

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

- ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2020

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
- COMMISSION FILE NUMBER: 814-00757

FS KKR Capital Corp.

(Exact name of registrant as specified in its charter)

Maryland  
(State of Incorporation)

26-1630040  
(I.R.S. Employer Identification Number)

201 Rouse Boulevard  
Philadelphia, Pennsylvania  
(Address of principal executive offices)

19112  
(Zip Code)

Registrant’s telephone number, including area code: (215) 495-1150

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

Securities registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.001	FSK	New York Stock Exchange

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

There were 495,032,065 shares of the registrant’s common stock outstanding as of May 5, 2020.

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# PART I—FINANCIAL INFORMATION

## Item 1. Financial Statements.

### FS KKR Capital Corp.

#### Consolidated Balance Sheets (in millions, except share and per share amounts)

	March 31, 2020 (Unaudited)	December 31, 2019
<b>Assets</b>		
Investments, at fair value		
Non-controlled/unaffiliated investments (amortized cost—\$6,122 and \$6,006, respectively)	\$ 5,408	\$ 5,661
Non-controlled/affiliated investments (amortized cost—\$615 and \$686, respectively)	511	717
Controlled/affiliated investments (amortized cost—\$1,355 and \$1,117, respectively)	1,026	979
Total investments, at fair value (amortized cost—\$8,092 and \$7,809, respectively)	6,945	7,357
Cash	179	93
Foreign currency, at fair value (cost—\$14 and \$13, respectively)	14	13
Receivable for investments sold and repaid	204	657
Income receivable	79	82
Unrealized appreciation on foreign currency forward contracts	3	1
Deferred financing costs	10	10
Prepaid expenses and other assets	5	3
<b>Total assets</b>	<b>\$ 7,439</b>	<b>\$ 8,216</b>
<b>Liabilities</b>		
Payable for investments purchased	\$ 10	\$ 15
Debt (net of deferred financing costs of \$8 and \$9, respectively) <sup>(1)</sup>	4,238	4,173
Unrealized depreciation on foreign currency forward contracts	—	0
Stockholder distributions payable	95	96
Management fees payable	30	30
Subordinated income incentive fees payable <sup>(2)</sup>	—	—
Administrative services expense payable	2	3
Interest payable	32	23
Other accrued expenses and liabilities	4	10
<b>Total liabilities</b>	<b>4,411</b>	<b>4,350</b>
Commitments and contingencies <sup>(3)</sup>		
<b>Stockholders' equity</b>		
Preferred stock, \$0.001 par value, 50,000,000 shares authorized, none issued and outstanding	—	—
Common stock, \$0.001 par value, 750,000,000 shares authorized, 497,385,433 and 506,327,064 shares issued and outstanding, respectively	—	1
Capital in excess of par value	4,002	4,041
Retained earnings (accumulated deficit) <sup>(4)</sup>	(974)	(176)
<b>Total stockholders' equity</b>	<b>3,028</b>	<b>3,866</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 7,439</b>	<b>\$ 8,216</b>
Net asset value per share of common stock at period end	\$ 6.09	\$ 7.64

(1) See Note 9 for a discussion of the Company's financing arrangements.

(2) See Note 2 for a discussion of the methodology employed by the Company in calculating the subordinated income incentive fees.

(3) See Note 10 for a discussion of the Company's commitments and contingencies.

(4) See Note 5 for a discussion of the sources of distributions paid by the Company.

See notes to unaudited consolidated financial statements.

**FS KKR Capital Corp.**  
**Unaudited Consolidated Statements of Operations**  
**(in millions, except share and per share amounts)**

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Investment income</b>		
Interest income	\$ 125	\$ 153
Paid-in-kind interest income	11	8
Fee income	12	11
Dividend and other income	2	1
From non-controlled/affiliated investments:		
Interest income	3	2
Paid-in-kind interest income	5	4
Fee income	0	—
From controlled/affiliated investments:		
Interest income	3	3
Paid-in-kind interest income	—	4
Dividend and other income	18	9
Total investment income	<u>179</u>	<u>195</u>
<b>Operating expenses</b>		
Management fees	30	29
Subordinated income incentive fees <sup>(1)</sup>	—	24
Administrative services expenses	2	1
Accounting and administrative fees	1	0
Interest expense <sup>(2)</sup>	46	43
Other general and administrative expenses	2	3
Total operating expenses	<u>81</u>	<u>100</u>
Net investment income	<u>98</u>	<u>95</u>
<b>Realized and unrealized gain/loss</b>		
Net realized gain (loss) on investments:		
Non-controlled/unaffiliated investments	(92)	(15)
Non-controlled/affiliated investments	(34)	0
Controlled/affiliated investments	—	(3)
Net realized gain (loss) on swap contracts	—	1
Net realized gain (loss) on foreign currency forward contracts	—	—
Net realized gain (loss) on foreign currency	(4)	2
Net change in unrealized appreciation (depreciation) on investments:		
Non-controlled/unaffiliated investments	(367)	(30)
Non-controlled/affiliated investments	(137)	53
Controlled/affiliated investments	(191)	(7)
Net change in unrealized appreciation (depreciation) on swap contracts	—	4
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	2	1
Net change in unrealized gain (loss) on foreign currency	22	—
Total net realized and unrealized gain (loss)	<u>\$ (801)</u>	<u>\$ 6</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>\$ (703)</u>	<u>\$ 101</u>
<b>Per share information—basic and diluted</b>		
Net increase (decrease) in net assets resulting from operations (Earnings per Share)	<u>\$ (1.40)</u>	<u>\$ 0.19</u>
Weighted average shares outstanding	<u>503,423,652</u>	<u>527,507,132</u>

(1) See Note 2 for a discussion of the methodology employed by the Company in calculating the subordinated income incentive fee.

(2) See Note 9 for a discussion of the Company's financing arrangements.

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Statements of Changes in Net Assets**  
**(in millions)**

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Operations</b>		
Net investment income (loss)	\$ 98	\$ 95
Net realized gain (loss) on investments, swap contracts and foreign currency	(130)	(15)
Net change in unrealized appreciation (depreciation) on investments, swap contracts and foreign currency forward contracts <sup>(1)</sup>	(693)	21
Net change in unrealized gain (loss) on foreign currency	22	—
Net increase (decrease) in net assets resulting from operations	<u>(703)</u>	<u>101</u>
<b>Stockholder distributions<sup>(2)</sup></b>		
Distributions to stockholders	(95)	(100)
Net decrease in net assets resulting from stockholder distributions	<u>(95)</u>	<u>(100)</u>
<b>Capital share transactions<sup>(3)</sup></b>		
Repurchases of common stock	(40)	(47)
Net increase (decrease) in net assets resulting from capital share transactions	<u>(40)</u>	<u>(47)</u>
Total increase (decrease) in net assets	(838)	(46)
Net assets at beginning of period	3,866	4,166
Net assets at end of period	<u>\$ 3,028</u>	<u>\$ 4,120</u>

(1) See Note 7 for a discussion of these financial instruments.

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

(3) See Note 3 for a discussion of the Company's capital share transactions.

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Statements of Cash Flows**  
(in millions)

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets resulting from operations	\$ (703)	\$ 101
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchases of investments	(1,296)	(549)
Paid-in-kind interest	(23)	(12)
Proceeds from sales and repayments of investments	914	510
Net realized (gain) loss on investments	126	18
Net change in unrealized (appreciation) depreciation on investments	695	(16)
Net change in unrealized (appreciation) depreciation on swap contracts	—	(4)
Net change in unrealized (appreciation) depreciation on foreign currency forward contracts	(2)	(1)
Accretion of discount	(4)	(4)
Amortization of deferred financing costs and discount	1	2
Unrealized (gain)/loss on borrowings in foreign currency	(28)	0
(Increase) decrease in receivable for investments sold and repaid	453	21
(Increase) decrease in income receivable	3	(5)
(Increase) decrease in prepaid expenses and other assets	(2)	(2)
Increase (decrease) in payable for investments purchased	(5)	9
Increase (decrease) in management fees payable	—	9
Increase (decrease) in subordinated income incentive fees payable	—	10
Increase (decrease) in administrative services expense	(1)	1
Increase (decrease) in interest payable	9	(2)
Increase (decrease) in other accrued expenses and liabilities	(6)	(11)
Net cash provided by (used in) operating activities	<u>131</u>	<u>75</u>
<b>Cash flows from financing activities</b>		
Repurchases of common stock	(40)	(47)
Stockholder distributions	(96)	(45)
Borrowings under financing arrangements <sup>(1)</sup>	808	618
Repayments of financing arrangements <sup>(1)</sup>	(717)	(610)
Deferred financing costs paid	1	(3)
Net cash provided by (used in) financing activities	<u>(44)</u>	<u>(87)</u>
Total increase (decrease) in cash	87	(12)
Cash, and foreign currency at beginning of period	106	104
Cash, and foreign currency at end of period	<u>\$ 193</u>	<u>\$ 92</u>
<b>Supplemental disclosure</b>		
Non-cash purchases of investments	<u>\$ (41)</u>	<u>\$ —</u>
Non-cash sales of investments	<u>\$ 41</u>	<u>\$ —</u>
Local and excise taxes paid	<u>\$ 7</u>	<u>\$ 7</u>

(1) See Note 9 for a discussion of the Company's financing arrangements. During the three months ended March 31, 2020 and 2019, the Company paid \$36 and \$43, respectively, in interest expense on the financing arrangements.

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments**  
**As of March 31, 2020**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
<b>Senior Secured Loans—First Lien—124.8%</b>								
5 Arch Income Fund 2, LLC	(l)(q)	Diversified Financials	10.5%		11/18/23	\$ 28.5	\$ 28.5	\$ 27.0
5 Arch Income Fund 2, LLC	(l)(q)(v)	Diversified Financials	10.5%		11/18/23	4.8	4.8	4.5
A10 Capital LLC	(g)(h)	Diversified Financials	L+650	1.0%	5/1/23	30.3	30.1	29.3
A10 Capital LLC	(v)	Diversified Financials	L+650	1.0%	5/1/23	14.1	14.0	13.7
Abaco Systems, Inc	(e)(g)(h)(i)	Capital Goods	L+600	1.0%	12/7/21	61.1	60.1	60.3
ABB CONCISE Optical Group LLC	(h)(x)	Retailing	L+500	1.0%	6/15/23	0.7	0.7	0.6
Accuride Corp	(g)(h)(i)(x)	Capital Goods	L+525	1.0%	11/17/23	17.9	17.7	7.8
Acproducts Inc	(g)(h)	Consumer Durables & Apparel	L+650	1.0%	8/18/25	113.2	110.1	109.9
Advanced Lighting Technologies Inc	(g)(n)(w)(z)	Materials	L+750	1.0%	10/4/22	19.9	17.4	14.5
Advantage Sales & Marketing Inc	(g)(h)(x)	Commercial & Professional Services	L+325	1.0%	7/23/21	11.1	10.8	9.0
Alion Science & Technology Corp	(h)(x)	Capital Goods	L+450	1.0%	8/19/21	2.5	2.5	2.3
All Systems Holding LLC	(e)(f)(g)(h)	Commercial & Professional Services	L+625	1.0%	10/31/23	114.3	114.3	111.7
All Systems Holding LLC	(v)	Commercial & Professional Services	L+625	1.0%	10/31/23	7.2	7.2	7.1
AltEn, LLC	(g)(n)(w)(y)	Energy	L+400 PIK (L+400 Max PIK)		9/12/21	36.3	2.7	—
AM General LLC	(e)(g)(h)(i)	Capital Goods	L+725	1.0%	12/28/21	143.4	143.0	142.9
American Tire Distributors Inc	(g)(k)(x)	Automobiles & Components	L+750	1.0%	9/2/24	23.2	21.8	15.6
Ammeraal Beltech Holding BV	(g)(l)(x)	Capital Goods	E+375		7/30/25	€ 2.0	2.3	1.7
Amtek Global Technology Pte Ltd	(j)(l)(z)	Automobiles & Components	E+500		4/4/24	49.2	60.5	53.6
Apex Group Limited	(g)(l)	Diversified Financials	L+700	1.3%	6/15/23	\$ 0.9	0.9	0.9
Apex Group Limited	(l)(v)	Diversified Financials	L+700	1.3%	6/15/23	0.9	0.9	0.9
Apex Group Limited	(g)(h)(l)	Diversified Financials	L+700	1.3%	6/15/25	18.7	18.4	18.2
Apex Group Limited	(g)(l)	Diversified Financials	L+700	1.5%	6/15/25	£ 31.5	40.1	38.9
Aspect Software Inc	(g)	Software & Services	8.0% PIK (8.0% Max PIK)		6/30/20	\$ —	—	—
Aspect Software Inc	(g)	Software & Services	L+500	1.0%	7/15/23	0.3	0.3	0.3
Aspect Software Inc	(g)	Software & Services	L+500	1.0%	1/15/24	3.0	2.7	2.7
Aspect Software Inc	(v)	Software & Services	L+500	1.0%	7/15/23	0.4	0.4	0.4
athenahealth Inc	(g)(x)	Health Care Equipment & Services	L+450		2/11/26	24.7	24.9	23.3
Bellatrix Exploration Ltd	(g)(l)	Energy	10.0%		5/29/20	0.2	0.2	0.2
Bellatrix Exploration Ltd	(l)(v)	Energy	10.0%		5/29/20	0.3	0.3	0.3
Berner Food & Beverage LLC	(g)(i)	Food & Staples Retailing	L+875	1.0%	2/2/23	75.4	75.1	74.9
Borden Dairy Co	(g)(n)(w)	Food, Beverage & Tobacco	L+750	1.0%	7/6/23	70.0	67.4	30.3
Brand Energy & Infrastructure Services Inc	(h)(x)	Capital Goods	L+425	1.0%	6/21/24	3.0	2.9	2.4
Charles Taylor PLC	(g)(l)	Diversified Financials	L+575		1/24/27	£ 33.6	42.8	40.0
CHS/Community Health Systems, Inc.	(g)(l)(x)	Health Care Equipment & Services	8.0%		3/15/26	\$ 2.6	2.6	2.5
CSafe Global	(g)	Capital Goods	L+650	1.0%	11/1/21	5.9	5.9	5.7
CSafe Global	(g)(h)	Capital Goods	L+650		10/31/23	49.3	49.3	48.1
CSafe Global	(g)	Capital Goods	L+650	1.0%	10/31/23	9.3	9.3	9.0
CSafe Global	(v)	Capital Goods	L+650	1.0%	10/31/23	8.5	8.5	8.3
CSM Bakery Products	(h)(x)	Food, Beverage & Tobacco	L+400	1.0%	7/3/20	1.1	1.1	0.9
CTI Foods Holding Co LLC	(g)	Food, Beverage & Tobacco	L+700	1.0%	5/3/24	2.9	3.0	2.6
Distribution International Inc	(g)(h)(x)	Retailing	L+575	1.0%	12/15/23	27.8	24.9	22.6
Eagle Family Foods Inc	(g)	Food, Beverage & Tobacco	L+675	1.0%	6/14/23	2.5	2.5	2.3
Eagle Family Foods Inc	(v)	Food, Beverage & Tobacco	L+675	1.0%	6/14/23	4.6	4.6	4.3

