

FS KKR Capital Corp.

Investor Presentation

MAY 2019

FSK Overview

FSK is an Industry Leading Business Development Company



FS | KKR

FSK is a publicly traded business development company (BDC) focused on providing customized credit solutions to private middle market companies

Externally managed by FS/KKR Advisor, LLC

- Leverages the full FS Investments and KKR platforms
- SEC co-investment exemptive relief
- Strong alignment between FS & KKR

Access to middle market direct lending opportunity

- Stable recurring income generation
- ~9.7% dividend yield⁽¹⁾
- Established and diversified portfolio of 204 borrowers
- 74% of portfolio in senior secured investments⁽²⁾

Sizable scale with \$7.7bn of assets

- Focused on larger middle market companies
- Typically sole or lead lender in Direct Originations
- Scale can allow for more attractive funding

Note: Please refer to "Legal Disclosures" at the end of this presentation for additional detail on the calculation of AUM and for further information on KKR's inside information barrier policies and procedures, which may limit the involvement of personnel in certain investment processes and discussions. All figures as of March 31, 2019, unless otherwise noted.

1. Based on current annualized dividend rate, excluding special dividends, relative to net asset value as of March 31, 2019.

2. Figure excludes the impact of the investment in Strategic Credit Opportunities Partners, LLC ("SCJV"). SCJV is a joint venture between FSK and Conway Capital, an affiliate of Guggenheim Life and Annuity Company and Delaware Life Insurance Company.

Key Platform Highlights

Large, Scalable Platform	<ul style="list-style-type: none">• Ability to make individual investments up to \$1 billion in size• Broad coverage platform across sponsor and non-sponsor space• 400+ KKR public and private markets investments professionals
Disciplined Investment Process	<ul style="list-style-type: none">• “PE-style” due diligence standard• Fundamental credit investment philosophy based on rigorous financial analysis• Assets pass through multiple FS and KKR committee reviews
Proven Track Record	<ul style="list-style-type: none">• Deep experience investing in private credit from managing BDCs for 10+ years• Ability to leverage ~120 dedicated KKR Credit investment professionals as well as 150+ private equity sponsor relationships
Share Repurchase History	<ul style="list-style-type: none">• Executed approximately \$56 million of the \$200 million share buyback program year-to-date as of May 7, 2019• Named officers and board members have purchased approximately \$2.8 million of FSK shares year-to-date as of May 7, 2019• Since the listing of CCT in November 2017, the combined FSK entity has repurchased over \$340 million of shares as of May 7, 2019, including the full \$100 million share buyback program in 2018
Exemptive Relief	<ul style="list-style-type: none">• Aligned with KKR platform – investments are shared across the KKR Credit platform, including funds and SMA’s• Our scale allows the platform to speak for significant capital commitments while also keeping the diversity in any one pool of capital at a level that is risk mitigating
Advisor	<ul style="list-style-type: none">• The combined BDC platform is the largest BDC platform by total assets• Aligned with shareholders with a three-year incentive fee lookback provision

FS / KKR Advisor is the Largest BDC Manager



Seamless integration with KKR Credit

- ✓ Exemptive relief in place across all 5 BDCs
- ✓ Portfolio and risk management processes undertaken jointly by FS and KKR

The combined BDC platform is the largest BDC platform by total assets

Note: As of March 31, 2019, except AINV, which is as of December 31, 2018.

KKR – An Industry Leading Alternative Asset Manager

KKR



~\$199.5 billion AUM and an over 43 year investment track record



Offices in 20 cities in 16 countries



Over 425 investment professionals across private and public markets



~\$18.8 billion balance sheet invested in KKR strategies alongside our clients

KKR Credit



~\$67.1 billion AUM across leveraged credit, private credit and special situations⁽¹⁾



Offices in 9 cities in 8 countries



~120 dedicated investment professionals



\$2.2 billion of KKR balance sheet committed across KKR credit strategies⁽²⁾

Active Credit Investment Strategies

Leveraged Credit

~\$33.1 billion⁽¹⁾⁽³⁾

Private Credit

~\$27.1 billion⁽¹⁾

Special Situations

~\$6.8 billion⁽¹⁾

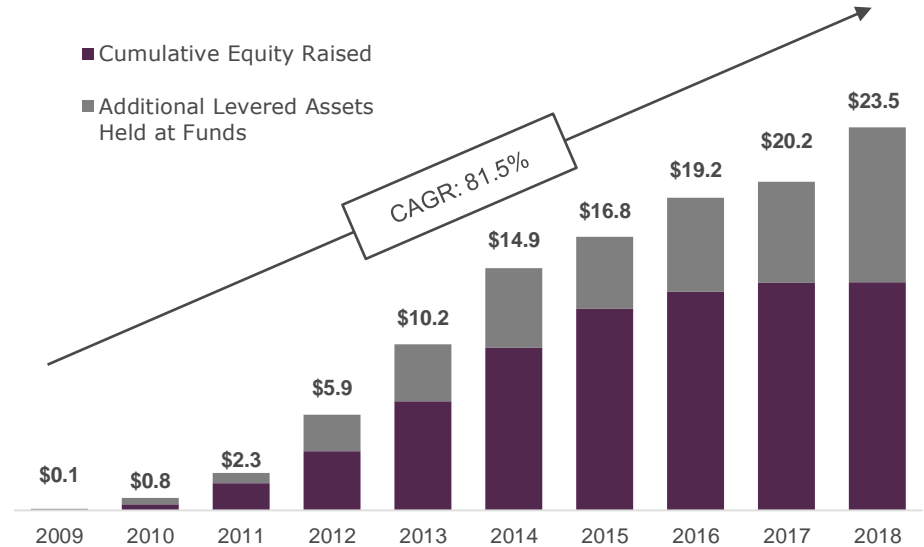
(1) As of March 31, 2019. Please see Important Information for important information regarding the calculation of AUM.
 (2) As of March 31, 2019. Includes legacy investments in KKR Financial Holdings LLC, a specialty finance vehicles listed on the New York Stock Exchange and various collateralized loan obligation vehicles.
 (3) Leveraged Credit AUM is inclusive of strategy assets for revolving credit.

FS – A Leading \$24B Alternative Asset Manager

Firm Overview

- Founded in 2007
- 12 investment vehicles across 6 institutional partners, and an in-house opportunistic credit team
- 300+ employees and 40+ investment professionals across 3 offices
- **Strong capital raising capabilities:** Distribution network that has raised more than \$14 billion of equity
 - Active dialogue with 19,000 advisors who cover 300,000+ investors

Growth in Assets Under Management



Top Institutional Manager Relationships

KKR

MAGNETAR CAPITAL

GoldenTree
ASSET MANAGEMENT LP

EIG
GLOBAL ENERGY PARTNERS

Rialto
CAPITAL MANAGEMENT

W Wilshire

FS/KKR Platform Positioned to Deliver Value for Investors

Focused on upper end of middle market while offering holistic solutions for underserved and mispriced asset classes

- 1** Scale can provide distinct competitive advantages
 - 2** Exemptive relief where KKR Credit platform can provide access to institutional deal flow and resources
 - 3** Flexible product offering makes FS/KKR a lender of choice among borrowers
 - 4** Differentiated asset based finance capabilities seek to drive earnings through expanded use of 30% basket
 - 5** Ability to increase leverage in attempt to optimize liability structure
-

Investment Process

Investment Process Leverages Best Practices of KKR and FS

Deep sourcing footprint, disciplined underwriting, and focus on protection downside drives rigorous investment process

