

Class I: FSMSX Class A: FSMMX

FS Multi-Strategy Alternatives Fund

Seeking absolute returns with low correlation

Fund overview

FS Multi-Strategy Alternatives Fund is a liquid alternative, multi-strategy solution that seeks to generate positive, low-correlated returns over a complete market cycle to help lower portfolio volatility

Strategy

- Taking an institutional approach combining active hedge fund managers and alternative beta investment strategies.
- Targeting returns with low correlation to traditional assets
- Focusing on managing volatility to help lower a traditional portfolio's risk profile

Key stats

Standard deviation	4.23%
Beta to S&P 500	0.11
Correlation to S&P 500	0.41
Correlation to Barclays Agg	0.03
Sharpe ratio	0.43
Upside capture vs. S&P 500	11.58%
Downside capture vs. S&P 500	8.70%
Structure	Daily liquid mutual fund
Tax reporting	Form 1099-B

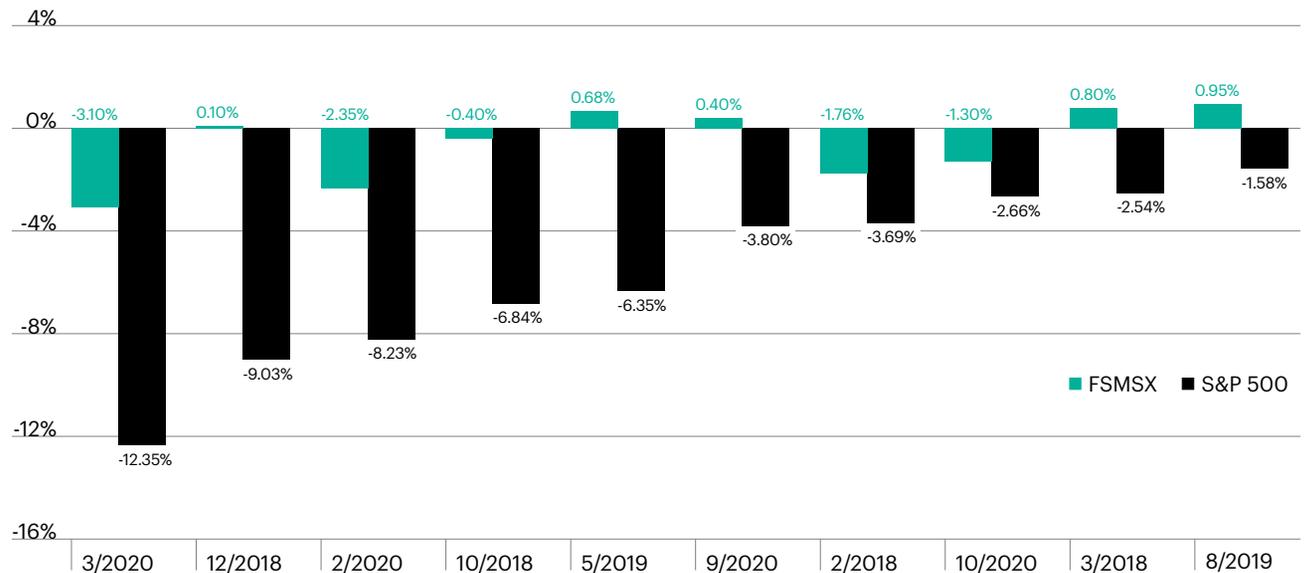
Performance (total returns at NAV)

	MTD	QTD	YTD	1 year	3 year	Since inception
FSMSX (Class I; inception 5/16/2017)	3.35%	7.04%	7.04%	9.20%	2.42%	2.23%
FSMMX (Class A; inception 5/16/2017)	3.36%	6.96%	6.96%	8.87%	2.14%	1.99%
with maximum sales load	-2.61%	0.77%	0.77%	2.59%	0.13%	0.44%
ICE BofAML U.S. 3-Month T-Bill Index	0.01%	0.03%	0.03%	0.12%	1.49%	1.42%
S&P 500	4.38%	6.17%	6.17%	56.35%	16.78%	16.08%

Total annual fund operating expenses, *Class I: 3.30%; Class A: 3.55%*.¹ Total annual fund operating expenses after expense reductions, *Class I: 1.97%; Class A: 2.22%*.² Total annual fund operating expenses after expense reductions, excluding dividend and interest expenses, *Class I: 1.50%; Class A: 1.75%*.^{2,3} Performance with sales charge is calculated with maximum sales charge of 5.75% for Class A shares. *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 for performance data current to the most recent month-end.*

An investment cannot be made directly in an index. See the index definitions on page 3.