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
**As of March 31, 2020**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
Eagle Family Foods Inc	(g)(h)(i)	Food, Beverage & Tobacco	L+675	1.0%	6/14/24	\$ 46.8	\$ 46.4	\$ 43.2
Electronics For Imaging Inc	(g)(x)	Technology Hardware & Equipment	L+500		7/23/26	24.6	23.5	20.5
Empire Today LLC	(e)(g)(h)	Retailing	L+650	1.0%	11/17/22	79.3	79.3	77.6
Entertainment Benefits Group LLC	(g)	Media & Entertainment	L+575	1.0%	9/30/24	4.4	4.4	4.0
Entertainment Benefits Group LLC	(v)	Media & Entertainment	L+575	1.0%	9/30/24	0.7	0.7	0.6
Entertainment Benefits Group LLC	(g)(h)	Media & Entertainment	L+575	1.0%	9/30/25	30.3	29.9	27.7
Frontline Technologies Group LLC	(g)(h)(i)	Software & Services	L+575	1.0%	9/18/23	94.9	94.2	91.6
Greystone & Co Inc	(e)(g)(h)	Diversified Financials	L+800	1.0%	4/17/24	37.1	36.9	37.0
Greystone Equity Member Corp	(g)(l)	Diversified Financials	L+725	3.8%	4/1/26	59.8	59.8	58.8
Greystone Equity Member Corp	(l)(v)	Diversified Financials	L+725	3.8%	4/1/26	0.9	0.9	0.9
Heniff Transportation Systems LLC	(g)	Transportation	L+575	1.0%	12/3/24	3.4	3.4	3.3
Heniff Transportation Systems LLC	(v)	Transportation	L+575	1.0%	12/3/24	4.8	4.8	4.6
Heniff Transportation Systems LLC	(g)(h)(i)	Transportation	L+575	1.0%	12/3/26	64.9	64.5	62.1
HM Dunn Co Inc	(g)(n)(w)(y)	Capital Goods	L+875 PIK (L+875 Max PIK)	1.0%	6/30/21	0.8	0.6	0.2
HM Dunn Co Inc	(g)(y)	Capital Goods	15.0% PIK (15.0% Max PIK)		6/30/21	0.1	0.1	0.1
HM Dunn Co Inc	(v)(y)	Capital Goods	15.0% PIK (15.0% Max PIK)		6/30/21	—	—	—
Hudson Technologies Co	(g)(l)	Commercial & Professional Services	L+1,025	1.0%	10/10/23	33.3	33.1	17.3
ID Verde	(g)(l)	Commercial & Professional Services	E+700		3/29/24	€ 9.5	10.4	10.1
ID Verde	(l)(v)	Commercial & Professional Services	E+700		3/29/24	20.5	22.5	21.7
ID Verde	(g)(l)	Commercial & Professional Services	L+725		3/29/25	£ 4.2	5.0	5.2
Industria Chimica Emiliana Srl	(g)(l)	Pharmaceuticals, Biotechnology & Life Sciences	L+650		6/30/26	€ 19.3	20.7	20.1
Industria Chimica Emiliana Srl	(l)(v)	Pharmaceuticals, Biotechnology & Life Sciences	E+650		6/30/26	11.6	12.7	12.0
Industry City TI Lessor LP	(g)	Consumer Services	10.8%, 1.0% PIK (1.0% Max PIK)		6/30/26	\$ 26.0	26.0	28.7
J S Held LLC	(e)(g)(h)	Insurance	L+600	1.0%	7/1/25	56.7	56.2	55.4
J S Held LLC	(v)	Insurance	L+600	1.0%	7/1/25	10.7	10.7	10.5
J S Held LLC	(g)	Insurance	L+600	1.0%	7/1/25	3.6	3.6	3.5
J S Held LLC	(v)	Insurance	L+600	1.0%	7/1/25	2.6	2.6	2.6
JHT Holdings Inc	(e)(h)(i)	Capital Goods	L+850	1.0%	5/4/22	18.9	18.8	19.1
Jo-Ann Stores Inc	(h)(x)	Retailing	L+500	1.0%	10/20/23	8.8	8.7	3.4
Kellermeyer Bergensons Services LLC	(e)(g)(h)(i)	Commercial & Professional Services	L+650	1.0%	11/7/26	142.0	140.8	134.0
Kellermeyer Bergensons Services LLC	(v)	Commercial & Professional Services	L+650	1.0%	11/7/26	35.0	35.0	33.0
Kodiak BP LLC	(g)(h)	Capital Goods	L+725	1.0%	12/1/24	57.4	57.3	57.3
Kodiak BP LLC	(v)	Capital Goods	L+725	1.0%	12/1/24	78.1	77.9	78.0
Koosharem LLC	(g)(x)	Commercial & Professional Services	L+450	1.0%	4/18/25	—	—	—
Laird PLC	(g)(h)(l)(x)	Technology Hardware & Equipment	L+450		7/9/25	1.9	1.8	1.6
Lexitas Inc	(g)(i)	Commercial & Professional Services	L+575	1.0%	11/14/25	23.2	23.1	22.2
Lexitas Inc	(v)	Commercial & Professional Services	L+575	1.0%	11/14/25	3.7	3.7	3.5
Lexitas Inc	(v)	Commercial & Professional Services	L+575	1.0%	11/14/25	2.5	2.5	2.4
Lionbridge Technologies Inc	(g)(h)(i)	Consumer Services	L+625	1.0%	12/29/25	99.2	98.7	96.4
Lipari Foods LLC	(g)	Food & Staples Retailing	L+588	1.0%	1/6/25	19.4	19.4	18.7
Lipari Foods LLC	(e)(i)	Food & Staples Retailing	L+588	1.0%	1/6/25	85.3	84.6	82.1
Luxembourg Life Fund—Absolute Return Fund I	(g)(l)	Insurance	L+750	1.5%	3/1/25	35.0	34.8	34.3
Matchesfashion Ltd	(h)(l)	Consumer Durables & Apparel	L+463		10/16/24	12.7	12.0	10.7

*See notes to unaudited consolidated financial statements.*



**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
**As of March 31, 2020**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
MB Precision Holdings LLC	(g)(y)	Capital Goods	L+725, 2.3% PIK (2.3% Max PIK)	1.3%	7/23/22	\$ 4.6	\$ 4.5	\$ 4.5
Micronics Filtration Holdings Inc	(e)(g)(n)(w)(y)	Capital Goods	L+800, 0.5% PIK (0.5% Max PIK)	1.3%	12/11/20	45.0	45.0	25.4
Motion Recruitment Partners LLC	(g)(h)	Commercial & Professional Services	L+600	1.0%	12/20/25	37.8	37.4	36.1
Motion Recruitment Partners LLC	(v)	Commercial & Professional Services	L+600	1.0%	12/20/25	29.8	29.8	28.4
NBG Home	(g)(h)(i)(x)	Consumer Durables & Apparel	L+550	1.0%	4/26/24	58.2	57.9	33.1
NCI Inc	(g)(h)(i)	Software & Services	L+750	1.0%	8/15/24	81.9	81.2	74.0
One Call Care Management Inc	(g)(x)(y)	Insurance	L+525	1.0%	11/27/22	4.9	4.2	4.0
Ontic Engineering & Manufacturing Inc	(g)(x)	Capital Goods	L+475		10/30/26	1.9	1.9	1.7
P2 Energy Solutions Inc.	(g)	Software & Services	L+675	1.0%	1/31/25	2.3	2.3	2.2
P2 Energy Solutions Inc.	(v)	Software & Services	L+675	1.0%	1/31/25	4.7	4.7	4.5
P2 Energy Solutions Inc.	(g)(i)	Software & Services	L+675	1.0%	1/31/26	117.4	116.0	112.3
Peak 10 Holding Corp	(g)(x)	Telecommunication Services	L+350		8/1/24	4.6	4.3	3.3
Petroplex Acidizing Inc	(g)(n)(w)(y)	Energy	L+725, 1.8% PIK (1.8% Max PIK)	1.0%	12/30/21	22.8	22.2	16.9
Premium Credit Ltd	(g)(l)	Diversified Financials	L+650		1/16/26	£ 50.6	64.5	59.5
Pretium Packaging LLC	(g)(i)	Household & Personal Products	L+625	1.0%	1/15/27	\$ 95.9	95.0	93.1
Pretium Packaging LLC	(v)	Household & Personal Products	L+625	1.0%	1/15/27	19.5	19.4	19.0
Project Marron	(g)(l)	Consumer Services	B+625		7/3/25	A\$ 1.5	1.0	0.8
PSKW LLC	(e)(g)	Health Care Equipment & Services	L+625	1.0%	3/9/26	\$ 138.3	136.6	136.6
Qdoba Restaurant Corp	(h)(x)	Consumer Services	L+700	1.0%	3/21/25	11.1	11.0	9.5
Quorum Health Corp	(g)(x)	Health Care Equipment & Services	L+675	1.0%	4/29/22	—	—	—
Reliant Rehab Hospital Cincinnati LLC	(e)(g)(h)(i)	Health Care Equipment & Services	L+675		9/2/24	102.9	102.1	96.5
Roadrunner Intermediate Acquisition Co LLC	(e)(g)(h)	Health Care Equipment & Services	L+675	1.0%	3/15/23	31.3	31.3	30.8
RSC Insurance Brokerage Inc	(e)(g)(h)(i)	Insurance	L+550	1.0%	11/1/26	80.4	79.7	75.9
RSC Insurance Brokerage Inc	(v)	Insurance	L+550	1.0%	11/1/26	3.2	3.1	3.0
RSC Insurance Brokerage Inc	(v)	Insurance	L+550	1.0%	11/1/26	16.6	16.5	15.7
Safe-Guard Products International LLC	(e)(i)	Diversified Financials	L+575		1/27/27	65.7	65.0	60.9
Savers Inc	(e)(h)	Retailing	L+650, 0.8% PIK (0.8% Max PIK)	1.5%	3/28/24	43.6	43.2	42.2
Savers Inc	(g)	Retailing	L+700, 0.8% PIK (0.8% Max PIK)	1.5%	3/28/24	C\$ 60.6	44.7	41.6
Sequa Corp	(h)(x)	Materials	L+500	1.0%	11/28/21	\$ 11.6	11.6	9.5
Sequel Youth & Family Services LLC	(g)	Health Care Equipment & Services	L+700	1.0%	9/1/23	13.8	13.8	13.3
Sequel Youth & Family Services LLC	(e)(g)(h)	Health Care Equipment & Services	L+800		9/1/23	80.0	80.0	77.2
Sequential Brands Group Inc.	(g)(h)	Consumer Durables & Apparel	L+875		2/7/24	59.4	58.5	57.2
Sorenson Communications LLC	(g)(h)(x)	Telecommunication Services	L+650		4/29/24	13.8	13.4	13.0
Staples Canada	(g)(l)	Retailing	L+700	1.0%	9/12/24	C\$ 9.5	7.4	6.8
Sungard Availability Services Capital Inc	(g)	Software & Services	L+750	1.0%	2/3/22	\$ 0.5	0.5	0.5
Sungard Availability Services Capital Inc	(v)	Software & Services	L+750	1.0%	2/3/22	0.5	0.5	0.5
Sutherland Global Services Inc	(h)(l)(x)	Software & Services	L+538	1.0%	4/23/21	4.5	4.5	3.4
Sweet Harvest Foods Management Co	(g)(i)	Food & Staples Retailing	L+775, 1.0% PIK (1.0% Max PIK)	1.0%	5/30/23	26.6	26.6	25.6
Tangoe LLC	(e)(g)(h)(i)	Software & Services	L+650	1.0%	11/28/25	89.2	88.4	86.2
ThermaSys Corp	(g)(y)	Capital Goods	L+1,100 PIK (L+1,100 Max PIK)		12/31/23	6.9	7.3	6.3
ThreeSixty Group	(g)(h)(i)	Retailing	L+375, 3.8% PIK (3.8% Max PIK)	1.5%	3/1/23	50.6	50.1	44.8
ThreeSixty Group	(g)(h)(i)	Retailing	L+375, 3.8% PIK (3.8% Max PIK)	1.5%	3/1/23	50.3	49.8	44.5
Torrid Inc	(g)(h)	Retailing	L+675	1.0%	12/14/24	31.5	31.2	31.0

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
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**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
Trace3 Inc	(e)(g)(h)	Software & Services	L+675	1.0%	8/3/24	\$ 92.3	\$ 92.3	\$ 90.3
Transaction Services Group Ltd	(g)(l)	Consumer Services	L+600		10/15/26	A\$ 7.6	5.0	4.3
Transaction Services Group Ltd	(g)(l)	Consumer Services	L+600		10/15/26	\$ 15.9	15.9	14.6
Transaction Services Group Ltd	(g)(l)	Consumer Services	L+600		10/15/26	£ 6.1	7.8	7.0
Truck-Lite Co LLC	(g)	Capital Goods	L+625	1.0%	12/13/24	\$ 7.6	7.5	7.2
Truck-Lite Co LLC	(v)	Capital Goods	L+625	1.0%	12/13/24	4.2	4.2	4.0
Truck-Lite Co LLC	(g)(i)	Capital Goods	L+625	1.0%	12/13/26	110.0	109.0	104.8
Truck-Lite Co LLC	(v)	Capital Goods	L+625	1.0%	12/13/26	16.2	16.1	15.5
Utility One Source LP	(h)(x)	Capital Goods	L+425		4/18/25	—	—	—
Virgin Pulse Inc	(e)(g)(h)(i)	Software & Services	L+650	1.0%	5/22/25	136.5	135.7	133.2
Warren Resources Inc	(h)	Energy	L+1,000, 1.0% PIK (1.0% Max PIK)	1.0%	5/22/20	0.7	0.7	0.6
Wheels Up Partners LLC	(g)	Transportation	L+855	1.0%	1/26/21	9.9	9.9	9.8
Wheels Up Partners LLC	(g)	Transportation	L+855	1.0%	8/26/21	5.4	5.4	5.4
Wheels Up Partners LLC	(g)	Transportation	L+710	1.0%	6/30/24	18.8	18.8	18.5
Wheels Up Partners LLC	(g)	Transportation	L+710	1.0%	11/1/24	7.8	7.8	7.6
Wheels Up Partners LLC	(g)	Transportation	L+710	1.0%	12/21/24	4.0	4.0	3.9
Wheels Up Partners LLC	(g)	Transportation	L+710	1.0%	12/21/24	12.5	12.5	12.1
Wheels Up Partners LLC	(g)	Transportation	L+710	1.0%	12/21/24	12.8	12.7	12.5
Zeta Interactive Holdings Corp	(e)(g)(h)	Software & Services	L+750	1.0%	7/29/22	15.8	15.8	15.8
Zeta Interactive Holdings Corp	(v)	Software & Services	L+750	1.0%	7/29/22	0.6	0.6	0.6
<b>Total Senior Secured Loans—First Lien</b>							4,359.3	4,086.5
Unfunded Loan Commitments							(309.6)	(309.6)
<b>Net Senior Secured Loans—First Lien</b>							<b>4,049.7</b>	<b>3,776.9</b>
<b>Senior Secured Loans—Second Lien—30.0%</b>								
Abaco Systems, Inc	(e)(g)	Capital Goods	L+1,050	1.0%	6/7/22	63.4	62.8	63.3
Advantage Sales & Marketing Inc	(g)(x)	Commercial & Professional Services	L+650	1.0%	7/25/22	3.9	3.6	2.8
Agro Merchants Global LP	(g)	Transportation	L+800	1.0%	11/30/25	13.4	13.1	13.2
Amtek Global Technology Pte Ltd	(g)(j)(l)(n)(w)(z)	Automobiles & Components	E+500		4/4/24	€ 43.3	51.3	8.8
Arena Energy LP	(g)(n)(w)	Energy	L+900, 4.0% PIK (4.0% Max PIK)	1.0%	1/24/21	\$ 9.1	8.9	6.0
athenahealth Inc	(g)	Health Care Equipment & Services	L+850		2/11/27	112.9	111.9	110.4
Belk Inc	(g)(n)(w)	Retailing	10.5%		6/12/23	19.5	15.5	4.4
Belk Inc	(g)(n)(w)	Retailing	10.5%		6/12/25	99.6	98.5	22.6
Bellatrix Exploration Ltd	(g)(l)(n)(w)	Energy	8.5%		9/11/23	1.9	1.9	1.5
Bellatrix Exploration Ltd	(g)(l)(n)(w)	Energy	8.5%		9/11/23	4.5	4.1	—
Byrider Finance LLC	(f)(g)	Automobiles & Components	L+1,000, 0.5% PIK (0.5% Max PIK)	1.3%	6/7/22	17.9	17.9	18.0
Chisholm Oil & Gas Operating LLC	(g)(n)(w)	Energy	L+550, 3.0% PIK (3.0% Max PIK)	1.3%	3/21/24	0.8	0.8	0.3
Chisholm Oil & Gas Operating LLC	(g)(n)(w)	Energy	L+550, 3.0% PIK (3.0% Max PIK)	1.3%	3/21/24	15.5	15.2	5.8
CommerceHub Inc	(g)(h)	Software & Services	L+775		5/21/26	69.3	67.4	67.5
Culligan International Co	(g)(h)	Household & Personal Products	L+850	1.0%	12/13/24	85.0	84.4	80.0
EaglePicher Technologies LLC	(g)(x)	Capital Goods	L+725		3/8/26	3.0	3.0	2.6
Electronics For Imaging Inc	(g)(x)	Technology Hardware & Equipment	L+900		7/23/27	6.2	5.9	4.9
Emerald Performance Materials LLC	(g)(x)	Materials	L+775	1.0%	8/1/22	3.0	3.0	2.5