Investment Process

Origination

- Dedicated ~120 KKR Credit investment professionals source and vet opportunities ⁽¹⁾
- Leverage deep expertise across KKR and 150+ sponsor relationships to generate significant deal flow
- Wide funnel allows for increased selectivity, with ~1,250 opportunities evaluated in 2018

Screening

- Deal team prepares initial investment memo highlighting opportunity
- FS and KKR provide feedback and identify additional diligence items, key risks, and areas of focus

Underwriting

- “PE-style” due diligence standard – Rigorous, consistent, repeatable underwriting process; focus on documentation and structural protections
- Fundamental credit investment philosophy based on deep credit underwriting and meticulous financial analysis
- Assets receive final approval from both KKR Credit and FSK investment committees

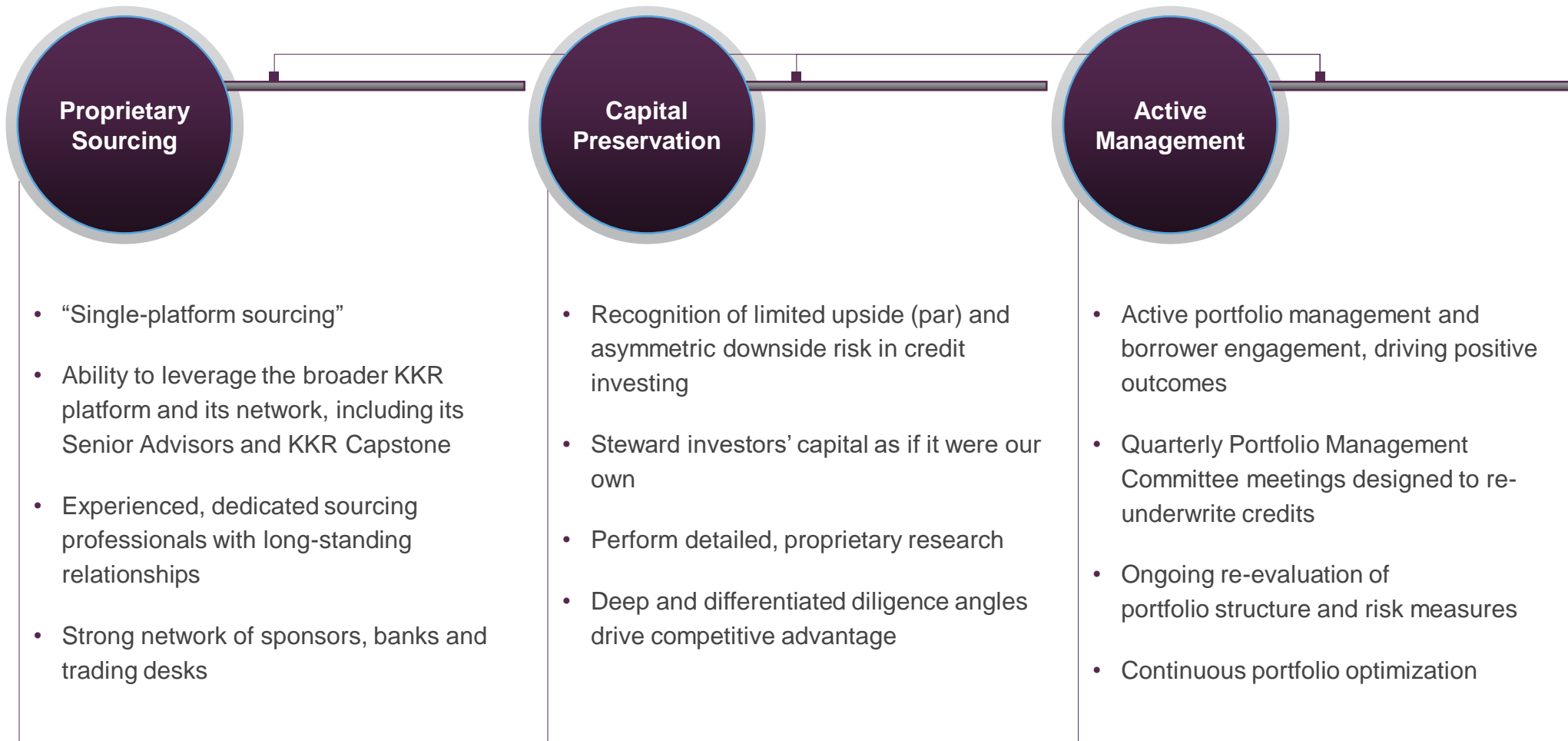
Monitoring

- KKR’s differentiated Portfolio Monitoring Unit monitors and reports on all assets, providing an analytical and proactive approach to Private Credit portfolio management
- Portfolio re-underwritten and reviewed quarterly by FS and KKR
- Deal team continues to engage borrowers and companies to stay current

Note: For illustrated purposes only
(1) As of March 31, 2019

Our Investment Philosophy

FSK utilizes a fundamental investment approach and leverages proprietary resources to seek out long-term capital appreciation and attractive risk-adjusted returns



Note: Portfolio managers may use some or all of the techniques described above or herein. KKR Capstone is not an affiliate or subsidiary of KKR.

Selective Origination

Wide origination network creates compelling deal flow which enables us to be highly selective in execution of opportunities

- KKR Credit is well resourced to originate, with ~120 dedicated private credit and capital markets professionals
- Given our thorough underwriting process, the transaction rate in our private credit strategies is typically less than 5%

Deal sourcing history⁽¹⁾

2016	2017	2018	Q1 2019 Annualized
~700 Evaluated	~760 Evaluated	~1,250 Evaluated	~1,200 Evaluated
~160 Discussed in Investment Committee	~175 Discussed in Investment Committee	~210 Discussed in Investment Committee	~220 Discussed in Investment Committee
37 Funded	39 Funded	39 New Deals Closed ⁽²⁾	24 New Deals

Strong, continuing pipeline feeds comprehensive credit selection process

(1) Number of deals funded includes new investments made across our private credit funds as well as portfolios and excludes add-ons.

(2) Includes two private opportunities credit investments that closed in Q4 2018 but were funded in Q1 2019.

Experienced Investment Committee Screens All Credits

Unanimous consent of all IC members required to approve BDC investments



Mike Kelly
President and
Chief Investment
Officer, FS



Brian Gerson
Head of Private
Credit, FS



Todd Builione
President,
KKR Credit &
Markets



Daniel Pietrzak
Co-Head of
KKR Private Credit



Drew O'Toole
Executive Director,
FS



Sean Coleman
Chief Credit Officer,
FS



Ryan Wilson
Director,
KKR Private Credit














Cathy Madigan
Managing Director,
KKR Private Credit

Middle Market Landscape

FSK Focused on the Upper Middle Market Segment

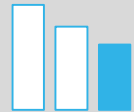
KKR is able to write checks of up to \$1 billion, allowing it to focus on the less competitive upper middle market space

	Lower middle market	Mid middle market	Upper middle market	Broadly syndicated loans
Competitive dynamics	Heavy Competition	Moderate Competition	Less Competition	Heavy Competition
EBITDA	< \$25 million	\$25 – 50 million	\$50 – 100 million	\$250+ million
Security interest	Senior secured; meaningful covenants			Senior secured; "covenant-lite"
Diligence / monitoring	Access to management team and sponsor; monthly reporting			Limited diligence; quarterly reporting
Competitive landscape	Small BDCs   	BDCs, loan fund managers    	   	Large banks Broadly Syndicated CLOs Insurance companies