FSMSX performance vs. 10 worst trading months for S&P 500 (since inception)



Source: Bloomberg, as of March 31, 2021.

Manager

FS Investments

A leading asset manager providing access to alternative sources of income and growth. Our investment solutions combine differentiated strategies, top institutional managers and investment structures tailored to our investors' needs.

Sub-adviser

Wilshire Associates

Wilshire is a global investment advisory company specializing in investment products, consulting services and technology solutions. They are leaders in helping institutions build multi-strategy portfolios that blend active hedge fund managers with passive rules-based strategies.

Hedge fund managers

MID OCEAN Partners

MidOcean is an alternative credit manager with differentiated investment strategies that tend to focus on corporate bonds, leveraged loans and structured credit.

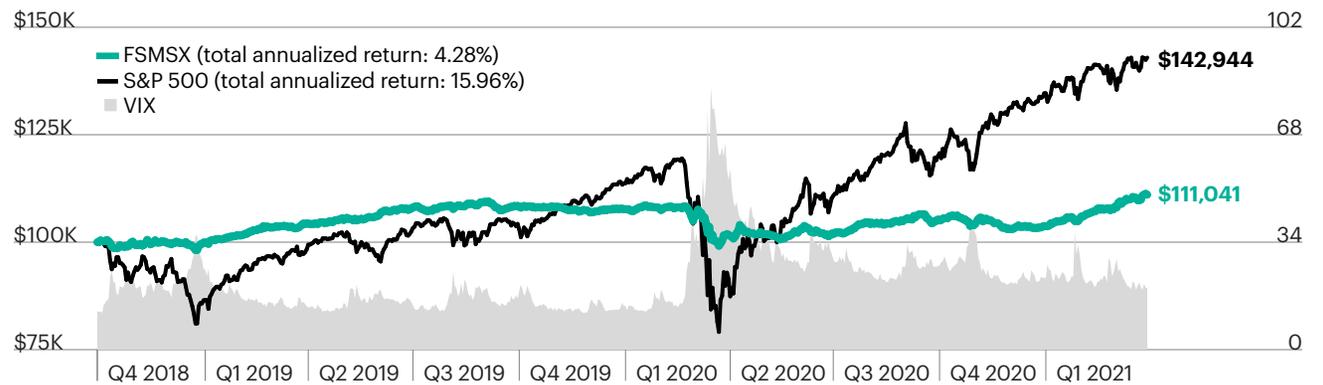
CHILTON INVESTMENT COMPANY

Chilton is an investment adviser that follows a bottom-up, fundamental approach to long/short and long-only equity portfolios.

Crabel CAPITAL MANAGEMENT

Crabel is a global alternative investment firm specializing in the systematic, automated trading across asset classes via futures.

Growth of \$100,000 (10/1/2018-3/31/2021)