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
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**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
Gruden Acquisition Inc	(g)(x)	Transportation	L+850	1.0%	8/18/23	\$ 10.0	\$ 9.7	\$ 9.1
MedAssets Inc	(e)(g)	Health Care Equipment & Services	L+975	1.0%	4/20/23	63.0	62.0	52.7
NBG Home	(g)(n)(w)	Consumer Durables & Apparel	L+975	1.0%	9/30/24	34.2	33.7	7.0
NEP Broadcasting LLC	(g)(x)	Media & Entertainment	L+700		10/19/26	1.0	1.0	0.5
OEConnection LLC	(g)	Software & Services	L+825		9/25/27	34.1	33.7	32.0
Ontic Engineering & Manufacturing Inc	(g)	Capital Goods	L+850		10/29/27	23.2	22.7	21.4
Paradigm Acquisition Corp	(g)(x)	Health Care Equipment & Services	L+750		10/26/26	2.4	2.4	1.9
Peak 10 Holding Corp	(g)(x)	Telecommunication Services	L+725	1.0%	8/1/25	0.2	0.2	0.1
Petrochoice Holdings Inc	(e)(g)	Capital Goods	L+875	1.0%	8/21/23	65.0	63.9	61.6
Polyconcept North America Inc	(g)	Household & Personal Products	L+1,000	1.0%	2/16/24	29.4	28.9	29.7
Pure Fishing Inc	(g)	Consumer Durables & Apparel	L+838	1.0%	12/31/26	81.1	80.3	64.8
Rise Baking Company	(g)(h)	Food, Beverage & Tobacco	L+800	1.0%	8/9/26	31.1	30.9	30.0
Sequa Corp	(h)(x)	Materials	L+900	1.0%	4/28/22	3.4	3.4	2.5
Sorenson Communications LLC	(f)	Telecommunication Services	11.5% PIK (11.5% Max PIK)		4/30/25	16.2	15.8	16.2
Sparta Systems Inc	(g)	Software & Services	L+825	1.0%	8/21/25	35.1	34.7	29.8
Sungard Availability Services Capital Inc	(g)	Software & Services	L+400, 2.5% PIK (2.5% Max PIK)	1.0%	11/3/22	2.0	2.0	2.0
Vestcom International Inc	(g)(h)	Consumer Services	L+800	1.0%	12/19/24	70.5	70.0	69.3
WireCo WorldGroup Inc	(h)(x)	Capital Goods	L+900	1.0%	9/30/24	3.4	3.4	3.0
Wittur Holding GmbH	(g)(l)	Capital Goods	E+850, 0.5% PIK (0.5% Max PIK)		9/23/27	€ 56.4	60.1	58.3
Z Gallerie LLC	(g)(n)(w)(y)	Retailing	12.0%		6/20/21	\$ 2.9	2.9	2.6
<b>Total Senior Secured Loans—Second Lien</b>							<b>1,130.9</b>	<b>909.1</b>
<b>Other Senior Secured Debt—5.5%</b>								
Advanced Lighting Technologies Inc	(g)(n)(w)(z)	Materials	L+1,700 PIK (L+1,700 Max PIK)	1.0%	10/4/23	33.5	23.6	—
Angelica Corp	(n)(t)(w)	Health Care Equipment & Services	10.0% PIK (10.0% Max PIK)		12/30/22	42.8	42.3	29.4
Black Swan Energy Ltd	(e)(l)	Energy	9.0%		1/20/24	6.0	6.0	4.7
Enterprise Development Authority	(g)(x)	Consumer Services	12.0%		7/15/24	3.6	3.7	3.1
FourPoint Energy LLC	(e)(f)(g)	Energy	9.0%		12/31/21	74.8	74.0	59.8
JW Aluminum Co	(e)(g)(x)(y)	Materials	10.3%		6/1/26	36.5	36.5	32.1
Lycra	(g)(l)(x)	Consumer Durables & Apparel	7.5%		5/1/25	5.4	5.4	3.2
Maxim Crane Works LP / Maxim Finance Corp	(g)(x)	Capital Goods	10.1%		8/1/24	0.1	0.1	0.1
Mood Media Corp	(f)(g)(n)(w)(y)	Media & Entertainment	14.0% PIK (14.0% Max PIK)		12/31/23	41.0	40.0	21.8
Rockport (Relay)	(g)(n)(w)	Consumer Durables & Apparel	15.0% PIK (15.0% Max PIK)		7/31/22	25.7	22.0	0.1
TruckPro LLC	(g)(x)	Capital Goods	11.0%		10/15/24	3.5	3.3	3.4
Velvet Energy Ltd	(g)(l)	Energy	9.0%		10/5/23	7.5	7.5	6.4
Vivint Inc	(g)(x)	Commercial & Professional Services	7.9%		12/1/22	3.1	3.0	3.0
<b>Total Other Senior Secured Debt</b>							<b>267.4</b>	<b>167.1</b>
<b>Subordinated Debt—11.4%</b>								
Alion Science & Technology Corp	(e)(g)	Capital Goods	11.0%		8/1/22	68.6	68.1	67.6
Alion Science & Technology Corp	(g)	Capital Goods	11.0%		8/31/22	22.2	21.9	21.8
All Systems Holding LLC	(g)	Commercial & Professional Services	10.0% PIK (10.0% Max PIK)		10/31/22	0.1	0.1	0.1
athenahealth Inc	(g)	Health Care Equipment & Services	L+1,125 PIK (L+1,125 Max PIK)		2/11/27	65.4	65.4	63.2

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
**As of March 31, 2020**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
Byrider Finance LLC	(g)	Automobiles & Components	20.0% PIK (20.0% Max PIK)		3/31/22	\$ 1.2	\$ 1.2	\$ 1.2
ClubCorp Club Operations Inc	(g)(x)	Consumer Services	8.5%		9/15/25	23.4	23.1	14.2
Craftworks Rest & Breweries Group Inc	(g)(n)(w)	Consumer Services	12.0% PIK (12.0% Max PIK)		11/1/24	7.3	7.2	—
DEI Sales Inc	(e)(g)	Consumer Durables & Apparel	13.0% PIK (13.0% Max PIK)		2/28/23	79.6	79.1	59.1
Hilding Anders	(g)(l)(n)(w)(z)	Consumer Durables & Apparel	13.0% PIK (13.0% Max PIK)		6/30/21	€ 128.8	129.3	67.7
Hilding Anders	(g)(l)(n)(w)(z)	Consumer Durables & Apparel	12.0% PIK (12.0% Max PIK)		12/31/22	3.8	0.5	—
Hilding Anders	(g)(l)(n)(w)(z)	Consumer Durables & Apparel	12.0% PIK (12.0% Max PIK)		12/31/23	44.3	0.9	0.1
Hilding Anders	(g)(l)(n)(w)(z)	Consumer Durables & Apparel	18.0% PIK (18.0% Max PIK)		12/31/24	57.6	12.9	0.4
Kenan Advantage Group Inc	(g)(x)	Transportation	7.9%		7/31/23	\$ 5.1	5.1	4.3
LifePoint Hospitals Inc	(g)(x)	Health Care Equipment & Services	9.8%		12/1/26	8.4	8.4	8.1
Opendoor Labs Inc	(g)(l)	Real Estate	10.0%		1/23/26	23.6	23.6	23.6
Opendoor Labs Inc	(l)(v)	Real Estate	10.0%		1/23/26	47.1	47.1	47.2
Ply Gem Holdings Inc	(g)(x)	Capital Goods	8.0%		4/15/26	0.3	0.2	0.2
Quorum Health Corp	(g)(n)(w)(x)	Health Care Equipment & Services	11.6%		4/15/23	4.0	4.0	2.7
Radiology Partners Inc	(g)(x)	Health Care Equipment & Services	9.3%		2/1/28	2.4	2.4	2.1
SRS Distribution Inc	(g)(x)	Capital Goods	8.3%		7/1/26	7.0	6.9	6.4
Team Health Inc	(g)(x)	Health Care Equipment & Services	6.4%		2/1/25	2.8	2.6	1.0
Z Gallerie LLC	(g)(n)(w)(y)	Retailing	L+650	1.0%	6/20/22	1.8	1.5	1.3
<b>Total Subordinated Debt</b>							511.5	392.3
Unfunded Debt Commitments							(47.1)	(47.1)
<b>Net Subordinated Debt</b>							464.4	345.2

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Principal Amount <sup>(c)/ Shares</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
<b>Asset Based Finance—25.7%</b>								
801 5th Ave, Seattle, Private Equity	(g)(l)(n)(z)	Real Estate				8,799,177	\$ 8.8	\$ 8.5
801 5th Ave, Seattle, Structure Mezzanine	(g)(l)(z)	Real Estate	8.0%, 0.0% PIK (3.0% Max PIK)		12/19/29	\$ 52.9	52.9	52.9
Abacus JV, Private Equity	(g)(l)	Insurance				27,083,946	27.1	29.2
Accelerator Investments Aggregator LP, Private Equity	(g)(l)(n)	Diversified Financials				3,303,010	3.8	3.2
Altavair AirFinance, Private Equity	(g)(l)	Capital Goods				27,953,710	28.0	25.4
AMPLIT JV LP, Limited Partnership Interest	(g)(l)(n)	Diversified Financials				N/A	4.1	0.6
Australis Maritime, Common Stock	(g)(l)(n)	Transportation				17,332,793	17.3	17.3
Bank of Ireland, Class B Credit Linked Floating Rate Note	(j)(l)	Banks	L+1,185		12/4/27	\$ 15.1	15.1	14.7
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		1/30/25	\$ 1.2	1.1	1.0
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		4/30/25	\$ 7.6	6.9	6.5
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		9/3/25	\$ 1.6	1.4	1.3
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		9/29/25	\$ 1.5	1.4	1.3
Global Jet Capital LLC, Structured Mezzanine	(f)(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		12/4/25	\$ 88.7	81.6	75.8
Global Jet Capital LLC, Structured Mezzanine	(f)(g)(l)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		12/4/25	\$ 19.7	18.2	16.9
Global Jet Capital LLC, Structured Mezzanine	(f)(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		12/9/25	\$ 2.0	1.9	1.7
Global Jet Capital LLC, Structured Mezzanine	(f)(g)(l)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		12/9/25	\$ 15.7	14.4	13.4

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
**As of March 31, 2020**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Principal Amount <sup>(c)</sup> / Shares	Amortized Cost	Fair Value <sup>(d)</sup>
Global Jet Capital LLC, Structured Mezzanine	(f)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		1/29/26	\$ 7.6	\$ 7.0	\$ 6.5
Global Jet Capital LLC, Structured Mezzanine	(f)(l)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		1/29/26	\$ 1.7	1.6	1.4
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		4/14/26	\$ 19.0	17.5	16.2
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		12/2/26	\$ 18.6	17.1	15.9
Global Jet Capital LLC, Preferred Stock	(f)(g)(n)	Commercial & Professional Services				66,297,064	66.3	—
Global Lending Services LLC, Private Equity	(g)(l)(n)	Diversified Financials				4,220,491	4.2	4.3
Home Partners JV, Common Stock	(g)(l)(n)(y)	Real Estate				13,628,604	13.6	14.8
Home Partners JV, Private Equity	(g)(l)(n)(x)(y)	Real Estate				585,960	0.6	—
Home Partners JV, Structured Mezzanine	(g)(l)(y)	Real Estate	11.0% PIK (11.0% Max PIK)		3/25/29	\$ 29.7	29.7	29.7
Home Partners JV, Structured Mezzanine	(l)(v)(y)	Real Estate	11.0% PIK (11.0% Max PIK)		3/25/29	\$ 16.2	16.2	16.2
KKR Central Park Leasing Aggregator L.P., Partnership Interest	(g)(l)	Capital Goods	17.2%		5/31/23	N/A	42.9	43.1
KKR Zeno Aggregator LP (K2 Aviation), Partnership Interest	(g)(l)	Capital Goods				18,232,157	18.2	20.2
Lenovo Group Ltd, Structured Mezzanine	(g)(l)	Technology Hardware & Equipment	8.0%		6/22/22	€ 7.4	8.4	8.1
Lenovo Group Ltd, Structured Mezzanine	(g)(l)	Technology Hardware & Equipment	12.0%		6/22/22	€ 4.7	5.3	5.2
Orchard Marine Limited, Class B Common Stock	(g)(l)(n)(y)	Transportation				1,964	3.1	—
Orchard Marine Limited, Series A Preferred Stock	(g)(l)(n)(y)	Transportation				62,976	62.0	21.4
Prime ST LLC, Private Equity	(g)(l)(n)(z)	Real Estate				5,676,244	5.7	5.7
Prime ST LLC, Structured Mezzanine	(g)(l)(z)	Real Estate	5.0%, 6.0% PIK (6.0% Max PIK)		3/12/30	\$ 40.3	40.3	40.3
Rampart CLO 2007 1A Class Subord.	(g)(l)(n)	Diversified Financials			10/25/21	\$ 10.0	—	—
Sofi Lending Corp, Purchase Facility	(g)(l)(n)	Diversified Financials				32,231,687	32.2	34.1
Star Mountain Diversified Credit Income Fund III, LP, Private Equity	(l)(p)	Diversified Financials				5,000,000	5.0	4.9
Toorak Capital Funding LLC, Membership Interest	(g)(l)(z)	Diversified Financials				N/A	7.9	9.2
Toorak Capital LLC, Membership Interest	(g)(z)	Diversified Financials				N/A	195.7	226.8
Wind River CLO Ltd. 2012 1A Class Subord. B	(g)(l)(n)	Diversified Financials			1/15/26	\$ 42.5	10.4	0.5
<b>Total Asset Based Finance</b>							894.9	794.2
Unfunded commitments							(16.2)	(16.2)
<b>Net Asset Based Finance</b>							878.7	778.0

  

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
<b>Strategic Credit Opportunities, LLC—17.7%</b>								
Strategic Credit Opportunities Partners, LLC	(g)(l)(z)	Diversified Financials				\$ 665.9	\$ 665.9	\$ 536.7
<b>Total Strategic Credit Opportunities Partners</b>							665.9	536.7