Overview of the U.S. Middle Market



200,000
Businesses⁽¹⁾



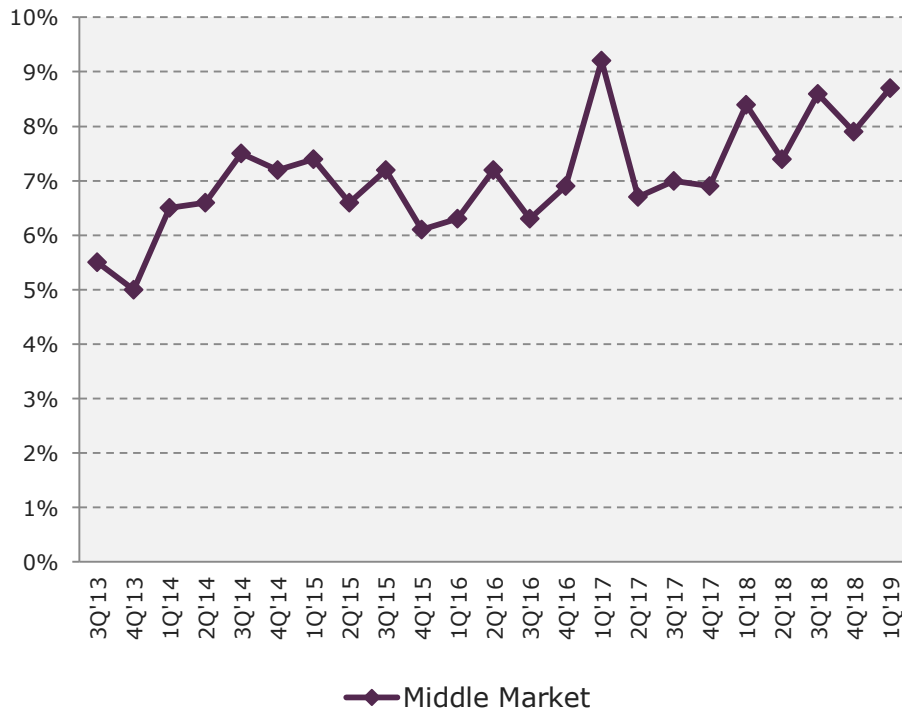
3rd Largest Global
Economy⁽¹⁾



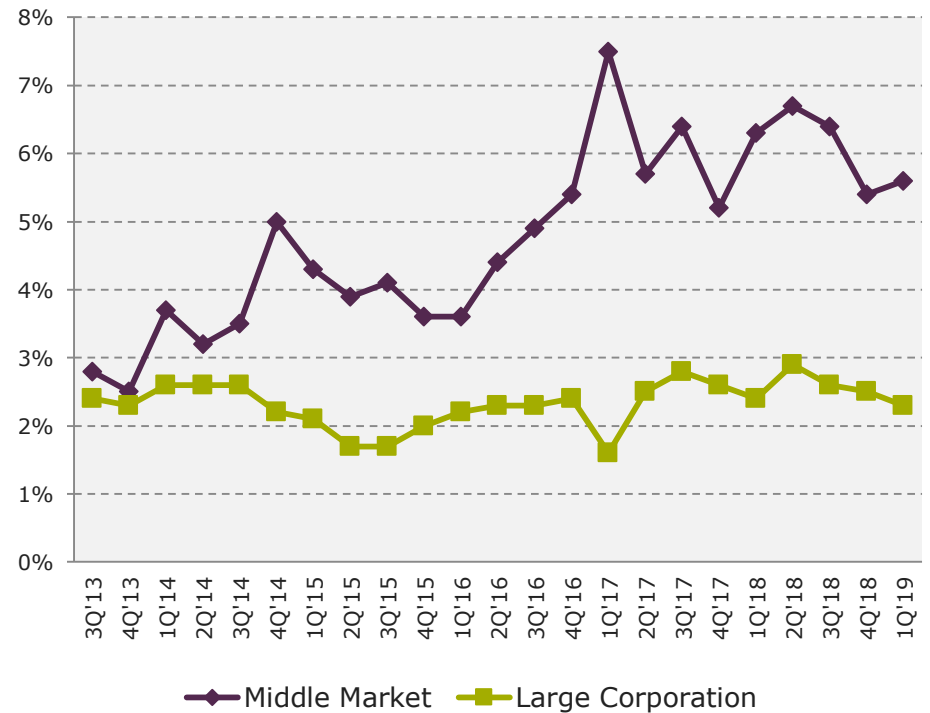
1/3 of Private
Sector GDP and
Employment⁽¹⁾

Stable Earnings and Continued Employment Growth⁽¹⁾

LTM Revenue Growth



LTM Employment Growth



1. Data as of March 31, 2019, from the National Center for the Middle Market. The survey was designed to accurately reflect the nearly 200,000 U.S. businesses with revenues between \$10 million and \$1 billion, the lower and upper limits on annual middle market revenue.

We Believe FSK is Positioned to Take Advantage of Market Trends

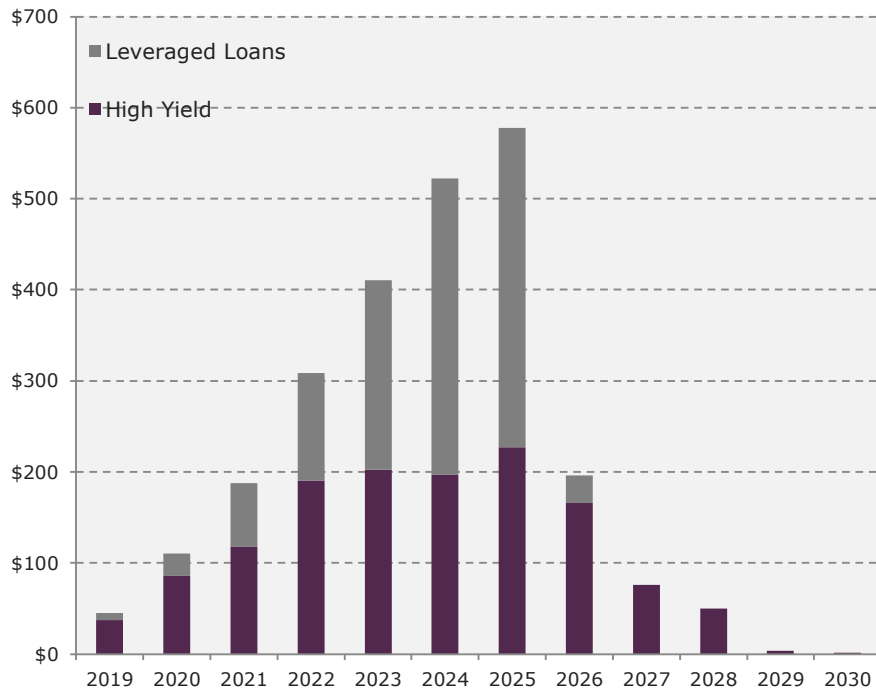
Unparalleled scale and diversification drive differentiated lending capabilities

- Middle Market sponsors increasingly look for lenders that are able to provide comprehensive, diversified financing solutions
- Scale enables the broader FS / KKR platform to underwrite and hold larger investment sizes