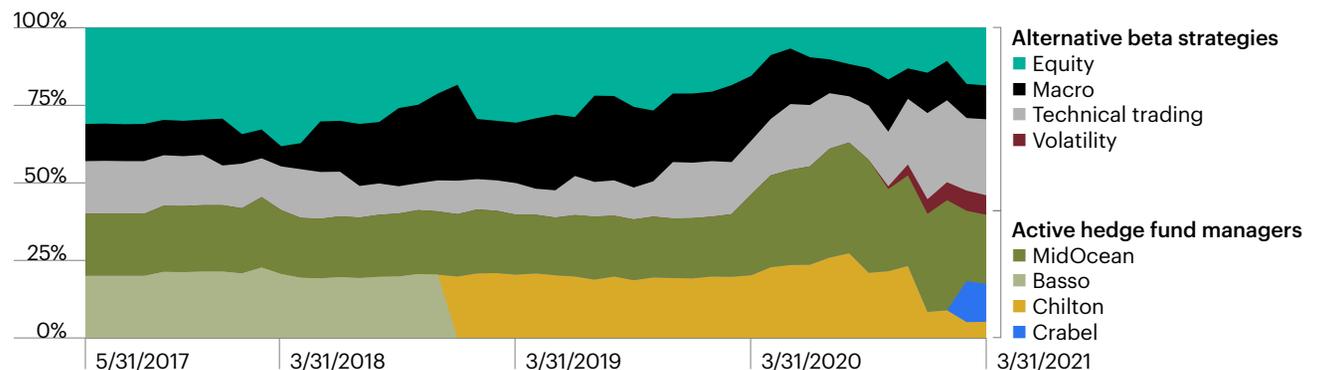


Source: Bloomberg, as of March 31, 2021. The benchmarks shown are for illustrative purposes only. An investment cannot be made directly in an index. The Fund's actual investments and performance may differ substantially from those of the index presented.

Portfolio categories

Alternative beta strategies		Allocations
		60.3%
Equity	Investing in stocks seeking to generate returns less sensitive to market direction based on specific factors (e.g., size, quality)	18.6%
Macro	Investing in bonds, currencies and commodities seeking to generate risk-adjusted returns through specific factors (e.g., value, carry)	10.9%
Technical trading	Investing across asset classes seeking to generate uncorrelated returns-based on price trends and trading patterns (e.g., momentum, mean reversion)	24.5%
Volatility	Investing in volatility markets seeking to profit from price inefficiencies and relative value opportunities (e.g., realized volatility vs. implied volatility)	6.3%
Active hedge fund managers		39.7%
Credit long/short	MidOcean seeks to capture current income and growth from inefficiencies in the credit market.	22.3%
Equity long/short	Chilton focuses on high-quality companies with strong business models and growth potential at reasonable valuations.	5.2%
Systematic trading	Crabel implements a systematic, dynamic, short-term, technical trading strategy designed to monetize price movements in global futures markets.	12.2%

Category allocation by month (5/31/2017-3/31/2021)



Alternative beta providers may offer cost advantages over other traditional alternative asset managers, particularly as compared to the hedge fund managers and other private investment vehicles that have historically been used to access alternative investment strategies.

Share classes

	Class I	Class A
Ticker	FSMSX	FSMMX
CUSIP	302691209	302691100
Minimum initial investment⁴	\$1 million	\$2,500
Sales charges⁵	None	Up to 5.75%

1 The total annual fund operating expenses ratio calculation is a percentage of average net assets for the 12 months ended December 31, 2019.

2 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 12 months ended December 31, 2019, 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, 2021. 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.

3 The total annual fund operating expenses after expense reductions, excluding dividend and interest expenses ratio, does not include dividend expense on short sales of 0.19% and interest, commitment fees and other borrowing costs of 0.28%.

4 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.

5 Offering price includes the initial sales charge. Investors may be able to buy Class A shares without a sales charge in certain situations. Please see the prospectus for additional information.

GLOSSARY OF TERMS

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. **Sharpe ratio** is an asset's excess return (the amount over the risk-free rate) divided by the standard deviation of excess returns. A higher value generally signifies a more attractive risk-adjusted return. **Standard deviation** is a statistical measure of the dispersion of an asset's rate of return relative to its mean and is typically used to assess its historical volatility. **Upside/downside capture ratio** shows whether and to what extent an investment has outperformed a broad benchmark during periods of market strength and weakness. An upside capture ratio over 100 means it usually gained more than the benchmark when benchmark returns were positive. A downside capture ratio less than 100 means it lost less than the benchmark when benchmark returns were negative.

INDEX DEFINITIONS

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. **S&P 500 Index** is a market capitalization-weighted index of the 500 largest U.S. publicly traded companies by market value.

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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 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.