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
**As of March 31, 2020**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Number of Shares	Amortized Cost	Fair Value <sup>(d)</sup>
<b>Equity/Other—14.2%(m)</b>								
Advanced Lighting Technologies Inc, Common Stock	(g)(n)(z)	Materials				587,637	\$ 16.5	\$ —
Advanced Lighting Technologies Inc, Warrant	(g)(n)(z)	Materials			10/4/27	9,262	0.1	—
Alion Science & Technology Corp, Class A Membership Interest	(g)(n)	Capital Goods				N/A	7.4	9.7
All Systems Holding LLC, Common Stock	(g)(n)	Commercial & Professional Services				586,763	0.6	0.6
AltEn, LLC, Membership Units	(n)(s)(y)	Energy				2,384	3.0	—
Amtek Global Technology Pte Ltd, Ordinary Shares	(j)(l)(n)(z)	Automobiles & Components				5,735,804,056	30.7	—
Amtek Global Technology Pte Ltd, Private Equity	(j)(l)(n)(z)	Automobiles & Components				4,097	—	—
Amtek Global Technology Pte Ltd, Trade Claim	(j)(l)(n)(z)	Automobiles & Components				1,190,759	1.0	0.1
Angelica Corp, Limited Partnership Interest	(n)(t)	Health Care Equipment & Services				877,044	47.6	—
Ap Plasman Inc, Warrant	(g)(l)(n)	Capital Goods			5/25/26	6,985	2.5	—
Ascent Resources Utica Holdings LLC / ARU Finance Corp, Common Stock	(n)(o)	Energy				10,193	9.7	2.1
Ascent Resources Utica Holdings LLC / ARU Finance Corp, Trade Claim	(o)	Energy				86,607,143	19.4	17.5
ASG Technologies, Common Stock	(g)(n)(y)	Software & Services				1,149,421	23.4	45.2
ASG Technologies, Warrant	(g)(n)(y)	Software & Services			6/27/22	229,541	6.5	4.0
Aspect Software Inc, Common Stock	(g)(n)	Software & Services				161,261	0.3	0.2
Aspect Software Inc, Warrant	(g)(n)	Software & Services			1/15/24	161,008	—	—
AVF Parent LLC, Trade Claim	(g)(n)	Retailing				56,969	—	0.8
Belk Inc, Units	(g)(n)	Retailing				1,642	7.8	—
Bellatrix Exploration Ltd, Warrant	(g)(l)(n)	Energy			9/11/23	127,489	—	—
Byrider Finance LLC, Common Stock	(g)(n)	Automobiles & Components				833	—	—
Cengage Learning, Inc, Common Stock	(g)(n)	Media & Entertainment				227,802	7.5	3.2
Charlotte Russe Inc, Common Stock	(g)(n)(y)	Retailing				22,575	12.5	—
Chisholm Oil & Gas Operating LLC, Series A Units	(n)(p)	Energy				75,000	0.1	—
CSafe Global, Common Stock	(g)(n)	Capital Goods				391,300	0.4	0.5
CTI Foods Holding Co LLC, Common Stock	(g)(n)	Food, Beverage & Tobacco				5,836	0.7	0.2
DEI Sales Inc, Class A Units	(g)(n)	Consumer Durables & Apparel				649,538	1.1	—
DEI Sales Inc, Series I Units	(g)(n)	Consumer Durables & Apparel				308,948	0.5	—
DEI Sales Inc, Series II Units	(n)(p)	Consumer Durables & Apparel				316,770	0.5	—
Directed LLC, Warrant	(g)(n)	Consumer Durables & Apparel			12/31/25	649,538	—	—
Empire Today LLC, Common Stock	(g)(n)	Retailing				375	1.1	1.7
FourPoint Energy LLC, Common Stock, Class C—II—A Units	(n)(p)	Energy				21,000	21.0	0.3
FourPoint Energy LLC, Common Stock, Class D Units	(n)(p)	Energy				3,937	2.6	0.1
FourPoint Energy LLC, Common Stock, Class E—II Units	(n)(p)	Energy				48,025	12.0	0.7
FourPoint Energy LLC, Common Stock, Class E—III Units	(n)(p)	Energy				70,875	17.7	1.1
Fronton BV, Common Stock	(n)(p)(y)	Consumer Services				14,943	—	1.3
Genesys Telecommunications Laboratories Inc, Class A Shares	(g)(n)	Technology Hardware & Equipment				40,529	—	—
Genesys Telecommunications Laboratories Inc, Class A1—A5 Shares	(g)(n)	Technology Hardware & Equipment				3,463,150	0.1	1.1
Genesys Telecommunications Laboratories Inc, Ordinary Shares	(g)(n)	Technology Hardware & Equipment				41,339	—	—
Genesys Telecommunications Laboratories Inc, Ordinary Shares	(g)(n)	Technology Hardware & Equipment				2,768,806	—	—
Genesys Telecommunications Laboratories Inc, Preferred Stock	(g)(n)	Technology Hardware & Equipment				1,050,465	—	—
Harvey Industries Inc, Common Stock	(g)(n)	Capital Goods				2,333,333	2.3	5.6
Hilding Anders, ARLE PIK Interest			12.0% PIK (12.0% Max PIK)					
Hilding Anders, Class A Common Stock	(g)(l)(n)(w)(z)	Consumer Durables & Apparel			12/31/22	4,826,149	—	—
Hilding Anders, Class A Common Stock	(g)(l)(n)(z)	Consumer Durables & Apparel				4,503,411	0.1	—
Hilding Anders, Class B Common Stock	(g)(l)(n)(z)	Consumer Durables & Apparel				574,791	—	—

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
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**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Number of Shares	Amortized Cost	Fair Value <sup>(d)</sup>
Hilding Anders, Class C Common Stock	(g)(l)(n)(z)	Consumer Durables & Apparel				213,201	\$ —	\$ —
Hilding Anders, Equity Options	(g)(l)(n)(z)	Consumer Durables & Apparel			12/31/20	236,160,807	15.0	0.2
HM Dunn Co Inc, Preferred Stock, Series A	(g)(n)(y)	Capital Goods				214	—	—
HM Dunn Co Inc, Preferred Stock, Series B	(g)(n)(y)	Capital Goods				214	—	—
Home Partners of America Inc, Common Stock	(g)(n)(y)	Real Estate				81,625	83.6	126.1
Home Partners of America Inc, Warrant	(g)(n)(y)	Real Estate			8/7/24	2,675	0.3	1.7
Imagine Communications Corp, Common Stock	(g)(n)	Media & Entertainment				33,034	3.8	3.3
JHC Acquisition LLC, Common Stock	(g)(n)	Capital Goods				483	0.5	0.3
Jones Apparel Holdings, Inc., Common Stock	(g)(n)	Consumer Durables & Apparel				5,451	0.9	—
JSS Holdings Ltd, Net Profits Interest	(g)(n)	Capital Goods				40	—	0.4
JW Aluminum Co, Common Stock	(f)(g)(n)(y)	Materials				1,474	—	—
JW Aluminum Co, Preferred Stock	(f)(g)(y)	Materials	12.5% PIK (12.5% Max PIK)		2/15/28	8,404	94.4	92.7
Keystone Australia Holdings Pty Limited, Residual Claim	(g)(l)	Consumer Services				N/A	6.5	0.1
KKR BPT Holdings Aggregator LLC, Membership Interest	(g)(l)(n)(z)	Diversified Financials				N/A	17.6	—
MB Precision Holdings LLC, Class A—2 Units	(n)(p)(y)	Capital Goods				1,426,110	0.5	—
MB Precision Holdings LLC, Preferred Stock	(n)(p)(y)	Capital Goods				8,952,623	1.9	1.2
Micronics Filtration Holdings Inc, Common Stock	(g)(n)(y)	Capital Goods				53,073	0.6	—
Micronics Filtration Holdings Inc, Preferred Stock, Series A	(g)(n)(y)	Capital Goods				55	0.6	—
Micronics Filtration Holdings Inc, Preferred Stock, Series B	(g)(n)(y)	Capital Goods				23	0.2	—
Micronics Filtration Holdings Inc, Preferred Stock, Series B PIK	(e)(g)(y)	Capital Goods	3.00% PIK (3.0% Max PIK)		3/31/24	112,780	—	—
Micronics Filtration Holdings Inc, Preferred Stock, Series C PIK	(e)(g)(y)	Capital Goods	7.50% PIK (7.5% Max PIK)		3/31/24	54,000	—	—
Mood Media Corp, Common Stock	(g)(n)(y)	Media & Entertainment				16,243,967	11.8	—
NBG Home, Common Stock	(g)(n)	Consumer Durables & Apparel				1,903	2.6	—
Nine West Holdings Inc, Common Stock	(g)(n)	Consumer Durables & Apparel				5,451	6.5	—
One Call Care Management Inc, Common Stock	(g)(n)(y)	Insurance				4,370,566,806	3.0	2.6
One Call Care Management Inc, Preferred Stock A	(g)(n)(y)	Insurance				466,194	32.3	27.3
One Call Care Management Inc, Preferred Stock B	(g)(y)	Insurance	9.0% PIK (9.0% Max PIK)		10/25/29	9,615,247	9.8	10.0
Petroplex Acidizing Inc, Preferred Stock A	(g)(y)	Energy	2.0%, 0.0% PIK (2.0% Max PIK)			24,277,368	4.2	—
Petroplex Acidizing Inc, Warrant	(g)(n)(y)	Energy			12/15/26	8	—	—
Polyconcept North America Inc, Class A—1 Units	(g)(n)	Household & Personal Products				29,376	2.9	4.6
Proserv Acquisition LLC, Class A Common Units	(g)(l)(n)(y)	Energy				2,635,005	33.5	7.7
Proserv Acquisition LLC, Class A Preferred Units	(g)(l)(n)(y)	Energy				837,780	5.4	9.5
Ridgeback Resources Inc, Common Stock	(f)(l)(n)	Energy				324,954	2.0	1.0
Rockport (Relay), Warrant	(g)(n)	Consumer Durables & Apparel			8/2/28	1,215,682	—	—
Sequential Brands Group Inc., Common Stock	(g)(x)	Consumer Durables & Apparel				206,664	2.8	—
Sorenson Communications LLC, Common Stock	(f)(n)	Telecommunication Services				46,163	—	26.9
SSC (Lux) Limited S.a r.l., Common Stock	(g)(l)(n)	Health Care Equipment & Services				113,636	2.3	3.4
Stuart Weitzman Inc, Common Stock	(g)(n)	Consumer Durables & Apparel				5,451	—	—
Sungard Availability Services Capital Inc, Common Stock	(f)(g)(n)	Software & Services				44,857	3.1	1.8
ThermaSys Corp, Common Stock	(e)(f)(g)(n)(y)	Capital Goods				17,383,026	10.2	0.6
ThermaSys Corp, Preferred Stock	(g)(n)(y)	Capital Goods				1,529	1.7	1.0
Towergate, Ordinary Shares	(g)(l)(n)	Insurance				16,450	—	—
Towergate, Ordinary Shares	(g)(l)(n)	Insurance				116,814	0.2	0.2
Towergate, Preferred Stock	(g)(l)(n)	Insurance				6,113,719	9.1	8.0
Trace3 Inc, Common Stock	(g)(n)	Software & Services				19,312	0.2	0.2
Versatile Processing Group Inc, Class A—2 Units	(f)(n)	Materials				3,637,500	3.6	—
Warren Resources Inc, Common Stock	(g)(n)	Energy				113,515	0.5	—

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
**As of March 31, 2020**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor <sup>(b)</sup>	Maturity	Number of Shares	Amortized Cost	Fair Value <sup>(d)</sup>
Z Gallerie LLC, Common Stock	(g)(n)(y)	Retailing				1,862,460	\$ 0.7	\$ —
Zeta Interactive Holdings Corp, Preferred Stock, Series E—1	(g)(n)	Software & Services				215,662	1.7	2.2
Zeta Interactive Holdings Corp, Preferred Stock, Series F	(g)(n)	Software & Services				196,151	1.7	3.1
Zeta Interactive Holdings Corp, Warrant	(g)(n)	Software & Services			4/20/27	29,422	—	—
<b>Total Equity/Other</b>							<b>634.9</b>	<b>432.1</b>
<b>TOTAL INVESTMENTS—229.4%</b>							<b>\$ 8,091.9</b>	<b>6,945.1</b>
<b>LIABILITIES IN EXCESS OF OTHER ASSETS—(129.4%)</b>								<b>(3,917.1)</b>
<b>NET ASSETS—100%</b>								<b>\$ 3,028.0</b>

**Foreign currency forward contracts**

Foreign Currency	Settlement Date	Counterparty	Amount and Transaction	US\$ Value at Settlement Date	US\$ Value at March 31, 2020	Unrealized Appreciation (Depreciation)
GBP	10/13/2021	JP Morgan Chase Bank	£ 3.4 Sold	\$ 4.6	\$ 4.2	\$ 0.4
GBP	1/11/2023	JP Morgan Chase Bank	£ 7.0 Sold	9.4	8.7	0.7
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.9 Sold	2.9	2.4	0.5
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.7 Sold	2.6	2.1	0.5
GBP	1/11/2023	JP Morgan Chase Bank	£ 3.4 Sold	4.8	4.2	0.6
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.4 Sold	1.9	1.7	0.2
EUR	7/17/2023	JP Morgan Chase Bank	€ 1.3 Sold	1.7	1.5	0.2
Total				<b>\$ 27.9</b>	<b>\$ 24.8</b>	<b>\$ 3.1</b>

- (a) Security may be an obligation of one or more entities affiliated with the named company.
- (b) Certain variable rate securities in the Company's portfolio bear interest at a rate determined by a publicly disclosed base rate plus a basis point spread. As of March 31, 2020, the three-month London Interbank Offered Rate, or LIBOR or "L", was 1.45%, the Euro Interbank Offered Rate, or EURIBOR, was (0.36)%, Canadian Dollar Offer Rate, or CDOR, was 1.24% and the U.S. Prime Lending Rate, or Prime, was 3.25%. PIK means paid-in-kind. PIK income accruals may be adjusted based on the fair value of the underlying investment. Variable rate securities with no floor rate use the respective benchmark rate in all cases.
- (c) Denominated in U.S. dollars unless otherwise noted.
- (d) Fair value determined by the Company's board of directors (see Note 8).
- (e) Security or portion thereof held within Locust Street Funding LLC and is pledged as collateral supporting the amounts outstanding under the term loan facility with JPMorgan Chase Bank, N.A. (see Note 9).
- (f) Security or portion thereof held within Race Street Funding LLC. Security is available as collateral to support the amounts outstanding under the Senior Secured Revolving Credit Facility (see Note 9).
- (g) Security or portion thereof is pledged as collateral supporting the amounts outstanding under the Senior Secured Revolving Credit Facility (see Note 9).
- (h) Security or portion thereof held within FS KKR MM CLO 1 LLC (see Note 9).

*See notes to unaudited consolidated financial statements.*



**FS KKR Capital Corp.**  
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**As of March 31, 2020**  
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- (i) Security or portion thereof held within CCT Tokyo Funding LLC and pledged as collateral supporting the amounts outstanding under the revolving credit facility with Sumitomo Mitsui Banking Corporation (see Note 9).
- (j) Security or portion thereof held within CCT Dublin Funding Limited.
- (k) Position or portion thereof unsettled as of March 31, 2020.
- (l) The investment is not a qualifying asset under the Investment Company Act of 1940, as amended. A business development company may not acquire any asset other than qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. As of March 31, 2020, 78.4% of the Company's total assets represented qualifying assets.
- (m) Listed investments may be treated as debt for GAAP or tax purposes.
- (n) Security is non-income producing.
- (o) Security held within IC American Energy Investments, Inc., a wholly-owned subsidiary of the Company.
- (p) Security held within FSIC Investments, Inc., a wholly-owned subsidiary of the Company.
- (q) Security held within IC Arches Investments, LLC, a wholly-owned subsidiary of the Company.
- (r) Not used.
- (s) Security held within CCT Holdings, LLC, a wholly-owned subsidiary of the Company.
- (t) Security held within CCT Holdings II, LLC, a wholly-owned subsidiary of the Company.
- (u) Not used.
- (v) Security is an unfunded commitment. The stated rate reflects the spread disclosed at the time of commitment and may not indicate the actual rate received upon funding.
- (w) Asset is on non-accrual status.
- (x) Security is classified as Level 1 or Level 2 in the Company's fair value hierarchy (see Note 8).

