

Class I: FSMSX

# FS Multi-Strategy Alternatives Fund

Seeking absolute returns with low correlation

Total returns	Inception date	MTD	QTD	YTD	1 year	Since inception	As of 6/30/2019	
							1 year	Since inception
FSMSX (Class I)	5/16/2017	0.95%	1.33%	9.47%	8.81%	3.11%	5.03%	2.72%
Benchmark						Since 5/16/2017		
ICE BofAML U.S. 3-Month T-Bill Index		0.20%	0.39%	1.63%	2.36%	1.82%	2.31%	1.78%

The expense ratios for Class I Shares are 3.52% total annual fund operating expenses,<sup>1</sup> 1.86% total annual fund operating expenses (after expense reductions)<sup>2</sup> and 1.50% total annual fund operating expenses after expense reductions, excluding dividend and interest expenses.<sup>2,3</sup> Performance data quoted represents past performance and is no guarantee of future results. Returns for time periods greater than one year are annualized. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be lower or higher than the performance quoted. Please call 877-628-8575 or visit our website at [www.fsinvestments.com](http://www.fsinvestments.com) for performance data current to the most recent month-end.

One cannot invest directly in an index. See the index definition on the following page.

## Portfolio allocation



**60%**

Alternative beta strategies

**40%**

Underlying managers

Category	Strategy	Allocation
Equity hedge	Emerging markets factor	22%
	Momentum factor	
	Quality factor	
	Size factor	
	Value factor	
	<b>Chilton equity long/short</b>	<b>20%</b>
Event driven	<b>MidOcean credit long/short</b>	<b>20%</b>
Global macro	Commodity carry pairs capped	14%
	Commodity curve	
	Cross asset trend following	
	Mean reversion indexes	
Relative value	Bond futures	24%
	Interest rate swaps	
	Rates breakout momentum	
	Volatility roll-on rates	

## Fund beta and correlation to major indexes

	Beta	Correlation
S&P 500 Index	0.08	0.34
Bloomberg Barclays U.S. Aggregate Bond Index	0.45	0.43

<sup>1</sup> The total annual fund operating expenses ratio calculation is a percentage of average net assets for the year ended December 31, 2018.

<sup>2</sup> The total annual fund operating expenses after expense reductions, excluding dividend and interest expenses and total operating expenses (after expense reduction) ratios, are a percentage of average net assets for the year ended December 31, 2018 and are based on the expense limitation for such period. The expense limitation may be different in future years. The Adviser has entered into an expense limitation agreement with the Fund under which it has agreed to waive or reduce its fees and to assume other expenses of the Fund, if necessary, in an amount that limits ordinary operating expenses (exclusive of management fees, distribution or servicing fees, interest, taxes, brokerage fees and commissions, dividends and interest paid on short positions, acquired fund fees and expenses and extraordinary expenses (as determined in the sole discretion of the Adviser)) to not more than 0.25% of the average daily net assets for the Fund at least until April 30, 2020. The Fund may terminate the expense limitation agreement at any time. The expense limitation agreement permits the Adviser to recoup waived or reimbursed amounts within the three-year period from the date of the waiver after the Adviser bears the expense, provided total expenses, including such recoupment, do not exceed the annual expense limit in effect at the time of such waiver/reimbursement or recoupment.

<sup>3</sup> The total annual fund operating expenses after expense reductions, excluding dividend and interest expenses ratio, does not include dividend expense on short sales of 0.29% and interest, commitment fees and other borrowing costs of 0.07%.

## Manager

### FS Investments

- A leading asset manager that designs alternative investments to help institutions, advisors and individual investors build better, more diversified portfolios
- Manages approximately \$23+ billion in assets<sup>4</sup>

## Sub-adviser

### Wilshire Associates (Wilshire<sup>®</sup>)

- A diversified global financial services firm with over \$1 trillion in assets under advisement and \$65 billion in assets under management<sup>5</sup>
- An independent firm since 1972, Wilshire serves more than 500 institutional and intermediary clients worldwide from 10 offices around the globe.

## Underlying managers

### Chilton Investment Company, LLC

### MidOcean Credit Fund Management, L.P.

## Fund

<b>Objective</b>	FS Multi-Strategy Alternatives Fund seeks to generate positive, low-correlated returns over a complete market cycle.
<b>Structure</b>	Mutual fund with daily liquidity
<b>Tax reporting</b>	Form 1099-B

## Share class

	<b>Class I</b>
<b>Ticker</b>	FSMSX
<b>CUSIP</b>	302691209
<b>Inception date</b>	5/16/2017
<b>Minimum initial investment<sup>6</sup></b>	\$1 million

4 As of December 31, 2018.

5 As of March 31, 2019.

6 Class I Shares minimum initial investment ranges from \$2,500 (eligible accounts through certain intermediary institutions) to \$1 million. Any minimum initial investment requirement may be waived in the Fund's sole discretion.

## DEFINITIONS

**Beta** is a measure of an asset's or a portfolio's volatility, or systematic risk, in comparison to a benchmark or the market as a whole, reflecting the tendency of returns to respond to market swings. **Correlation** is a statistical measure of the extent to which two securities move in relation to each other, often expressed via a coefficient ranging from +1 to -1. **ICE BofAML U.S. 3-Month Treasury Bill Index** is composed of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into a newly selected issue.

The indexes referenced herein are the exclusive property of each respective index provider and have been licensed for use by FS Investments. The index providers do not guarantee the accuracy and/or completeness of the indexes and accept no liability in connection with the use, accuracy or completeness of the data included therein. Inclusion of the indexes in these materials does not imply that the index providers endorse or express any opinion in respect of FS Investments. Visit [www.fsinvestments.com/support/articles/index-disclaimers](http://www.fsinvestments.com/support/articles/index-disclaimers) for more information.

Securities offered through ALPS Distributors, Inc. (1290 Broadway, Suite 1100, Denver, CO 80203, member FINRA), the distributor of FS Multi-Strategy Alternatives Fund. FS Investment Solutions, LLC is an affiliated broker-dealer that serves as the exclusive wholesale marketing agent for FS Multi-Strategy Alternatives Fund. FS Investment Solutions, LLC and ALPS Distributors, Inc. are not affiliated.

**An investment in FS Multi-Strategy Alternatives Fund (the "Fund") involves a high degree of risk and may be considered speculative. Investors are advised to consider the investment objectives, risks, and charges and expenses of the Fund carefully before investing. The Fund's prospectus contains this and other information about the Fund. Investors may obtain a copy of the Fund's prospectus free of charge at [www.fsinvestments.com](http://www.fsinvestments.com) or by contacting FS Investments at 201 Rouse Blvd., Philadelphia, PA 19112 or by phone at 877-628-8575. Investors should read and carefully consider all information found in the Fund's prospectus and other reports filed with the U.S. Securities and Exchange Commission before investing.**

Investing in the Fund involves risk, including the risk that a shareholder may receive little or no return on their investment or that a shareholder may lose part or all of their investment. The Fund is subject to interest rate risk and will decline in value as interest rates rise. The Fund may engage in leveraging and other speculative investment practices that may increase the risk of loss of investment, and accelerate the velocity of potential losses. In addition to the normal risks associated with investing, international and emerging markets may involve risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles or from social, economic, or political instability in other nations. The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses.

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