Companies and Sponsors Continue to Need Capital

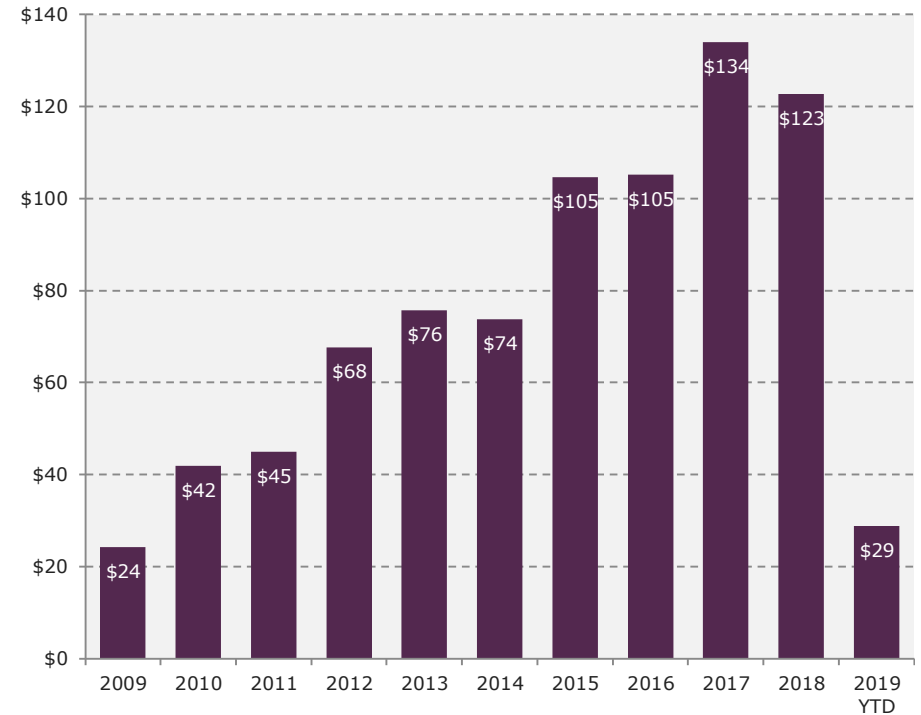
Private Equity Dry Powder: ~\$725 billion of un-invested private equity capital commitments seeking transactions⁽¹⁾

Estimated Maturity Profile of High Yield and Leveraged Loans, \$bn



Driving Growth in the Private Credit Marketplace

Historical Private Debt Fundraising, \$bn⁽²⁾



1. S&P LCD High Yield Interactive Report as of March 31, 2019.
 2. Prequin website as of May 2019.

First Quarter 2019 Financial Results

Summary of Quarterly Results

First Quarter Performance	<ul style="list-style-type: none">• Net investment income (NII) for the quarter ended March 31, 2019 was \$95.1 million, or \$0.18 per share, as compared to \$52.5 million, or \$0.19 per share, for the quarter ended December 31, 2018.• Net realized and unrealized gains on investments of \$6 million, or \$0.01 per share, for the quarter ended March 31, 2019. This compares to net realized and unrealized losses on investments of \$172 million, or \$0.62 per share, for the quarter ended December 31, 2018.
NAV Per Share	<ul style="list-style-type: none">• Net asset value (NAV) per share as of March 31, 2019 was \$7.86, compared to \$7.84 as of December 31, 2018.
Dividend	<ul style="list-style-type: none">• FSK paid a regular dividend of \$0.19 per share for the first quarter of 2019.• FSK's Board of Directors has declared a regular dividend of \$0.19 per share for the second quarter of 2019.• For the quarter ended March 31, 2019, the NII / Dividend coverage ratio was 95%.⁽¹⁾
Investment Activity	<ul style="list-style-type: none">• New investment fundings in the first quarter were approximately \$549 million. Net investment activity in the first quarter was positive \$39 million on a gross basis, and positive \$121 million, net of \$82 million of sales to SCJV.• As of March 31, 2019, 90% of total investments at fair value were in Direct Originations.⁽²⁾
Portfolio Diversification	<ul style="list-style-type: none">• Diversified \$7.4 billion portfolio with 186 portfolio companies spread across 24 industries and 7 asset classes.• Exposure to the top ten largest portfolio companies by fair value was 20% as of March 31, 2019• The average position size was 0.5% of fair value as of March 31, 2019.
Buyback Activity	<ul style="list-style-type: none">• Executed approximately \$56 million of the \$200 million share buyback program as of May 7, 2019.• Named officers and board members have purchased approximately \$2.8 million of FSK shares year-to-date as of May 7, 2019.

1. There were no adjustments to NII in the quarter ended March 31, 2019. See the Appendix for the reconciliation between NII and Adjusted NII for historical periods.

2. Direct Originations are defined as investments where FS/KKR Advisor, LLC (Advisor) or its affiliates negotiates the terms of the transaction beyond just the price, which, for example, may include negotiating financial covenants, maturity dates or interest rate terms or where we participate in other originated investment where there may be third parties involved, or a bank acting as an intermediary, for a closely held club, or similar investment.

Financial Results

<i>(Dollar amounts in millions, except per share data)</i>	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
NII per share	\$0.18	\$0.19	\$0.23	\$0.19	\$0.21
Adjusted NII per share ⁽¹⁾	\$0.18	\$0.21	\$0.24	\$0.19	\$0.21
Net realized and unrealized gains (losses) per share ⁽²⁾	\$0.01	(\$0.62)	(\$0.28)	(\$0.32)	(\$0.15)
Net increase (decrease) in net assets resulting from operations (earnings per share) ⁽²⁾	\$0.19	(\$0.43)	(\$0.05)	(\$0.13)	\$0.05
Stockholder distributions per share	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19
Special stockholder distributions per share	-	\$0.09	-	-	-
Net asset value per share at period end	\$7.86	\$7.84	\$8.64	\$8.87	\$9.16
Weighted average shares outstanding (in millions)	527.5	277.3	239.5	242.8	245.7
Shares outstanding, end of period (in millions)	524.1	531.5	239.2	240.6	245.6
Total assets	\$7,733	\$7,705	\$3,699	\$3,883	\$4,058
Cash ⁽³⁾	\$92	\$104	\$99	\$195	\$210
Total debt ⁽⁴⁾	\$3,405	\$3,397	\$1,557	\$1,636	\$1,722
Debt-to-equity, Net ⁽⁵⁾	0.80x	0.79x	0.70x	0.67x	0.67x
Adjusted NII / total recurring dividend	95%	109%	123%	100%	108%

1. The following adjustments have been reflected: i) removes impact of one time refinancing expenses in Q3 2018 and ii) removes excise tax paid in Q4 2018. See the Appendix for the reconciliation between NII and Adjusted NII.
2. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT. See FSK's Annual Report on Form 10-K for additional information.
3. Includes cash and cash denominated in foreign currency.
4. Principal amount outstanding.
5. Computed as total principal debt outstanding less cash divided by stockholders' equity.

Portfolio Highlights

<i>(Dollar amounts in millions)</i>	As of and for Three Months Ended				
	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
Investment at Fair Value:					
First Lien Senior Secured Loans	54.2%	54.2%	69.5%	67.2%	65.2%
Second Lien Senior Secured Loans	15.7%	15.1%	3.9%	3.6%	3.9%
Other Senior Secured Debt	3.7%	4.6%	5.2%	5.1%	4.3%
Subordinated Debt	5.4%	5.8%	5.3%	8.2%	9.3%
Asset Based Finance	9.1%	8.9%	5.6%	5.4%	5.0%
Strategic Credit Opportunities Partners	4.1%	4.0%	0.0%	0.0%	0.0%
Equity/Other	7.8%	7.4%	10.4%	10.6%	12.3%
Total Investments	\$7,440	\$7,387	\$3,537	\$3,623	\$3,804
% Non-Income Producing Investments – FV ⁽¹⁾	8.1%	9.4%	10.7%	9.6%	10.1%
Number of portfolio companies ⁽²⁾	186	204	92	109	94
Interest Rate Type: ⁽³⁾					
% Floating Rate	81.9%	79.8%	80.7%	78.1%	79.0%
% Fixed Rate	18.1%	20.2%	19.3%	21.9%	21.0%
Net Interest Margin:					
Weighted average annual yield on accruing debt investments ⁽⁴⁾	10.8%	10.8%	11.1%	11.1%	10.8%
Weighted average interest rate on borrowings	4.6%	4.6%	4.4%	4.4%	4.4%

1. Combines Non-Income Producing Investments and Investments on Non-Accrual based on fair value (FV). See FSK's Quarterly Report on Form 10-Q for additional information.