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
**As of March 31, 2020**  
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(y) Under the Investment Company Act of 1940, as amended, the Company generally is deemed to be an “affiliated person” of a portfolio company if it owns 5% or more of the portfolio company’s voting securities and generally is deemed to “control” a portfolio company if it owns more than 25% of the portfolio company’s voting securities or it has the power to exercise control over the management or policies of such portfolio company. As of March 31, 2020, the Company held investments in portfolio companies of which it is deemed to be an “affiliated person” but is not deemed to “control”. The following table presents certain information with respect to investments in portfolio companies of which the Company was deemed to be an affiliated person for the three months ended March 31, 2020:

Portfolio Company	Fair Value at December 31, 2019	Gross Additions <sup>(1)</sup>	Gross Reductions <sup>(2)</sup>	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value at March 31, 2020	Interest Income <sup>(3)</sup>	PIK Income <sup>(3)</sup>	Fee Income <sup>(2)</sup>
<b>Senior Secured Loans—First Lien</b>									
AltEn, LLC	\$ 1.5	\$ —	\$ —	\$ —	\$ (1.5)	\$ —	\$ —	\$ —	\$ —
HM Dunn Co Inc	0.4	—	—	—	(0.2)	0.2	—	—	—
HM Dunn Co Inc	0.1	—	—	—	—	0.1	—	—	—
MB Precision Holdings LLC	4.6	—	—	—	(0.1)	4.5	0.1	—	—
Micronics Filtration Holdings Inc <sup>(4)</sup>	—	61.6	—	(16.6)	(19.6)	25.4	—	—	—
One Call Care Management Inc	4.6	—	—	—	(0.6)	4.0	0.1	—	—
Petroplex Acidizing Inc	22.2	—	—	—	(5.3)	16.9	—	—	—
Safariland LLC	2.6	—	(2.5)	(0.3)	0.2	—	—	—	—
Safariland LLC	116.2	8.8	(117.4)	(14.7)	7.1	—	1.3	—	—
ThermaSys Corp	6.4	0.2	—	—	(0.3)	6.3	—	0.2	—
<b>Senior Secured Loans—Second Lien</b>									
Z Gallerie LLC	2.8	—	—	—	(0.2)	2.6	0.1	—	—
<b>Other Senior Secured Debt</b>									
JW Aluminum Co	38.3	—	—	—	(6.2)	32.1	0.9	—	—
Mood Media Corp	36.4	3.1	—	—	(17.7)	21.8	0.4	—	—
<b>Subordinated Debt</b>									
Z Gallerie LLC	1.4	—	—	—	(0.1)	1.3	—	—	0.1
<b>Asset Based Finance</b>									
Home Partners JV, Structured Mezzanine	25.0	4.7	—	—	(0.6)	29.1	—	0.8	—
Home Partners JV, Private Equity	13.2	1.1	—	—	0.5	14.8	—	—	—
Home Partners JV, Common Stock	—	—	—	—	—	—	—	—	—
Orchard Marine Limited, Class B Common Stock	—	—	—	—	—	—	—	—	—
Orchard Marine Limited, Series A Preferred Stock	22.7	—	—	—	(1.4)	21.3	—	—	—
<b>Equity/Other</b>									
AltEn, LLC, Membership Units	—	—	—	—	—	—	—	—	—
ASG Technologies, Common Stock	56.5	—	—	—	(11.3)	45.2	—	—	—
ASG Technologies, Warrant	6.3	—	—	—	(2.3)	4.0	—	—	—
Charlotte Russe Inc, Common Stock	—	—	—	—	—	—	—	—	—
Fronton BV, Common Stock	1.4	—	—	—	(0.1)	1.3	—	—	—
HM Dunn Co Inc, Preferred Stock, Series A	—	—	—	—	—	—	—	—	—
HM Dunn Co Inc, Preferred Stock, Series B	—	—	—	—	—	—	—	—	—
Home Partners of America Inc, Common Stock	134.1	—	—	—	(8.0)	126.1	—	—	—
Home Partners of America Inc, Warrant	2.0	—	—	—	(0.3)	1.7	—	—	—
JW Aluminum Co, Common Stock	—	—	—	—	—	—	—	—	—

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
**As of March 31, 2020**  
**(in millions, except share amounts)**

Portfolio Company	Fair Value at December 31, 2019	Gross Additions <sup>(1)</sup>	Gross Reductions <sup>(2)</sup>	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value at March 31, 2020	Interest Income <sup>(3)</sup>	PIK Income <sup>(3)</sup>	Fee Income <sup>(2)</sup>
JW Aluminum Co, Preferred Stock	\$ 127.2	\$ 4.0	\$ —	\$ —	\$ (38.5)	\$ 92.7	\$ 0.3	\$ 3.8	\$ —
MB Precision Holdings LLC, Class A—2 Units	—	—	—	—	—	—	—	—	—
MB Precision Holdings LLC, Preferred Stock	1.2	—	—	—	—	1.2	—	—	—
Micronics Filtration Holdings Inc, Common Stock <sup>(4)</sup>	—	0.6	—	—	(0.6)	—	—	—	—
Micronics Filtration Holdings Inc, Preferred Stock, Series A <sup>(4)</sup>	—	0.6	—	—	(0.6)	—	—	—	—
Micronics Filtration Holdings Inc, Preferred Stock, Series B <sup>(4)</sup>	—	0.2	—	—	(0.2)	—	—	—	—
Micronics Filtration Holdings Inc, Preferred Stock, Series C PIK <sup>(4)</sup>	—	—	—	—	—	—	—	—	—
Micronics Filtration Holdings Inc, Preferred Stock, Series B PIK <sup>(4)</sup>	—	—	—	—	—	—	—	—	—
Mood Media Corp, Common Stock	0.9	—	—	—	(0.9)	—	—	—	—
One Call Care Management Inc, Common Stock	3.0	—	—	—	(0.4)	2.6	—	—	—
One Call Care Management Inc, Preferred Stock A	32.3	—	—	—	(5.0)	27.3	—	—	—
One Call Care Management Inc, Preferred Stock B	9.8	—	—	—	0.2	10.0	—	0.2	—
Petroplex Acidizing Inc, Preferred Stock A	4.2	—	—	—	(4.2)	—	—	—	—
Petroplex Acidizing Inc, Warrant	—	—	—	—	—	—	—	—	—
Proserv Acquisition LLC, Class A Common Units	14.4	—	—	—	(6.7)	7.7	—	—	—
Proserv Acquisition LLC, Class A Preferred Units	9.5	—	—	—	—	9.5	—	—	—
Safariland LLC, Common Equity	6.4	—	(1.0)	(2.0)	(3.4)	—	—	—	—
ThermaSys Corp, Common Stock	6.9	—	—	—	(6.3)	0.6	—	—	—
ThermaSys Corp, Preferred Stock	1.5	—	—	—	(0.5)	1.0	—	—	—
Z Gallerie LLC, Common Stock	0.7	—	—	—	(0.7)	—	—	—	—
<b>Total</b>	<b>\$ 716.7</b>	<b>\$ 84.9</b>	<b>\$ (120.9)</b>	<b>\$ (33.6)</b>	<b>\$ (135.8)</b>	<b>\$ 511.3</b>	<b>\$ 3.2</b>	<b>\$ 5.0</b>	<b>\$ 0.1</b>

- (1) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company into this category from a different category.
- (2) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.
- (3) Interest, PIK and fee income presented for the full three months ended March 31, 2020.
- (4) The Company held this investment as of March 31, 2020 but it was not deemed to be an “affiliated person” of the portfolio company as of March 31, 2020. Transfers in or out have been presented at amortized cost.

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
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(z) Under the Investment Company Act of 1940, as amended, the Company generally is deemed to “control” a portfolio company if it owns more than 25% of the portfolio company’s voting securities or it has the power to exercise control over the management or policies of such portfolio company. As of March 31, 2020, the Company held investments in portfolio companies of which it is deemed to be an “affiliated person” and deemed to “control”. During the three months ended March 31, 2020, the Company disposed of investments in portfolio companies of which it was deemed to be an “affiliated person” and deemed to “control”. The following table presents certain information with respect to investments in portfolio companies of which the Company was deemed to be an affiliated person and deemed to control for the three months ended March 31, 2020:

Portfolio Company	Fair Value at December 31, 2019	Gross Additions <sup>(1)</sup>	Gross Reductions <sup>(2)</sup>	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value at March 31, 2020	Interest Income <sup>(3)</sup>	Dividend Income <sup>(3)</sup>
<b>Senior Secured Loans—First Lien</b>								
Advanced Lighting Technologies Inc	\$ 13.1	\$ —	\$ (0.5)	\$ —	\$ 1.9	\$ 14.5	\$ —	\$ —
Amtek Global Technology Pte Ltd	55.3	—	—	—	(1.7)	53.6	0.7	—
<b>Senior Secured Loans—Second Lien</b>								
Amtek Global Technology Pte Ltd	36.3	6.5	(0.1)	—	(33.9)	8.8	—	—
<b>Other Senior Secured Debt</b>								
Advanced Lighting Technologies Inc	—	—	—	—	—	—	—	—
<b>Subordinated Debt</b>								
Hilding Anders	76.8	—	—	—	(9.1)	67.7	—	—
Hilding Anders	0.2	—	—	—	(0.2)	—	—	—
Hilding Anders	—	—	—	—	0.1	0.1	—	—
Hilding Anders	3.6	—	—	—	(3.2)	0.4	—	—
<b>Asset Based Finance</b>								
801 5th Ave, Seattle, Structure Mezzanine	52.9	—	—	—	—	52.9	1.5	—
801 5th Ave, Seattle, Private Equity	8.8	—	—	—	(0.3)	8.5	—	—
Prime St LLC, Private Equity	—	5.7	—	—	—	5.7	—	—
Prime St LLC, Structured Mezzanine	—	40.3	—	—	—	40.3	0.3	—
Toorak Capital Funding LLC, Membership Interest	5.3	3.7	—	—	0.2	9.2	—	—
Toorak Capital LLC, Membership Interest	240.5	7.0	—	—	(20.7)	226.8	—	—
<b>Strategic Credit Opportunities Partners, LLC</b>								
Strategic Credit Opportunities Partners, LLC	479.0	175.0	—	—	(117.3)	536.7	—	18.4
<b>Equity/Other</b>								
Advanced Lighting Technologies Inc, Common Stock	—	—	—	—	—	—	—	—
Advanced Lighting Technologies Inc, Warrant	—	—	—	—	—	—	—	—
Amtek Global Technology Pte Ltd, Ordinary Shares	5.2	—	—	—	(5.2)	—	—	—
Amtek Global Technology Pte Ltd, Trade Claim	0.6	—	—	—	(0.5)	0.1	—	—
Amtek Global Technology Pte Ltd, Private Equity	—	—	—	—	—	—	—	—
Hilding Anders, ARLE PIK Interest	—	—	—	—	—	—	—	—
Hilding Anders, Class A Common Stock	—	—	—	—	—	—	—	—
Hilding Anders, Class B Common Stock	—	—	—	—	—	—	—	—
Hilding Anders, Class C Common Stock	—	—	—	—	—	—	—	—
Hilding Anders, Equity Options	1.3	—	—	—	(1.1)	0.2	—	—
KKR BPT Holdings Aggregator LLC, Membership Interest	—	—	—	—	—	—	—	—
<b>Total</b>	<u>\$ 978.9</u>	<u>\$ 238.2</u>	<u>\$ (0.6)</u>	<u>\$ —</u>	<u>\$ (191.0)</u>	<u>\$ 1,025.5</u>	<u>\$ 2.5</u>	<u>\$ 18.4</u>

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Unaudited Consolidated Schedule of Investments (continued)**  
**As of March 31, 2020**  
**(in millions, except share amounts)**

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- (1) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company into this category from a different category.
- (2) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.
- (3) Interest and dividend income presented for the full three months ended March 31, 2020.

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments**  
**As of December 31, 2019**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
<b>Senior Secured Loans—First Lien—96.3%</b>								
5 Arch Income Fund 2, LLC	(l)(q)	Diversified Financials	10.5%		11/18/23	\$ 32.1	\$ 32.1	\$ 31.0
5 Arch Income Fund 2, LLC	(l)(q)(v)	Diversified Financials	10.5%		11/18/23	45.5	45.5	44.0
A10 Capital LLC	(g)(h)	Diversified Financials	L+650	1.0%	5/1/23	30.3	30.0	29.9
A10 Capital LLC	(v)	Diversified Financials	L+650	1.0%	5/1/23	14.1	14.0	13.9
Abaco Systems, Inc	(e)(g)(h)(i)	Capital Goods	L+600	1.0%	12/7/21	61.2	60.1	61.2
ABB CONCISE Optical Group LLC	(g)(h)(x)	Retailing	L+500	1.0%	6/15/23	12.9	13.0	12.3
Accuride Corp	(g)(h)(i)(x)	Capital Goods	L+525	1.0%	11/17/23	17.9	17.7	14.3
Advanced Lighting Technologies Inc	(g)(z)	Materials	L+750	1.0%	10/4/22	20.0	17.9	13.1
Advantage Sales & Marketing Inc	(g)(h)(x)	Commercial & Professional Services	L+325	1.0%	7/23/21	12.3	11.9	11.9
Alion Science & Technology Corp	(h)(x)	Capital Goods	L+450	1.0%	8/19/21	2.7	2.7	2.7
All Systems Holding LLC	(e)(f)(g)(h)	Commercial & Professional Services	L+625	1.0%	10/31/23	97.0	97.0	98.0
All Systems Holding LLC	(v)	Commercial & Professional Services	L+625	1.0%	10/31/23	24.8	24.8	25.0
AltEn, LLC	(g)(n)(w)		L+400 PIK (L+400 Max PIK)	0.0%	9/12/21	35.8	2.7	1.5
	(y)	Energy						
AM General LLC	(e)(g)(h)(i)	Capital Goods	L+725	1.0%	12/28/21	147.6	147.1	148.9
American Tire Distributors Inc	(g)(k)(x)	Automobiles & Components	L+750	1.0%	9/2/24	23.2	21.9	20.8
Ammeraal Beltech Holding BV	(g)(l)(z)	Capital Goods	E+375		7/30/25	€ 2.0	2.3	2.2
Amtek Global Technology Pte Ltd	(j)(l)(z)	Automobiles & Components	E+500		4/4/24	49.2	60.5	55.3
Apex Group Limited	(l)(v)	Diversified Financials	L+700	1.3%	6/15/23	\$ 1.9	1.8	1.9
Apex Group Limited	(g)(h)(l)	Diversified Financials	L+700	1.3%	6/15/25	18.7	18.4	18.8
Apex Group Limited	(g)(l)	Diversified Financials	L+700	1.5%	6/15/25	£ 31.6	40.2	42.1
Aspect Software Inc	(v)	Software & Services	L+500	1.0%	7/15/23	\$ 0.7	0.7	0.7
Aspect Software Inc	(g)	Software & Services	L+500	1.0%	1/15/24	3.0	2.7	2.7
athenahealth Inc	(g)(x)	Health Care Equipment & Services	L+450	0.0%	2/11/26	24.8	25.0	25.0
AVF Parent LLC			L+925 PIK (L+925 Max PIK)	1.3%	3/1/24	56.0	54.3	17.6
	(g)(n)(w)	Retailing						
Bellatrix Exploration Ltd	(g)(l)	Energy	10.0%		3/31/20	0.7	0.7	0.7
Bellatrix Exploration Ltd	(l)(v)	Energy	10.0%		3/31/20	0.3	0.3	0.3
Berner Food & Beverage LLC	(g)(i)	Food & Staples Retailing	L+875	1.0%	2/2/23	75.8	75.4	76.4
Borden Dairy Co	(g)(n)(w)	Food, Beverage & Tobacco	L+750	1.0%	7/6/23	70.0	67.5	36.2
Brand Energy & Infrastructure Services Inc	(g)(h)(x)	Capital Goods	L+425	1.0%	6/21/24	7.5	7.3	7.5
Camping World Good Sam	(g)(k)(x)	Consumer Durables & Apparel	L+275	0.8%	11/8/23	1.0	0.9	0.9
CEPSA Holdco (Matador Bidco)	(g)(l)(x)	Energy	L+475	0.0%	10/15/26	2.0	2.0	2.0
CHS/Community Health Systems, Inc.	(g)(l)(x)	Health Care Equipment & Services	8.0%		3/15/26	2.6	2.6	2.7
Commercial Barge Line Co	(g)(x)	Transportation	L+875	1.0%	11/12/20	4.4	4.2	2.3
Compassus LLC	(g)(k)(x)	Health Care Equipment & Services	L+500	1.0%	12/31/26	3.5	3.4	3.4
CSafe Global	(g)	Capital Goods	L+650	1.0%	11/1/21	3.8	3.8	3.8
CSafe Global	(v)	Capital Goods	L+650	1.0%	11/1/21	2.1	2.1	2.0
CSafe Global	(g)(h)	Capital Goods	L+650	1.0%	10/31/23	55.5	55.5	55.1
CSafe Global	(v)	Capital Goods	L+650	1.0%	10/31/23	11.7	11.7	11.7
CSM Bakery Products	(g)(h)(x)	Food, Beverage & Tobacco	L+400	1.0%	7/3/20	2.4	2.4	2.4
CTI Foods Holding Co LLC	(g)	Food, Beverage & Tobacco	L+700	1.0%	5/3/24	3.0	3.0	2.9
Distribution International Inc	(g)(h)(x)	Retailing	L+575	1.0%	12/15/23	27.9	24.8	26.9

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
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**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
Eagle Family Foods Inc	(g)(h)(i)	Food, Beverage & Tobacco	L+650	1.0%	6/14/23	\$ 48.2	\$ 47.7	\$ 46.7
Eagle Family Foods Inc	(v)	Food, Beverage & Tobacco	L+650	1.0%	6/14/23	5.9	5.8	5.7
Electronics For Imaging Inc	(g)(x)	Technology Hardware & Equipment	L+500	0.0%	7/23/26	24.7	23.5	23.1
Empire Today LLC	(e)(g)(h)	Retailing	L+650	1.0%	11/17/22	79.5	79.5	79.4
Entertainment Benefits Group LLC	(g)	Media & Entertainment	L+575	1.0%	9/30/24	1.0	1.0	1.0
Entertainment Benefits Group LLC	(v)	Media & Entertainment	L+575	1.0%	9/30/24	4.1	4.1	4.0
Entertainment Benefits Group LLC	(g)	Media & Entertainment	L+575	1.0%	9/30/25	30.3	30.0	30.0
Frontline Technologies Group LLC	(g)(h)(i)	Software & Services	L+575	1.0%	9/18/23	95.1	94.4	95.4
Greystone & Co Inc	(e)(g)(h)	Diversified Financials	L+800	1.0%	4/17/24	37.2	36.9	37.8
Greystone Equity Member Corp	(g)(l)	Diversified Financials	L+725	3.8%	4/1/26	58.6	58.6	57.1
Greystone Equity Member Corp	(l)(v)	Diversified Financials	L+725	3.8%	4/1/26	2.2	2.2	2.1
Heniff Transportation Systems LLC	(g)	Transportation	L+575	1.0%	12/3/24	0.7	0.7	0.7
Heniff Transportation Systems LLC	(v)	Transportation	L+575	1.0%	12/3/24	7.6	7.6	7.6
Heniff Transportation Systems LLC	(i)	Transportation	L+575	1.0%	12/3/26	26.0	25.7	25.7
Heniff Transportation Systems LLC	(g)	Transportation	L+575	1.0%	12/3/26	38.9	38.9	38.9
HM Dunn Co Inc	(g)(n)(w)		L+875 PIK (L+875 Max PIK)	1.0%	6/30/21	0.8	0.6	0.4
HM Dunn Co Inc	(y)	Capital Goods	15.0% PIK (15.0% Max PIK)		6/30/21	0.1	0.1	0.1
Hudson Technologies Co	(g)(l)	Commercial & Professional Services	L+1,025	1.0%	10/10/23	33.5	33.3	19.1
Hunt Mortgage	(e)(g)(h)	Diversified Financials	L+600	1.0%	2/14/23	79.2	78.6	80.7
Icynene Group Ltd	(e)(g)(h)	Materials	L+700	1.0%	11/30/24	29.4	29.4	29.7
ID Verde	(l)(v)	Commercial & Professional Services	L+700	0.0%	3/29/24	€ 30.0	32.9	33.7
ID Verde	(g)(l)	Commercial & Professional Services	L+725	0.0%	3/29/25	£ 4.2	5.0	5.6
Imagine Communications Corp	(g)(h)	Media & Entertainment	L+750	1.0%	4/29/20	\$ 16.1	16.1	16.1
Industria Chimica Emiliana Srl	(g)(l)	Pharmaceuticals, Biotechnology & Life Sciences	L+650	0.0%	6/30/26	€ 19.3	20.6	21.2
Industria Chimica Emiliana Srl	(l)(v)	Pharmaceuticals, Biotechnology & Life Sciences	E+650	0.0%	6/30/26	11.6	12.7	12.7
Industry City TI Lessor LP			10.8%, 1.0% PIK (1.0% Max PIK)		6/30/26	\$ 26.6	26.6	28.9
J S Held LLC	(g)	Consumer Services						
J S Held LLC	(e)(g)(h)	Insurance	L+600	1.0%	7/1/25	54.6	54.0	54.6
J S Held LLC	(v)	Insurance	L+600	1.0%	7/1/25	13.0	13.0	13.0
J S Held LLC	(g)	Insurance	L+600	1.0%	7/1/25	1.1	1.1	1.1
J S Held LLC	(v)	Insurance	L+600	1.0%	7/1/25	5.1	5.1	5.1
JHT Holdings Inc	(e)(h)(i)	Capital Goods	L+850	1.0%	5/4/22	18.9	18.8	19.5
Jo-Ann Stores Inc	(h)(x)	Retailing	L+500	1.0%	10/20/23	8.8	8.7	6.2
Jostens Inc	(g)(x)	Consumer Services	L+550	0.0%	12/19/25	7.8	7.8	7.8
Kellermeyer Bergensons Services LLC	(v)	Commercial & Professional Services	L+650	1.0%	2/5/20	26.8	26.8	26.6
Kellermeyer Bergensons Services LLC	(g)(i)	Commercial & Professional Services	L+650	1.0%	11/7/26	116.7	115.5	115.5
Kellermeyer Bergensons Services LLC	(v)	Commercial & Professional Services	L+650	1.0%	11/7/26	35.0	35.0	34.6
Kodiak BP LLC	(g)(h)	Capital Goods	L+725	1.0%	12/1/24	57.5	57.3	57.5
Kodiak BP LLC	(v)	Capital Goods	L+725	1.0%	12/1/24	28.1	28.0	28.1
Koosharem LLC	(g)(k)(x)	Commercial & Professional Services	L+450	1.0%	4/18/25	—	—	—
Laird PLC	(g)(l)(x)	Technology Hardware & Equipment	L+450	0.0%	7/9/25	1.9	1.8	1.9
Lexitas Inc	(i)	Commercial & Professional Services	L+575	1.0%	11/14/25	19.0	18.8	18.8
Lexitas Inc	(v)	Commercial & Professional Services	L+575	1.0%	11/14/25	8.0	8.0	7.9

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
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**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
Lexitas Inc	(v)	Commercial & Professional Services	L+575	1.0%	11/14/25	\$ 2.5	\$ 2.5	\$ 2.5
Lionbridge Technologies Inc	(g)(i)	Consumer Services	L+625	1.0%	12/27/25	99.4	98.9	98.9
Lipari Foods LLC	(g)	Food & Staples Retailing	L+588	1.0%	1/6/25	19.4	19.4	19.4
Lipari Foods LLC	(v)	Food & Staples Retailing	L+588	1.0%	1/6/25	21.8	21.8	21.8
Lipari Foods LLC	(e)(i)	Food & Staples Retailing	L+588	1.0%	1/6/25	85.3	84.5	85.2
Matchesfashion Ltd	(h)(l)	Consumer Durables & Apparel	L+463	0.0%	10/16/24	12.7	12.0	11.5
MB Precision Holdings LLC			L+725, 2.3% PIK (2.3%					
	(g)(y)	Capital Goods	Max PIK)	1.3%	1/23/21	4.6	4.5	4.6
MI Windows & Doors Inc	(g)(x)	Capital Goods	L+550	1.0%	11/6/26	9.0	8.5	9.0
Micronics Filtration Holdings Inc	(e)(g)(n)		L+800, 0.5% PIK (0.5%					
	(w)	Capital Goods	Max PIK)	1.3%	12/11/20	61.7	61.6	38.2
Motion Recruitment Partners LLC	(g)	Commercial & Professional Services	L+600	1.0%	12/20/25	37.9	37.5	37.5
Motion Recruitment Partners LLC	(v)	Commercial & Professional Services	L+600	1.0%	12/20/25	6.8	6.8	6.8
Motion Recruitment Partners LLC	(v)	Commercial & Professional Services	L+600	1.0%	12/20/25	29.8	29.8	29.8
Multi-Color Corp	(g)(l)(x)	Commercial & Professional Services	6.8%		7/15/26	4.3	4.3	4.5
NBG Home	(g)(h)(i)(x)	Consumer Durables & Apparel	L+550	1.0%	4/26/24	58.6	58.3	45.5
NCI Inc	(g)(h)(i)	Software & Services	L+750	1.0%	8/15/24	81.9	81.2	79.2
North Haven Cadence Buyer Inc	(v)	Consumer Services	L+500	0.0%	9/2/21	0.9	0.9	0.9
North Haven Cadence Buyer Inc	(g)	Consumer Services	L+650	1.0%	9/2/22	12.4	12.4	12.4
North Haven Cadence Buyer Inc	(v)	Consumer Services	L+650	1.0%	9/2/22	2.8	2.8	2.8
North Haven Cadence Buyer Inc	(e)(g)(h)	Consumer Services	L+793	1.0%	9/2/22	18.3	18.3	18.3
One Call Care Management Inc	(g)(x)(y)	Insurance	L+525	1.0%	11/27/22	4.9	4.2	4.6
Ontic Engineering & Manufacturing Inc	(g)(x)	Capital Goods	L+475	0.0%	10/30/26	1.6	1.6	1.6
Ontic Engineering & Manufacturing Inc	(v)(x)	Capital Goods	L+238	0.0%	10/31/26	0.3	0.3	0.3
Onvoy LLC	(g)(x)	Telecommunication Services	L+450	1.0%	2/10/24	1.1	1.1	1.0
PAE Holding Corp	(g)(x)	Capital Goods	L+550	1.0%	10/20/22	2.9	2.9	2.9
Peak 10 Holding Corp	(g)(x)	Telecommunication Services	L+350	0.0%	8/1/24	4.6	4.3	3.8
Petroplex Acidizing Inc			L+725, 1.8% PIK (1.8%					
	(g)(y)	Energy	Max PIK)	1.0%	12/30/21	22.2	22.2	22.2
Power Distribution Inc	(g)(h)	Capital Goods	L+725	1.3%	1/25/23	27.9	27.9	26.0
Project Marron	(g)(l)	Consumer Services	B+625	0.0%	7/3/25	A\$ 1.5	1.0	1.0
PSKW LLC	(e)(g)(h)	Health Care Equipment & Services	L+768	1.0%	11/25/21	\$ 36.2	36.2	36.2
PSKW LLC	(e)	Health Care Equipment & Services	L+768	1.0%	11/25/21	8.8	8.8	8.8
PSKW LLC	(e)	Health Care Equipment & Services	L+768	1.0%	11/25/21	4.4	4.4	4.4
Qdoba Restaurant Corp	(g)(h)(x)	Consumer Services	L+700	0.0%	3/21/25	12.8	12.6	12.9
Quorum Health Corp	(g)(x)	Health Care Equipment & Services	L+675	0.0%	4/29/22	—	—	—
Reliant Rehab Hospital Cincinnati LLC	(e)(g)(h)(i)	Health Care Equipment & Services	L+675	0.0%	9/2/24	103.1	102.3	101.1
Roadrunner Intermediate Acquisition Co LLC	(e)(g)(h)	Health Care Equipment & Services	L+675	0.0%	3/15/23	31.6	31.6	31.0
RSC Insurance Brokerage Inc	(g)(i)	Insurance	L+550	1.0%	11/1/26	77.7	76.9	76.9
RSC Insurance Brokerage Inc	(v)	Insurance	L+550	1.0%	11/1/26	19.6	19.4	19.4
RSC Insurance Brokerage Inc	(v)	Insurance	L+550	1.0%	11/1/26	3.2	3.1	3.1
Safariland LLC	(g)(y)	Capital Goods	L+775	1.1%	11/18/23	2.8	2.8	2.6
Safariland LLC	(g)(h)(y)	Capital Goods	L+775	1.1%	11/18/23	123.3	123.3	116.2
Savers Inc			L+650, 0.8% PIK (0.8%					
	(e)(g)(h)	Retailing	Max PIK)	1.5%	3/28/24	43.7	43.2	43.3
Savers Inc			L+700, 0.8% PIK (0.8%					
	(g)	Retailing	Max PIK)	1.5%	3/28/24	C\$ 60.6	44.7	47.6

*See notes to unaudited consolidated financial statements.*



**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
**As of December 31, 2019**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
Sequa Corp	(g)(h)(k)(x)	Materials	L+500	1.0%	11/28/21	\$ 24.2	\$ 24.1	\$ 24.2
Sequel Youth & Family Services LLC	(g)	Health Care Equipment & Services	L+700	1.0%	9/1/23	13.8	13.8	13.9
Sequel Youth & Family Services LLC	(e)(g)(h)	Health Care Equipment & Services	L+800	0.0%	9/1/23	80.0	80.0	80.1
Sequential Brands Group Inc.	(g)(h)	Consumer Durables & Apparel	L+875	0.0%	2/7/24	59.4	58.5	58.4
Smart Foodservice	(g)(x)	Food & Staples Retailing	L+475	0.0%	6/20/26	2.7	2.6	2.7
SMART Global Holdings Inc	(g)(h)(l)	Semiconductors & Semiconductor Equipment	L+625	1.0%	8/9/22	19.2	19.2	19.2
Sorenson Communications LLC	(g)(h)(x)	Telecommunication Services	L+650	0.0%	4/29/24	14.2	13.7	14.1
Staples Canada	(g)(l)	Retailing	L+700	1.0%	9/12/24	C\$ 9.8	7.6	7.7
Sungard Availability Services Capital Inc	(g)	Software & Services	L+750	1.0%	2/3/22	\$ 0.5	0.5	0.5
Sungard Availability Services Capital Inc	(v)	Software & Services	L+750	1.0%	2/3/22	0.5	0.5	0.5
Sutherland Global Services Inc	(h)(l)(x)	Software & Services	L+538	1.0%	4/23/21	4.5	4.5	4.5
Sweet Harvest Foods Management Co			L+775, 1.0% PIK (1.0% Max PIK)	0.0%	5/30/23	26.6	26.5	25.1
Syncsort Inc	(g)(i)	Food & Staples Retailing						
	(g)(x)	Software & Services	L+600	1.0%	8/16/24	4.8	4.4	4.6
Tangoe LLC	(e)(g)(h)	Software & Services	L+650	1.0%	11/28/25	89.7	88.9	89.8
Team Health Inc	(g)(h)(x)	Health Care Equipment & Services	L+275	1.0%	2/6/24	12.5	12.2	10.2
ThermaSys Corp	(g)(y)	Capital Goods	L+600	1.0%	12/28/23	6.7	7.1	6.4
ThreeSixty Group	(g)(h)(i)	Retailing	L+700	1.0%	3/1/23	50.2	49.8	45.5
ThreeSixty Group	(g)(h)(i)	Retailing	L+700	1.0%	3/1/23	49.9	49.4	45.2
Torrid Inc	(g)(h)	Retailing	L+675	1.0%	12/14/24	31.7	31.4	31.9
Total Safety US Inc	(g)(x)	Capital Goods	L+600	1.0%	8/16/25	4.1	3.7	3.9
Trace3 Inc	(e)(g)(h)	Software & Services	L+675	1.0%	8/3/24	92.8	92.8	92.0
Transaction Services Group Ltd	(l)(v)	Consumer Services	L+600	0.0%	10/15/26	21.1	21.1	20.7
Transaction Services Group Ltd	(g)(l)	Consumer Services	L+600	0.0%	10/15/26	£ 6.1	7.8	8.0
Truck-Lite Co LLC	(v)	Automobiles & Components	L+625	1.0%	12/13/24	\$ 11.8	11.7	11.7
Truck-Lite Co LLC	(g)(i)	Automobiles & Components	L+625	1.0%	12/13/26	110.3	109.2	109.2
Truck-Lite Co LLC	(v)	Automobiles & Components	L+625	1.0%	12/13/26	16.2	16.1	16.1
Utility One Source LP	(h)(x)	Capital Goods	L+550	1.0%	4/18/23	—	—	—
Vertiv Group Corp	(g)(h)(x)	Technology Hardware & Equipment	L+400	1.0%	11/30/23	15.6	15.0	15.6
Virgin Pulse Inc	(e)(g)(h)(i)	Software & Services	L+650	1.0%	5/22/25	136.9	136.0	137.0
Vivint Inc	(g)(h)(x)	Commercial & Professional Services	L+500	0.0%	4/1/24	23.6	23.4	23.6
Warren Resources Inc			L+1,000, 1.0% PIK (1.0% Max PIK)	1.0%	5/22/20	0.7	0.7	0.7
	(h)	Energy						
Wheels Up Partners LLC	(g)	Transportation	L+855	1.0%	1/26/21	10.5	10.5	10.5
Wheels Up Partners LLC	(g)	Transportation	L+855	1.0%	8/26/21	5.7	5.7	5.7
Wheels Up Partners LLC	(g)	Transportation	L+710	1.0%	6/30/24	19.5	19.5	19.5
Wheels Up Partners LLC	(g)	Transportation	L+710	1.0%	11/1/24	8.1	8.1	8.1
Wheels Up Partners LLC	(g)	Transportation	L+710	1.0%	12/21/24	30.2	30.1	30.2
Yak Access LLC	(g)(k)(x)	Capital Goods	L+500	0.0%	7/11/25	0.9	0.8	0.9
Zeta Interactive Holdings Corp	(e)(g)(h)	Software & Services	L+750	1.0%	7/29/22	15.8	15.8	15.8
Zeta Interactive Holdings Corp	(v)	Software & Services	L+750	1.0%	7/29/22	0.6	0.6	0.6
<b>Total Senior Secured Loans—First Lien</b>							4,288.2	4,143.6
<b>Unfunded Loan Commitments</b>							(419.5)	(419.5)
<b>Net Senior Secured Loans—First Lien</b>							<u>3,868.7</u>	<u>3,724.1</u>

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
**As of December 31, 2019**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
<b>Senior Secured Loans—Second Lien—30.9%</b>								
Abaco Systems, Inc	(e)(g)	Capital Goods	L+1,050	1.0%	6/7/22	\$ 63.4	\$ 62.7	\$ 63.4
Access CIG LLC	(g)(x)	Software & Services	L+775	0.0%	2/27/26	0.6	0.6	0.6
Advantage Sales & Marketing Inc	(g)(x)	Commercial & Professional Services	L+650	1.0%	7/25/22	3.9	3.5	3.5
Agro Merchants Global LP	(g)	Transportation	L+800	1.0%	11/30/25	13.4	13.1	13.5
Albany Molecular Research Inc	(g)(x)	Pharmaceuticals, Biotechnology & Life Sciences	L+700	1.0%	8/30/25	8.3	8.3	8.3
Amtek Global Technology Pte Ltd	(j)(l)(z)	Automobiles & Components	E+500	0.0%	4/4/24	€ 32.8	40.3	32.2
Amtek Global Technology Pte Ltd	(g)(j)(l)(z)	Automobiles & Components	E+500	0.0%	4/4/24	4.2	4.6	4.1
Arena Energy LP			L+900, 4.0% PIK (4.0% Max PIK)	1.0%	1/24/21	\$ 9.0	9.0	8.7
athenahealth Inc	(g)	Health Care Equipment & Services	L+850	0.0%	2/11/27	112.9	111.9	115.2
Belk Inc	(g)	Retailing	10.5%		6/12/23	19.5	15.5	15.5
Belk Inc	(g)	Retailing	10.5%		6/12/25	99.6	98.5	67.7
Bellatrix Exploration Ltd	(g)(l)	Energy	8.5%		9/11/23	1.9	1.9	1.9
Bellatrix Exploration Ltd	(g)(l)(n)(w)	Energy	8.5%		9/11/23	4.5	4.1	1.4
Byrider Finance LLC			L+1,000, 0.5% PIK (4.0% Max PIK)	1.3%	6/7/22	17.9	17.9	17.9
Chisholm Oil & Gas Operating LLC	(f)(g)	Automobiles & Components	L+550, 3.0% PIK (3.0% Max PIK)	1.3%	3/21/24	16.1	16.0	12.2
CommerceHub Inc	(g)(h)	Software & Services	L+775	0.0%	5/21/26	69.3	67.5	69.0
Culligan International Co	(g)(h)	Household & Personal Products	L+850	1.0%	12/13/24	85.0	84.4	84.3
EaglePicher Technologies LLC	(g)(x)	Capital Goods	L+725	0.0%	3/8/26	3.0	3.0	2.9
Electronics For Imaging Inc	(g)(x)	Technology Hardware & Equipment	L+900	0.0%	7/23/27	6.2	5.9	5.9
Emerald Performance Materials LLC	(g)(x)	Materials	L+775	1.0%	8/1/22	3.0	3.0	2.9
Excelitas Technologies Corp	(g)(x)	Technology Hardware & Equipment	L+750	1.0%	12/1/25	8.4	8.6	8.2
Gruden Acquisition Inc	(g)(x)	Transportation	L+850	1.0%	8/18/23	10.0	9.8	9.9
Invictus	(g)(x)	Materials	L+675	0.0%	3/30/26	0.6	0.6	0.5
LBM Borrower LLC	(g)(x)	Capital Goods	L+925	1.0%	8/20/23	21.3	21.2	21.0
MedAssets Inc	(e)(g)	Health Care Equipment & Services	L+975	1.0%	4/20/23	63.0	61.9	53.1
Misys Ltd	(g)(l)(x)	Software & Services	L+725	1.0%	6/13/25	6.2	6.2	6.1
NBG Home	(g)	Consumer Durables & Apparel	L+975	1.0%	9/30/24	34.2	33.8	20.5
NEP Broadcasting LLC	(g)(x)	Media & Entertainment	L+700	0.0%	10/19/26	1.0	1.0	0.9
OEConnection LLC	(g)	Software & Services	L+825	0.0%	9/25/27	34.1	33.7	33.8
Ontic Engineering & Manufacturing Inc	(g)	Capital Goods	L+850	0.0%	10/29/27	23.2	22.7	22.7
P2 Energy Solutions, Inc.	(g)(x)	Software & Services	L+800	1.0%	4/30/21	71.3	70.8	69.6
Paradigm Acquisition Corp	(g)(x)	Health Care Equipment & Services	L+750	0.0%	10/26/26	2.4	2.4	2.4
Peak 10 Holding Corp	(g)(x)	Telecommunication Services	L+725	1.0%	8/1/25	0.2	0.2	0.1
Petrochoice Holdings Inc	(e)(g)	Capital Goods	L+875	1.0%	8/21/23	65.0	63.9	64.2
Polyconcept North America Inc	(g)	Household & Personal Products	L+1,000	1.0%	2/16/24	29.4	28.9	29.7
Pure Fishing Inc	(g)	Consumer Durables & Apparel	L+838	1.0%	12/31/26	81.1	80.3	69.9
Rise Baking Company	(g)(h)	Food, Beverage & Tobacco	L+800	1.0%	8/9/26	31.1	30.9	30.6
Sequa Corp	(g)(h)(x)	Materials	L+900	1.0%	4/28/22	22.0	21.9	21.7
SIRVA Worldwide Inc	(g)(x)	Commercial & Professional Services	L+950	0.0%	8/3/26	3.8	3.5	3.7
Sorenson Communications LLC			11.5% PIK (11.5% Max PIK)		4/30/25	16.2	15.7	16.2
Sparta Systems Inc	(g)	Software & Services	L+825	1.0%	7/27/25	35.1	34.6	30.9
Sungard Availability Services Capital Inc			L+400, 2.5% PIK (2.5% Max PIK)	1.0%	11/3/22	2.0	2.0	2.0

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
**As of December 31, 2019**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
Vestcom International Inc	(g)(h)	Consumer Services	L+800	1.0%	12/19/24	\$ 70.5	\$ 70.0	\$ 70.5
WireCo WorldGroup Inc	(g)(h)(x)	Capital Goods	L+900	1.0%	9/30/24	13.7	13.7	12.5
Wittur Holding GmbH	(g)(l)	Capital Goods	E+850, 0.5% PIK (0.5% Max PIK)	0.0%	9/23/27	€ 56.3	59.9	61.3
Z Gallerie LLC	(g)(y)	Retailing	12.0%		6/20/21	\$ 2.9	2.9	2.8
<b>Total Senior Secured Loans—Second Lien</b>							<b>1,272.8</b>	<b>1,195.9</b>
<b>Other Senior Secured Debt—6.2%</b>								
Advanced Lighting Technologies Inc	(g)(n)(w)(z)	Materials	L+1,700 PIK (L+1,700 Max PIK)	1.0%	10/4/23	31.9	23.6	—
Angelica Corp	(n)(t)(w)	Health Care Equipment & Services	10.0% PIK (10.0% Max PIK)		12/30/22	43.8	42.3	29.8
Black Swan Energy Ltd	(e)(l)	Energy	9.0%		1/20/24	6.0	6.0	6.1
Cleaver-Brooks Inc	(g)(x)	Capital Goods	7.9%		3/1/23	9.4	9.5	9.4
Enterprise Development Authority	(g)(x)	Consumer Services	12.0%		7/15/24	3.6	3.7	4.1
FourPoint Energy LLC	(e)(f)(g)	Energy	9.0%		12/31/21	74.8	73.8	71.1
JW Aluminum Co	(e)(g)(y)	Materials	10.3%		6/1/26	36.5	36.5	38.3
Lycra	(g)(l)(x)	Consumer Durables & Apparel	7.5%		5/1/25	5.4	5.4	4.4
Maxim Crane Works LP / Maxim Finance Corp	(g)(x)	Capital Goods	10.1%		8/1/24	0.1	0.1	0.1
Mood Media Corp	(f)(g)(y)	Media & Entertainment	L+1,400 PIK (L+1,400 Max PIK)	0.0%	12/31/23	37.9	36.9	36.4
MultiPlan Inc	(g)(x)	Health Care Equipment & Services	7.1%		6/1/24	1.7	1.8	1.7
Pattonair Holdings Ltd	(g)(l)(x)	Capital Goods	9.0%		11/1/22	8.3	8.4	8.7
Rockport (Relay)	(g)(n)(w)	Consumer Durables & Apparel	15.0% PIK (15.0% Max PIK)		7/31/22	25.8	22.0	0.1
TruckPro LLC	(g)(x)	Capital Goods	11.0%		10/15/24	3.5	3.3	3.6
Velvet Energy Ltd	(g)(l)	Energy	9.0%		10/5/23	7.5	7.5	7.7
Vivint Inc	(g)(x)	Commercial & Professional Services	7.9%		12/1/22	4.2	4.0	4.2
Vivint Inc	(g)(x)	Commercial & Professional Services	7.6%		9/1/23	12.6	12.9	11.9
<b>Total Other Senior Secured Debt</b>							<b>297.7</b>	<b>237.6</b>
<b>Subordinated Debt—10.6%</b>								
Alion Science & Technology Corp	(e)(g)	Capital Goods	11.0%		8/1/22	68.6	68.1	68.6
Alion Science & Technology Corp	(g)	Capital Goods	11.0%		8/31/22	22.2	21.9	22.2
All Systems Holding LLC	(g)	Commercial & Professional Services	10.0% PIK (10.0% Max PIK)		10/31/22	0.1	0.1	0.1
athenahealth Inc	(g)	Health Care Equipment & Services	L+1,125 PIK (L+1,125 Max PIK)	0.0%	2/11/27	63.4	63.4	63.9
Byrider Finance LLC	(g)	Automobiles & Components	20.0% PIK (20.0% Max PIK)		3/31/22	1.2	1.2	1.2
ClubCorp Club Operations Inc	(g)(x)	Consumer Services	8.5%		9/15/25	23.4	23.1	20.5
Craftworks Rest & Breweries Group Inc	(g)	Consumer Services	12.0% PIK (12.0% Max PIK)		11/1/24	7.3	7.2	5.5
DEI Sales Inc	(e)(g)	Consumer Durables & Apparel	13.0% PIK (13.0% Max PIK)		2/28/23	77.1	76.6	69.6
Diamond Resorts International Inc	(g)(x)	Consumer Services	10.8%		9/1/24	1.7	1.7	1.8
GFL Environmental Inc	(g)(l)(x)	Commercial & Professional Services	8.5%		5/1/27	6.1	6.2	6.7
Hilding Anders	(g)(l)(n)(w)(z)	Consumer Durables & Apparel	13.0% PIK (13.0% Max PIK)		6/30/21	€ 128.8	129.3	76.8
Hilding Anders	(g)(l)(n)(w)(z)	Consumer Durables & Apparel	12.0% PIK (12.0% Max PIK)		12/31/22	3.8	0.5	0.2
Hilding Anders	(g)(l)(n)(w)(z)	Consumer Durables & Apparel	12.0% PIK (12.0% Max PIK)		12/31/23	44.3	0.9	—
Hilding Anders	(g)(l)(n)(w)(z)	Consumer Durables & Apparel	18.0% PIK (18.0% Max PIK)		12/31/24	57.6	12.9	3.6
Imagine Communications Corp	(g)	Media & Entertainment	12.5% PIK (12.5% Max PIK)		10/29/20	\$ 0.8	0.8	0.8
Kenan Advantage Group Inc	(g)(x)	Transportation	7.9%		7/31/23	5.1	5.1	5.0

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
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Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Principal Amount <sup>(c)</sup>	Amortized Cost	Fair Value <sup>(d)</sup>
LifePoint Hospitals Inc	(g)(x)	Health Care Equipment & Services	9.8%		12/1/26	\$ 8.4	\$ 8.4	\$ 9.6
Nouryon (fka Akzo Nobel Specialty Chemicals)	(g)(l)(x)	Materials	8.0%		10/1/26	1.5	1.5	1.6
PAREXEL International Corp	(g)(x)	Pharmaceuticals, Biotechnology & Life Sciences	6.4%		9/1/25	0.1	0.1	0.1
Plastipak Holdings Inc	(g)(x)	Materials	6.3%		10/15/25	1.0	1.0	0.9
Ply Gem Holdings Inc	(g)(x)	Capital Goods	8.0%		4/15/26	7.7	7.6	8.1
Quorum Health Corp	(g)(x)	Health Care Equipment & Services	11.6%		4/15/23	4.0	4.0	3.4
SRS Distribution Inc	(g)(x)	Capital Goods	8.3%		7/1/26	7.0	6.9	7.2
Team Health Inc	(g)(x)	Health Care Equipment & Services	6.4%		2/1/25	2.8	2.6	1.9
Vertiv Group Corp	(g)(x)	Technology Hardware & Equipment	9.3%		10/15/24	22.8	22.9	24.5
Vivint Inc	(g)(x)	Commercial & Professional Services	8.8%		12/1/20	4.9	4.9	4.9
Z Gallerie LLC	(g)(y)	Retailing	L+650	1.0%	6/20/22	1.8	1.5	1.4
<b>Total Subordinated Debt</b>							<b>\$ 480.4</b>	<b>\$ 410.1</b>

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Principal Amount <sup>(c)</sup> / Shares	Amortized Cost	Fair Value <sup>(d)</sup>
<b>Asset Based Finance—19.1%</b>								
801 5th Ave, Seattle, Structure Mezzanine	(g)(l)(z)	Real Estate				\$ 52.9	\$ 52.9	\$ 52.9
801 5th Ave, Seattle, Private Equity	(g)(l)(n)(z)	Real Estate				8,799,177	8.8	8.8
Abacus JV, Private Equity	(g)(l)	Insurance				24,826,951	24.8	24.8
Accelerator Investments Aggregator LP, Private Equity	(g)(l)(n)	Diversified Financials				3,303,010	3.8	3.7
Altavair AirFinance, Private Equity	(g)(l)	Capital Goods				9,582,223	9.6	9.8
AMPLIT JV LP, Limited Partnership Interest	(g)(l)(n)	Diversified Financials				N/A	4.4	0.9
Australis Maritime, Common Stock	(g)(l)(n)	Transportation				9,430,576	9.4	9.4
Bank of Ireland, Class B Credit Linked Floating Rate Note	(j)(l)	Banks	L+1,185	0.0%	12/4/27	\$ 15.1	15.1	15.4
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		1/30/25	\$ 1.1	1.1	1.1
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		4/30/25	\$ 7.3	6.8	7.3
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		9/3/25	\$ 1.5	1.4	1.5
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		9/29/25	\$ 1.4	1.3	1.4
Global Jet Capital LLC, Structured Mezzanine	(f)(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		12/4/25	\$ 85.4	79.6	85.4
Global Jet Capital LLC, Structured Mezzanine	(f)(g)(l)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		12/4/25	\$ 19.0	17.7	19.0
Global Jet Capital LLC, Structured Mezzanine	(f)(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		12/9/25	\$ 2.0	1.8	2.0
Global Jet Capital LLC, Structured Mezzanine	(f)(g)(l)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		12/9/25	\$ 15.1	14.1	15.1
Global Jet Capital LLC, Structured Mezzanine	(f)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		1/29/26	\$ 7.3	6.8	7.3
Global Jet Capital LLC, Structured Mezzanine	(f)(l)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		1/29/26	\$ 1.6	1.5	1.6
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		4/14/26	\$ 18.3	17.0	18.3
Global Jet Capital LLC, Structured Mezzanine	(g)	Commercial & Professional Services	15.0% PIK (15.0% Max PIK)		12/2/26	\$ 18.0	16.7	18.0
Global Jet Capital LLC, Preferred Stock	(f)(g)(n)	Commercial & Professional Services				66,297,064	66.3	8.3
Home Partners JV, Structured Mezzanine	(g)(l)(y)	Real Estate	11.0% PIK (11.0% Max PIK)		3/25/29	\$ 25.0	25.0	25.0
Home Partners JV, Structured Mezzanine	(l)(v)(y)	Real Estate	11.0% PIK (11.0% Max PIK)		3/25/29	\$ 18.5	18.5	18.5
Home Partners JV, Common Stock	(g)(l)(n)(y)	Real Estate				12,488,362	12.5	13.2
Home Partners JV, Private Equity	(g)(l)(n)(x)(y)	Real Estate				585,960	0.6	—
KKR Central Park Leasing Aggregator L.P., Partnership Interest	(g)(l)	Capital Goods	29.9%		5/31/23	N/A	42.9	54.8

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
**As of December 31, 2019**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Principal Amount <sup>(c)</sup> / Shares	Amortized Cost	Fair Value <sup>(d)</sup>
KKR Zeno Aggregator LP (K2 Aviation), Partnership Interest	(g)(l)	Capital Goods				18,232,157	\$ 18.2	\$ 21.5
Lenovo Group Ltd, Structured Mezzanine	(g)(l)	Technology Hardware & Equipment	8.0%		6/22/22	€ 7.4	8.4	8.3
Lenovo Group Ltd, Structured Mezzanine	(g)(l)	Technology Hardware & Equipment	12.0%		6/22/22	€ 4.7	5.3	5.3
Orchard Marine Limited, Class B Common Stock	(g)(l)(n)(y)	Transportation				1,964	3.1	—
Orchard Marine Limited, Series A Preferred Stock	(g)(l)(n)(y)	Transportation				62,976	62.0	22.7
Rampart CLO 2007 1A Class Subord.	(g)(l)(n)	Diversified Financials			10/25/21	\$ 10.0	—	0.1
Sofi Lending Corp, 2019-C R1	(g)(l)	Diversified Financials			11/16/48	\$ 21.2	12.0	12.1
Star Mountain Diversified Credit Income Fund III, LP, Private Equity	(l)(p)	Diversified Financials				5,000,000	5.0	8.1
Toorak Capital Funding LLC, Membership Interest	(g)(l)(z)	Diversified Financials				N/A	4.2	5.3
Toorak Capital LLC, Membership Interest	(g)(z)	Diversified Financials				N/A	188.7	240.5
Wind River CLO Ltd. 2012 1A Class Subord. B	(g)(l)(n)	Diversified Financials			1/15/26	\$ 42.5	12.0	8.1
<b>Total Asset Based Finance</b>							779.3	755.5
Unfunded Asset Based Finance Commitments							(18.5)	(18.5)
<b>Net Asset Based Finance</b>							760.8	737.0
<b>Strategic Credit Opportunities, LLC—12.4%</b>								
Strategic Credit Opportunities Partners, LLC	(g)(l)(z)	Diversified Financials				\$ 490.9	490.9	479.0
<b>Total Strategic Credit Opportunities Partners</b>							\$ 490.9	\$ 479.0

  

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Number of Shares	Amortized Cost	Fair Value <sup>(d)</sup>
<b>Equity/Other—14.8%<sup>(k)</sup></b>								
Advanced Lighting Technologies Inc, Common Stock	(g)(n)(z)	Materials				587,637	\$ 16.5	\$ —
Advanced Lighting Technologies Inc, Warrant	(g)(n)(z)	Materials			10/4/27	9,262	0.1	—
Alion Science & Technology Corp, Class A Membership Interest	(g)(n)	Capital Goods				N/A	7.4	10.7
All Systems Holding LLC, Common Stock	(g)(n)	Commercial & Professional Services				586,763	0.6	0.8
AltEn, LLC, Membership Units	(n)(s)(y)	Energy				2,384	3.0	—
Amtek Global Technology Pte Ltd, Ordinary Shares	(j)(l)(n)(z)	Automobiles & Components				5,735,799,959	30.7	5.2
Amtek Global Technology Pte Ltd, Trade Claim	(j)(l)(n)(z)	Automobiles & Components				1,190,759	1.0	0.6
Angelica Corp, Limited Partnership Interest	(n)(t)	Health Care Equipment & Services				877,044	47.6	—
Ap Plasman Inc, Warrant	(g)(l)(n)	Capital Goods			5/25/26	6,985	2.5	1.5
Ascent Resources Utica Holdings LLC / ARU Finance Corp, Common Stock	(n)(o)	Energy				10,193	9.7	2.7
Ascent Resources Utica Holdings LLC / ARU Finance Corp, Trade Claim	(o)	Energy				86,607,143	19.4	23.0
ASG Technologies, Common Stock	(g)(n)(y)	Software & Services				1,149,421	23.4	56.5
ASG Technologies, Warrant	(g)(n)(y)	Software & Services			6/27/22	229,541	6.5	6.3
Aspect Software Inc, Common Stock	(g)(n)	Software & Services				161,261	0.3	0.3
Aspect Software Inc, Warrant	(g)(n)	Software & Services			1/15/24	161,008	—	—
Belk Inc, Units	(g)(n)	Retailing				1,642	7.8	3.1

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
**As of December 31, 2019**  
**(in millions, except share amounts)**

Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Number of Shares	Amortized Cost	Fair Value <sup>(d)</sup>
Bellatrix Exploration Ltd, Warrant	(g)(l)(n)	Energy			9/11/23	127,489	\$ —	\$ —
Byrider Finance LLC, Common Stock	(g)(n)	Automobiles & Components				833	—	—
Cengage Learning, Inc, Common Stock	(g)(n)	Media & Entertainment				227,802	7.5	4.2
Charlotte Russe Inc, Common Stock	(g)(n)(y)	Retailing				22,575	12.5	—
Chisholm Oil & Gas Operating LLC, Series A Units	(n)(p)	Energy				75,000	0.1	—
CSafe Global, Common Stock	(g)(n)	Capital Goods				391,300	0.4	0.6
CTI Foods Holding Co LLC, Common Stock	(g)(n)	Food, Beverage & Tobacco				5,836	0.7	0.5
DEI Sales Inc, Class A Units	(g)(n)	Consumer Durables & Apparel				649,538	1.1	0.1
DEI Sales Inc, Series I Units	(g)(n)	Consumer Durables & Apparel				308,948	0.5	0.1
DEI Sales Inc, Series II Units	(n)(p)	Consumer Durables & Apparel				316,770	0.5	0.1
Directed LLC, Warrant	(g)(n)	Consumer Durables & Apparel			12/31/25	649,538	—	—
Empire Today LLC, Common Stock	(g)(n)	Retailing				375	1.1	2.1
FourPoint Energy LLC, Common Stock, Class C—II—A Units	(n)(p)	Energy				21,000	21.0	2.2
FourPoint Energy LLC, Common Stock, Class D Units	(n)(p)	Energy				3,937	2.6	0.4
FourPoint Energy LLC, Common Stock, Class E—II Units	(n)(p)	Energy				48,025	12.0	5.0
FourPoint Energy LLC, Common Stock, Class E—III Units	(n)(p)	Energy				70,875	17.7	7.4
Fronton BV, Common Stock	(n)(p)(y)	Consumer Services				14,943	—	1.4
Genesys Telecommunications Laboratories Inc, Class A Shares	(g)(n)	Technology Hardware & Equipment				40,529	—	—
Genesys Telecommunications Laboratories Inc, Class A1—A5 Shares	(g)(n)	Technology Hardware & Equipment				3,463,150	0.1	1.0
Genesys Telecommunications Laboratories Inc, Ordinary Shares	(g)(n)	Technology Hardware & Equipment				41,339	—	—
Genesys Telecommunications Laboratories Inc, Ordinary Shares	(g)(n)	Technology Hardware & Equipment				2,768,806	—	—
Genesys Telecommunications Laboratories Inc, Preferred Stock	(g)(n)	Technology Hardware & Equipment				1,050,465	—	—
Harvey Industries Inc, Common Stock	(g)(n)	Capital Goods				2,333,333	2.3	5.8
Hilding Anders, ARLE PIK Interest	(g)(l)(n)(w)(z)	Consumer Durables & Apparel	12.0% PIK (12.0% Max PIK)		12/31/22	4,826,149	—	—
Hilding Anders, Class A Common Stock	(g)(l)(n)(z)	Consumer Durables & Apparel				4,503,411	0.1	—
Hilding Anders, Class B Common Stock	(g)(l)(n)(z)	Consumer Durables & Apparel				574,791	—	—
Hilding Anders, Class C Common Stock	(g)(l)(n)(z)	Consumer Durables & Apparel				213,201	—	—
Hilding Anders, Equity Options	(g)(l)(n)(z)	Consumer Durables & Apparel			12/31/20	236,160,807	15.0	1.3
HM Dunn Co Inc, Preferred Stock, Series A	(g)(n)(y)	Capital Goods				214	—	—
HM Dunn Co Inc, Preferred Stock, Series B	(g)(n)(y)	Capital Goods				214	—	—
Home Partners of America Inc, Common Stock	(g)(n)(y)	Real Estate				81,625	83.6	134.1
Home Partners of America Inc, Warrant	(g)(n)(y)	Real Estate			8/7/24	2,675	0.3	2.0
Imagine Communications Corp, Common Stock	(g)(n)	Media & Entertainment				33,034	3.8	4.1
JHC Acquisition LLC, Common Stock	(g)(n)	Capital Goods				483	0.5	0.8
Jones Apparel Holdings, Inc., Common Stock	(g)(n)	Consumer Durables & Apparel				5,451	0.9	—
JSS Holdings Ltd, Net Profits Interest	(g)(n)	Capital Goods				40	—	1.2
JW Aluminum Co, Common Stock	(f)(g)(n)(y)	Materials				1,474	—	—
JW Aluminum Co, Preferred Stock	(f)(g)(y)	Materials	12.5% PIK		2/15/28	8,404	90.4	127.2
Keystone Australia Holdings Pty Limited, Residual Claim	(g)(l)(n)	Consumer Services				N/A	6.5	0.1
KKR BPT Holdings Aggregator LLC, Membership Interest	(g)(l)(n)(z)	Diversified Financials				N/A	17.6	—
MB Precision Holdings LLC, Preferred Stock	(g)(n)(p)(y)	Capital Goods				8,952,623	1.9	1.2

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
**As of December 31, 2019**  
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Portfolio Company <sup>(a)</sup>	Footnotes	Industry	Rate <sup>(b)</sup>	Floor	Maturity	Number of Shares	Amortized Cost	Fair Value <sup>(d)</sup>
MB Precision Holdings LLC, Class A—2 Units	(g)(n)(p)(y)	Capital Goods				1,426,110	\$ 0.5	\$ —
Micronics Filtration Holdings Inc, Common Stock	(g)(n)	Capital Goods				53,073	0.6	—
Micronics Filtration Holdings Inc, Preferred Stock, Series A	(g)(n)	Capital Goods				55	0.6	—
Micronics Filtration Holdings Inc, Preferred Stock, Series B	(g)(n)	Capital Goods				23	0.2	—
Mood Media Corp, Common Stock	(g)(n)(y)	Media & Entertainment				16,243,967	11.8	0.9
NBG Home, Common Stock	(g)(n)	Consumer Durables & Apparel				1,903	2.6	—
Nine West Holdings Inc, Common Stock	(g)(n)	Consumer Durables & Apparel				5,451	6.5	—
North Haven Cadence Buyer Inc, Common Stock	(g)(n)	Consumer Services				1,041,667	1.0	2.3
One Call Care Management Inc, Common Stock	(g)(n)(y)	Insurance				4,370,566,806	3.0	3.0
One Call Care Management Inc, Preferred Stock A	(g)(n)(y)	Insurance				466,194	32.3	32.3
One Call Care Management Inc, Preferred Stock B	(g)(y)	Insurance	9.0% PIK (9.0% Max PIK)		10/25/29	9,615,247	9.8	9.8
Petroplex Acidizing Inc, Preferred Stock A	(g)(y)	Energy	2.0%, 0.0% PIK (2.0% Max PIK)			24,258,500	4.2	4.2
Petroplex Acidizing Inc, Warrant	(g)(n)(y)	Energy			12/15/26	8	—	—
Polyconcept North America Inc, Class A—1 Units	(g)(n)	Household & Personal Products				29,376	2.9	5.9
Power Distribution Inc, Common Stock	(g)(n)	Capital Goods				1,941,431	1.7	0.8
Proserv Acquisition LLC, Class A Common Units	(g)(l)(n)(y)	Energy				2,635,005	33.5	14.4
Proserv Acquisition LLC, Class A Preferred Units	(g)(l)(n)(y)	Energy				837,780	5.4	9.5
Ridgeback Resources Inc, Common Stock	(f)(l)(n)	Energy				324,954	2.0	1.7
Rockport (Relay), Warrant	(g)(n)	Consumer Durables & Apparel			8/2/28	1,215,682	—	—
Safariland LLC, Common Equity	(f)(n)(y)	Capital Goods				29,536	3.0	6.4
Sequential Brands Group Inc., Common Stock	(g)(x)	Consumer Durables & Apparel				206,664	2.8	0.1
Sorenson Communications LLC, Common Stock	(f)(n)	Telecommunication Services				46,163	—	35.5
SSC (Lux) Limited S.a r.l., Common Stock	(g)(l)(n)	Health Care Equipment & Services				113,636	2.3	3.5
Stuart Weitzman Inc, Common Stock	(g)(n)	Consumer Durables & Apparel				5,451	—	—
Sungard Availability Services Capital Inc, Common Stock	(f)(g)(n)	Software & Services				44,857	3.1	2.9
Sunnova Energy International Inc, Common Stock	(g)(n)(x)	Energy				97,515	1.1	1.1
ThermaSys Corp, Common Stock	(e)(f)(g)(n)(y)	Capital Goods				17,383,026	10.2	6.9
ThermaSys Corp, Preferred Stock	(g)(n)(y)	Capital Goods				1,529	1.7	1.5
Towergate, Preferred Stock	(g)(l)(n)	Insurance				6,113,719	9.1	9.6
Towergate, Ordinary Shares	(g)(l)(n)	Insurance				16,450	—	—
Towergate, Ordinary Shares	(g)(l)(n)	Insurance				116,814	0.2	0.2
Trace3 Inc, Common Stock	(g)(n)	Software & Services				19,312	0.2	0.7
Versatile Processing Group Inc, Class A—2 Units	(f)(n)	Materials				3,637,500	3.6	0.3
Warren Resources Inc, Common Stock	(g)(n)	Energy				113,515	0.5	0.3
Z Gallerie LLC, Common Stock	(g)(n)(y)	Retailing				1,862,460	0.7	0.7
Zeta Interactive Holdings Corp, Preferred Stock, Series E—1	(g)(n)	Software & Services				215,662	1.7	2.5
Zeta Interactive Holdings Corp, Preferred Stock, Series F	(g)(n)	Software & Services				196,151	1.7	2.2
Zeta Interactive Holdings Corp, Warrant	(g)(n)	Software & Services			4/20/27	29,422	—	0.1
<b>Total Equity/Other</b>							<u>637.7</u>	<u>572.9</u>
<b>TOTAL INVESTMENTS—190.3%</b>							<u>\$ 7,809.0</u>	<u>7,356.6</u>
<b>LIABILITIES IN EXCESS OF OTHER ASSETS—(90.3%)</b>								<u>(3,490.6)</u>
<b>NET ASSETS—100%</b>								<u>\$ 3,866.0</u>

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
**As of December 31, 2019**  
**(in millions, except share amounts)**

**Foreign currency forward contracts**

Foreign Currency	Settlement Date	Counterparty	Amount and Transaction	US\$ Value at Settlement Date	US\$ Value at December 31, 2019	Unrealized Appreciation (Depreciation)
GBP	1/11/2023	JP Morgan Chase Bank	£ 7.0 Sold	\$ 9.4	\$ 9.5	\$ (0.1)
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.9 Sold	2.9	2.6	0.3
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.7 Sold	2.6	2.3	0.3
GBP	1/11/2023	JP Morgan Chase Bank	£ 3.4 Sold	4.8	4.6	0.2
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.4 Sold	1.9	1.9	—
GBP	10/13/2021	JP Morgan Chase Bank	£ 3.4 Sold	4.6	4.6	—
EUR	7/17/2023	JP Morgan Chase Bank	€ 1.3 Sold	1.7	1.6	0.1
Total				<u>\$ 27.9</u>	<u>\$ 27.1</u>	<u>\$ 0.8</u>

- (a) Security may be an obligation of one or more entities affiliated with the named company.
- (b) Certain variable rate securities in the Company's portfolio bear interest at a rate determined by a publicly disclosed base rate plus a basis point spread. As of December 31, 2019, the three-month London Interbank Offered Rate, or LIBOR or "L", was 1.91%, the Euro Interbank Offered Rate, or EURIBOR, was (0.38)% and the U.S. Prime Lending Rate, or Prime, was 4.75%. PIK means paid-in-kind. PIK income accruals may be adjusted based on the fair value of the underlying investment.
- (c) Denominated in U.S. dollars unless otherwise noted.
- (d) Fair value determined by the Company's board of directors (see Note 8).
- (e) Security or portion thereof held within Locust Street Funding LLC and is pledged as collateral supporting the amounts outstanding under the term loan facility with JPMorgan Chase Bank, N.A. (see Note 9).
- (f) