Systems, Inc., P.O. Box 219095, Kansas City, Missouri 64121-9095. A shareholder may obtain a copy of the distribution reinvestment plan by request to the plan administrator or by contacting the Feeder Fund.

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Interests in FS Global Credit Opportunities Fund are not registered under the Securities Act of 1933, as amended (the "Securities Act"), and are issued only to FS Global Credit Opportunities Fund–A, FS Global Credit Opportunities Fund–D, FS Global Credit Opportunities Fund–T, FS Global Credit Opportunities Fund–ADV and FS Global Credit Opportunities Fund–T2 in private placement transactions that do not involve any "public offering" within the meaning of Section 4(a)(2) of, and/or Regulation D under, the Securities Act. This annual report does not constitute an offer to sell, or the solicitation of an offer to buy, any interest in FS Global Credit Opportunities Fund. Past performance is not indicative of future results.