2. Does not look through to FSK's portfolio companies held solely in Strategic Credit Opportunities Partners, LLC (SCJV). SCJV is a joint venture between FSK and Conway Capital, an affiliate of Guggenheim Life and Annuity Company and Delaware Life Insurance Company.

3. Represents interest rates on Debt Investments (see FSK's Quarterly Report on Form 10-Q for the definition of Debt Investments) at US\$ Fair Value FV. Floating includes variable interest rates on asset back finance investments that can change quarter to quarter.

4. See FSK's Quarterly Report on Form 10-Q for additional information on the calculation of weighted average annual yield on accruing debt investments.

Net Asset Value Bridge – Q1 2019

Q1 2019⁽¹⁾



1. Per share data derived using the weighted average shares outstanding during the period

Portfolio Highlights

Portfolio Highlights

186

portfolio companies¹

20%

FV in top-10 portfolio companies²

74%

of investments in senior secured debt²

\$54M / 5.1x

Median portfolio company EBITDA & Leverage⁴

82%

of debt investments are floating rate

10.8%

Wtd. avg. annual yield on accruing debt investments³

0.4%

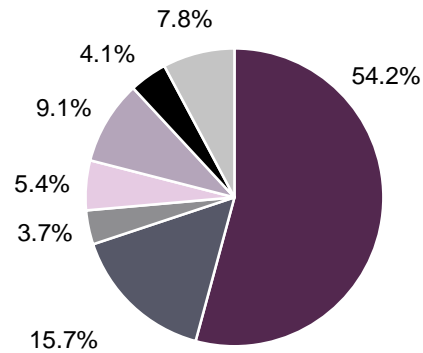
Non-accrual rate at FV

85%

Lead, co-lead, or sole lender⁴

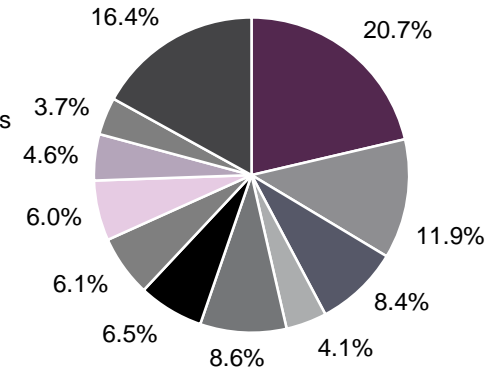
Security Exposure

- 1st Lien Loan - Senior Secured
- 2nd Lien Loan - Senior Secured
- Other Senior Secured
- Subordinated Debt
- Asset Based Finance
- SCJV
- Equity / Other



Sector Exposure Across Top 10 Industries

- Capital Goods
- Software & Services
- Diversified Financials
- Strategic Credit Opportunities Partners
- Health Care Equipment & Services
- Retailing
- Commercial & Professional Services
- Consumer Durables & Apparel
- Materials
- Energy
- Other (14 industries)



Note: All stats as of March 31, 2019 unless otherwise noted.

1. Does not look through to FSK's portfolio companies held solely in SCJV.

2. Figure excludes the impact of FSK's investment in SCJV.

3. See FSK's Quarterly Report on Form 10-Q for additional information on the calculation of weighted average annual yield on accruing debt investments.

4. Figure based on FV of Direct Origination investments only.

FSK's Targeted Investments

Product Solutions

- Senior Secured Loans
 - *First Lien*
 - *Second Lien*
- Asset Based Finance
- Subordinated Debt
- Equity

Investment Size

- EBITDA Range
 - \$25 - \$100mm+
- Transaction Size
 - \$50mm+

Uses of Capital

- Growth
- Acquisitions
- Product Expansion
- Restructurings
- Recapitalizations
- Refinancing

Diversified Solutions Provider by Industry

- Capital Goods
- Software & Services
- Diversified Financials
- Retailing
- Consumer Durables
- Materials
- Energy
- Other (17 industries)

Q1 2019 Select Transactions⁽¹⁾

New Origination



\$127mm

Lead Investor

New Origination



\$169mm

Joint Investor

New Origination



\$89mm

Lead Investor

1. Dollar amounts listed above for Select Transactions reflective of FSK's total allocation including unfunded commitments to each respective investment. Excludes: (i) amounts allocated to other investment vehicles managed by KKR, and (ii) syndicated capital.

Portfolio Highlights – Net Investment Activity

Portfolio Roll (\$ in millions)	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Investment Purchases	\$549	\$220	\$184	\$240	\$116
Sales and Redemptions ⁽¹⁾	(510)	(397)	(223)	(350)	(216)
Net Investment Activity	\$39	(\$177)	(\$39)	(\$110)	(\$100)
Net Sales to SCJV	82	44	-	-	-
Adjusted Net Investment Activity	\$121	(\$133)	(\$39)	(\$110)	(\$100)

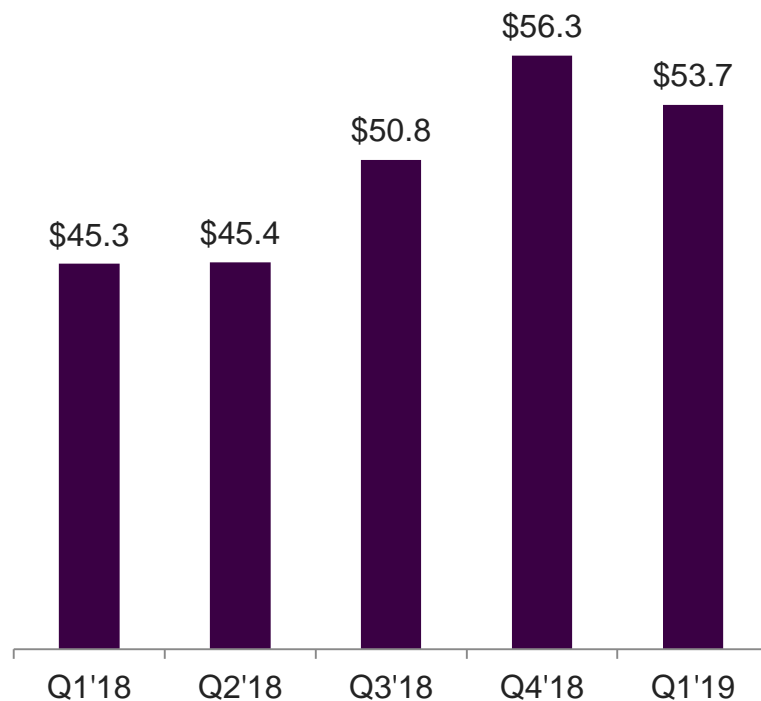
Asset Mix of New Purchases ⁽²⁾	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
First Lien Senior Secured Loans	59%	71%	78%	62%	85%
Second Lien Senior Secured Loans	25%	29%	18%	8%	4%
Other Senior Secured Debt	0%	0%	2%	15%	6%
Subordinated Debt	10%	0%	1%	2%	3%
Asset Based Finance	4%	0%	1%	0%	0%
Investment in SCJV	0%	0%	0%	0%	0%
Equity/Other	2%	0%	0%	13%	2%

1. Includes net sales to SCJV.

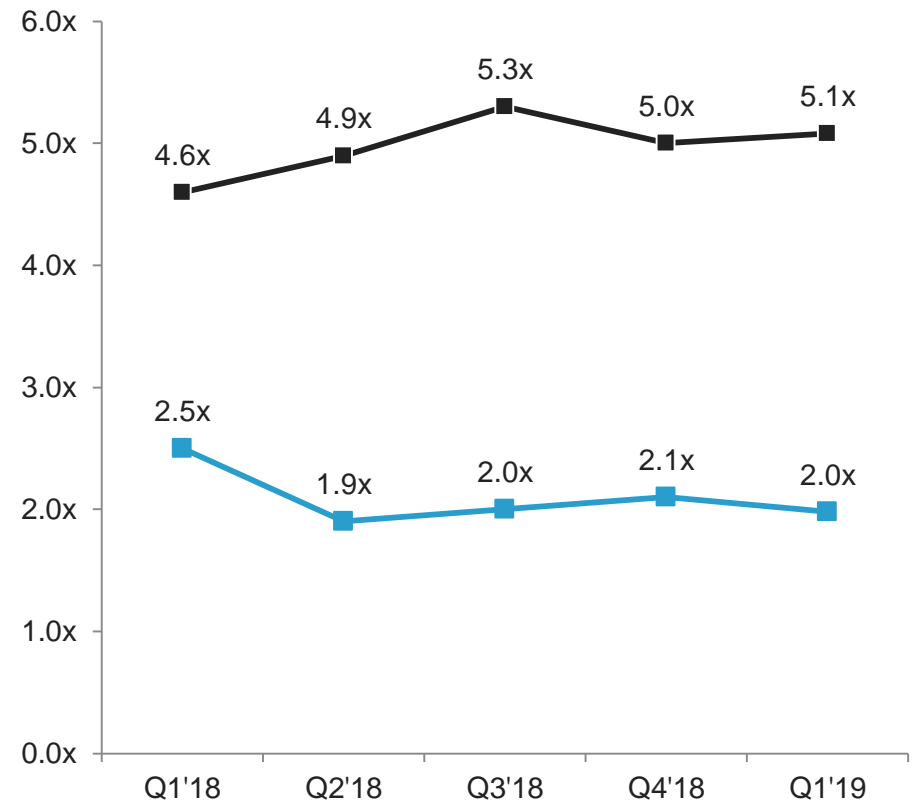
2. Zero represents an amount less than 0.5%.

Direct Origination Investments EBITDA and Credit Statistics

Direct Origination Portfolio Company
Median EBITDA



Direct Origination Portfolio Company
Coverage Ratios



—■— Median Leverage Coverage Multiple

—■— Median Interest Coverage Ratio

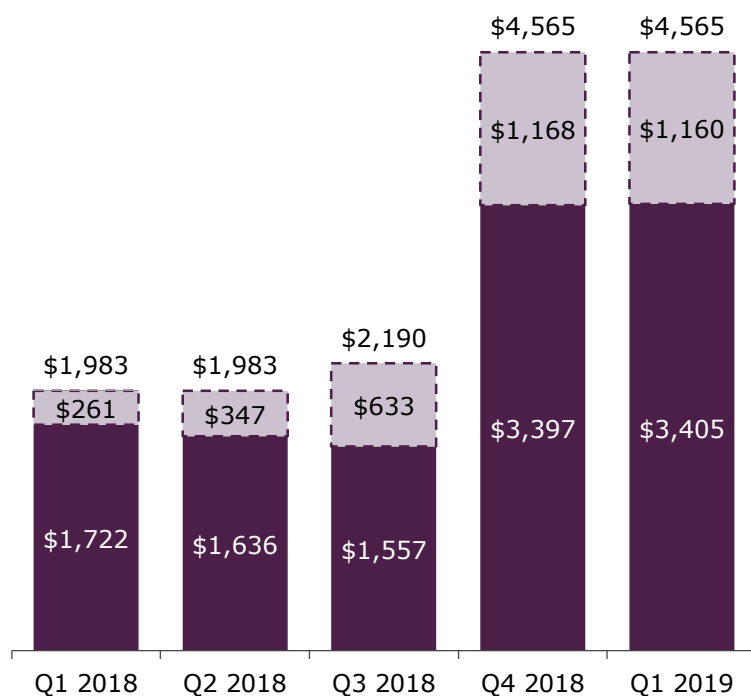
Note: Information based on most recently reported Direct Origination Investments financial information

Capital Structure

Funding and Liquidity Management

Leverage over Time

■ Principal Outstanding □ Capacity



Cash (mm)⁽¹⁾	\$215.1	\$200.1	\$100.0	\$104.0	\$92.0
Net Debt / Equity⁽²⁾	0.67x	0.67x	0.70x	0.79x	0.80x

Key Funding Vehicles (\$mm)

Funding Source	Committed	Principal Outstanding	Undrawn	Maturity	Wtd. Avg. Rate ⁽³⁾
4.00% Notes	\$400	\$400	-	7/15/19	4.00%
4.25% Notes	405	405	-	1/15/20	4.25%
JPM – Prepayable	325	268	57	1/31/21	5.09%
4.75% Notes	275	275	-	5/15/22	4.75%
5.00% Notes	245	245	-	6/28/22	5.00%
JPM – Extended	400	400	-	9/28/22	5.09%
SMBC Revolver	300	50	250	12/2/22	4.34%
Syndicated RCF	2,215	1,362	853	8/9/23	4.59%
Total	\$4,565	\$3,405	\$1,160		4.62%

Maturity Profile (\$mm)



FSK's SCJV Offers Key Investor Benefits

FSK's joint venture with Conway Capital⁽¹⁾

- **Primarily senior secured assets**
- **Key Portfolio Benefits**
 - Allows FSK to access the full capabilities of KKR
 - Yield enhancing
- **Key Terms of the Partnership**
 - FSK and Conway share voting control 50% / 50%
 - Equity ownership 87.5% FSK / 12.5% Conway
 - Advisor provides day-to-day administrative oversight

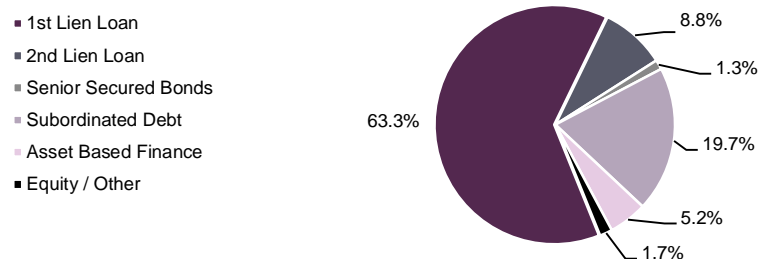
March 31, 2019 update:

- **Portfolio**
 - Fair value of investments was \$657mm
- **Key stats**
 - NAV of \$345mm (FSK's equity of SCJV was \$303mm)
 - 0.93x net debt-to-equity ratio⁽²⁾
 - \$7.3mm total dividend paid in Q1 compared to \$7.8mm total dividend paid in Q4
 - Net income was \$9.2mm, resulting in a projected Q2 2019 dividend of \$8.0mm to FSK

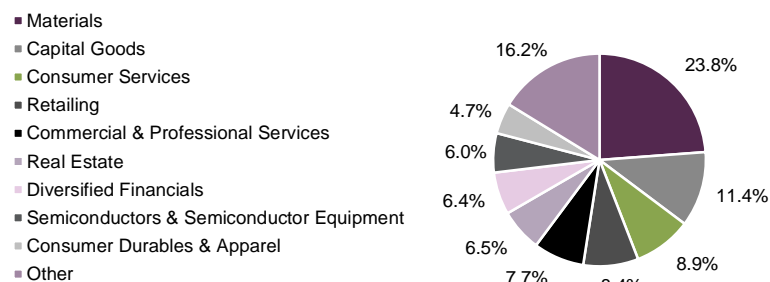
1. Conway Capital is an affiliate of Guggenheim Life and Annuity Company and Delaware Life Insurance Company.

2. Computed as total principal debt outstanding less cash +/- unsettled trades divided by stockholders' equity.

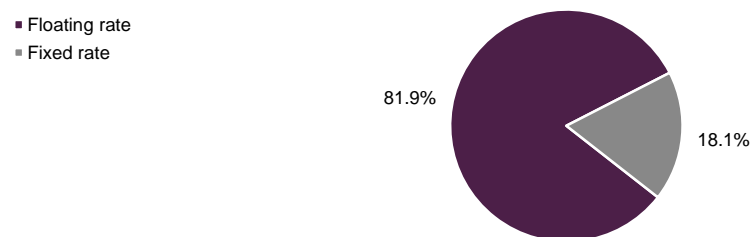
Security Exposure



Sector Exposure



Fixed / Floating – Debt Investments



Appendix

Quarterly Gain/Loss Information

	For The Three Months Ended				
	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
<i>(Dollar amounts in millions, except per share data)</i>					
Realized gain/loss					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	(\$15)	(\$177)	\$24	\$41	(\$4)
Non-controlled affiliated investments	-	1	-	(10)	-
Controlled/affiliated investments	(3)	0	-	-	-
Net realized gain (loss) on swap contracts	1	-	-	-	-
Net realized gain (loss) on foreign currency	2	0	6	-	-
Total net realized gain (loss)	(\$15)	(\$176)	\$30	\$31	(\$4)
Unrealized gain/loss					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	(\$30)	\$154	(\$104)	(\$81)	(\$17)
Non-controlled affiliated investments	53	(38)	8	(21)	(6)
Controlled/affiliated investments	(7)	(101)	6	(8)	(10)
Net change in unrealized appreciation (depreciation) on swap contracts	4	(16)	-	-	-
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	1	3	-	-	-
Net change in unrealized appreciation (depreciation) on secured borrowing	-	-	-	-	-
Net change in unrealized gain (loss) on foreign currency	-	2	(7)	2	(1)
Total net unrealized gain (loss)	\$21	\$4	(\$97)	(\$108)	(\$34)
Total net realized and unrealized gain (loss)⁽¹⁾	\$6	(\$172)	(\$67)	(\$77)	(\$38)

1. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT. See FSK's Annual Report on Form 10-K for additional information.

Operating Results

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
Total investment income	\$195	\$103	\$95	\$96	\$101
Net expenses	(100)	(43)	(39)	(50)	(50)
Net investment income before taxes	\$95	\$60	\$56	\$46	\$51
Excise taxes	-	(7)	-	-	-
GAAP Net investment income	\$95	\$53	\$56	\$46	\$51
Plus: excise taxes	-	7	-	-	-
Plus: one-time expenses ⁽¹⁾	-	-	1	-	-
Adjusted net investment income	\$95	\$60	\$57	\$46	\$51
Total net unrealized and realized gains (losses) ⁽²⁾	6	(172)	(67)	(77)	(38)
Net increase (decrease) in net assets resulting from operations	\$101	(\$119)	(\$11)	(\$31)	\$13
Per Share:					
Net investment income	\$0.18	\$0.19	\$0.23	\$0.19	\$0.21
Adjusted net investment income	\$0.18	\$0.21	\$0.24	\$0.19	\$0.21
Net increase (decrease) in net assets results from operations	\$0.19	(\$0.43)	(\$0.05)	(\$0.13)	\$0.05
Stockholder distributions	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19
Special distributions	-	\$0.09	-	-	-
Weighted average shares outstanding (millions)	527.5	277.3	239.5	242.8	245.7
Shares outstanding, end of period (millions)	524.1	531.5	239.2	240.6	245.6

1. FSK's one-time expenses for the three months ended September 30, 2018 were \$1 resulting from the acceleration of the remaining unamortized deferred financing costs associated with the closing of the Hamilton Street Credit Facility.

2. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT. See FSK's Annual Report on Form 10-K for additional information.

Operating Results Detail

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
Investment income:					
Interest income	\$158	\$83	\$75	\$81	\$78
Payment-in-kind interest income	16	16	14	11	13
Fee income	11	3	4	4	3
Total dividend and other income	10	2	-	-	7
Total investment income	\$195	\$103	\$95	\$96	\$101
Operating expenses:					
Investment advisory fees & expenses	29	16	15	16	16
Interest expense	43	22	21	21	20
Incentive fees	24	3	-	11	12
Other operating expenses	4	2	2	2	2
Total operating expenses	\$100	\$43	\$38	\$50	\$50
Net investment income before taxes	95	60	56	46	51
Income taxes, including excise taxes	-	(7)	-	-	-
Net investment income	\$95	\$53	\$56	\$46	\$51
Total net unrealized and realized gains (losses) ⁽¹⁾	6	(172)	(67)	(77)	(38)
Net increase in net assets resulting from operations	\$101	(\$119)	(\$11)	(\$31)	\$13

1. Excludes the impact of \$717 million of unrealized appreciation resulting from the merger with CCT. See FSK's Annual Report on Form 10-K for additional information.

Operating Statement of Financial Condition

<i>(Dollar amounts in millions, except per share data)</i>	As of				
	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
Assets					
Total investments, at fair value	\$7,440	\$7,387	\$3,537	\$3,627	\$3,804
Cash	86	101	99	195	210
Foreign currency, at fair value	6	3	1	6	5
Receivable for investments sold and repaid	123	144	28	20	1
Income receivable	65	60	23	32	32
Unrealized appreciation on foreign currency forward contracts	4	3	-	-	-
Deferred financing costs	6	6	6	3	3
Deferred merger costs	-	-	3	-	-
Prepaid expenses and other assets	3	1	1	1	2
Total Assets	\$7,733	\$7,705	\$3,699	\$3,883	\$4,058
Liabilities					
Payable for investments purchased	\$15	\$6	\$1	\$22	\$0
Credit facilities payable	2,076	2,070	475	554	639
Unsecured notes payable	1,322	1,321	1,076	1,075	1,074
Unrealized depreciation on derivative instruments	12	16	-	-	-
Shareholders' distributions payable	100	45	45	46	47
Interest Payable	26	28	18	23	18
Other liabilities ⁽¹⁾	62	53	17	28	30
Total Liabilities	\$3,613	\$3,539	\$1,632	\$1,748	\$1,808
Total Net Assets	\$4,120	\$4,166	\$2,067	\$2,135	\$2,250
Net Asset Value per Share	\$7.86	\$7.84	\$8.64	\$8.87	\$9.16

1. Includes accrued performance-based incentive fees, accrued investment advisory fees, accrued directors' fees, administrative expenses payable and deferred tax liabilities.

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Certain figures in this presentation have been rounded.

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Target returns are hypothetical in nature and are shown for illustrative, informational purposes only. This summary is not intended to forecast or predict future events, but rather to indicate the returns for the asset classes indicated herein that KKR Credit has observed in the market generally over the course of an investment cycle. It does not reflect the actual or expected returns of any potential investment of the Fund and does not guarantee future results. The target returns are based upon KKR Credit's view of the potential returns for investments to be made by the Fund, are not meant to predict the returns of the Fund, and are subject to the following assumptions: KKR Credit considers a number of factors, including, for example, observed and historical market returns relevant to the applicable asset class available for investment to the Fund, projected cash flows, relevant other market dynamics (including interest rate and currency markets), anticipated leverage, and liquidity constraints. Certain of the assumptions have been made for modeling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Changes in the assumptions may have a material impact on the projected returns presented. Unless otherwise indicated, all data is shown before management fees, incentive fees, applicable expenses, taxes and does not account for the effects of inflation. Management fees, incentive fees and potential expenses are not considered and would reduce returns. Actual results experienced by investors may vary significantly from the target returns shown. Target Returns May Not Materialize.

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In addition, such target returns do not reflect the actual or expected returns of any portfolio strategy. Such target returns are based on KKR Credit's belief about the returns that may be achievable on investments that the Strategy intends to pursue in light of the experience of KKR and KKR Credit with similar investments historically, their view of current market conditions, potential investment opportunities that KKR Credit is currently or has recently reviewed, availability of financing and certain assumptions about investing conditions and market fluctuation or recovery. Targeted returns on specific investments are based on models, estimates and assumptions about performance believed to be reasonable under the circumstances. There is no guarantee that the facts on which such assumptions are based will materialize as anticipated, that market conditions will not deteriorate or that investment opportunities satisfying the Strategy's targeted returns will be available. Any changes in such assumptions, market conditions or availability of investments may have a material impact on the target return presented. Actual events and conditions may differ materially from those used to establish target returns. Any target return is hypothetical and is not a guarantee of future performance. Target gross returns for individual investments may be greater or less than the Strategy's overall target gross or net returns. Prospective investors should note that the targeted gross returns do not account for the effects of inflation and do not reflect the management fees, "carried interest," taxes, transaction costs and other expenses that will be borne by investors in the Fund, which will reduce returns and, in the aggregate, are expected to be substantial. Targeted returns are subject to significant economic, market and other uncertainties that may adversely affect the performance of any investments. Prospective investors are encouraged to contact the representatives of KKR Credit to discuss the procedures and methodologies (including assumptions) used to calculate the Fund's targeted returns.

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References to "assets under management" or "AUM" represent the assets managed by KKR or its strategic partners as to which KKR is entitled to receive a fee or carried interest (either currently or upon deployment of capital) and general partner capital. KKR calculates the amount of AUM as of any date as the sum of: (i) the fair value of the investments of KKR's investment funds; (ii) uncalled capital commitments from these funds, including uncalled capital commitments from which KKR is currently not earning management fees or carried interest; (iii) the fair value of investments in KKR's co-investment vehicles; (iv) the par value of outstanding CLOs (excluding CLOs wholly-owned by KKR); (v) KKR's pro-rata portion of the AUM managed by strategic partnerships in which KKR holds a minority ownership interest and (vi) the fair value of other assets managed by KKR. The pro-rata portion of the AUM managed by strategic partnerships is calculated based on KKR's percentage ownership interest in such entities multiplied by such entity's respective AUM. KKR's calculation of AUM may differ from the calculations of other asset managers and, as a result, KKR's measurements of its AUM may not be comparable to similar measures presented by other asset managers. KKR's definition of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts that it manages and is not calculated pursuant to any regulatory definitions.

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References in this presentation to "Gross IRR" are to the internal rate of return or multiple of invested capital, respectively, calculated at investment level, and thus do not take into consideration the payment of applicable management fees, carried interest, transaction costs, borrowing costs and other expenses borne by the relevant KKR investment, which will have a material impact on returns. In the case of unrealized investments, the gross returns are based on internal valuations by KKR of unrealized investments as of the applicable date. The actual realized returns on such unrealized investments will depend on, among other factors, future operating results, the value of the assets, and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in the prior performance data contained herein are based. Accordingly, the actual realized return of these unrealized investments may differ materially from the returns indicated herein.

References to "Net IRR" are to the internal rate of return calculated at fund level, after payment of applicable management fees, organizational expenses and carried interest but do not reflect transaction costs that would be incurred in connection with the disposition of unrealized investments if realized. Internal rates of return are computed on a "dollar-weighted" basis, which takes into account the timing of cash flows, the amounts invested at any given time, and unrealized values as of the relevant valuation date. Multiples of invested capital referred to in this presentation have been calculated based on figures for the cost and total value of KKR fund investments that have been rounded to the nearest \$100,000. It should be noted that each of KKR Lending Partners L.P. ("KKRLP I") and KKR Lending Partners II L.P. ("KKRLP II") utilizes an asset line credit facility primarily for purposes of long term financing of investments. The performance information with respect to KKRLP I and KKRLP II contained herein reflects the positive impact of such leverage. In this regard, prospective investors should note that the Fund's performance is expected to be lower to the extent that the Fund does not utilize a similar leverage strategy or is unable to obtain similar financing arrangements. Moreover, the management fee terms for the Fund are expected to be different than those of KKRLP I. Accordingly, the differential between gross performance and net performance of the Fund may be materially different from KKRLP I.

Important Information

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The statistical data included in this presentation regarding the indices has been obtained from sources believed to be reliable. The market index returns assume that on the day a portfolio investment is made, a hypothetical investment in a matching amount is made in the index. For each date on which either a portion or all of the portfolio investment is sold, a hypothetical index multiple (factor) is calculated by comparing the change in index value between the two dates. The cost of the investment sold (or portion of cost sold) is multiplied by this factor, resulting in a hypothetical index value. The return is calculated using these dates of investment and hypothetical value(s) generated. Index returns assume reinvestment of dividends and do not reflect any fees or expenses associated with a private fund. The indices are presented for comparison purposes only and should not be relied upon. All index performance is dated as of the date indicated herein. The index is presented for comparison purposes only and should not be relied upon. All index performance is dated as of the date indicated herein.

- The S&P LSTA US Leveraged Loan Index is a daily tradable index for the U.S. loan market that seeks to mirror the market-weighted performance of the largest institutional loans that meet the inclusion criteria and that have marks from the LSTA/LPC mark-to-market service. The inclusion criteria consist of the following: i) syndicated term loan instruments consisting of term loans (both amortizing and institutional), acquisition loans (after they are drawn down) and bridge loans; ii) secured; iii) U.S. dollar denominated; iv) minimum term of one year at inception; and v) minimum initial spread of LIBOR plus 1.25%.
- The Barclays Aggregate Bond Index is a broad-based benchmark that measures the investment grade, fixed-rate bond market, such as Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS.

The performance shown herein is not the performance of the Fund and is not an indication of how the Fund would have performed in the past or will perform in the future. The Fund's performance in the future will be different from the performance shown due to factors including, but not limited to, differences in cash flows, expenses, performance calculation methods, and portfolio sizes and composition. The performance presented reflects the performance of all investments made or committed to under KKRLP I and KKRLP II utilizing a strategy substantially similar to that which will be utilized for the Fund. Characteristics and other information regarding KKRLP I and KKRLP II are not characteristics of the Fund and are not an indication of how the Fund would have performed in the past or will perform in the future. While the Fund will utilize a strategy substantially similar to that of KKRLP I and KKRLP II, the Fund's characteristics may be different from the characteristics of KKRLP I and KKRLP II due to factors including, but not limited to, portfolio size and composition. KKR believes, however, such characteristics to be relevant to investors considering an investment in the Fund to show the portfolio managers' experience implementing, and historical characteristics of, the Fund's anticipated investment strategy. Further, the investment performance of KKRLP I and KKRLP II is not representative of all originated senior debt investments made, sold or recommended by KKR. It should be noted that other investment vehicles and proprietary accounts of KKR have made originated senior debt and other investments that may have been appropriate for the Fund and are not presented herein.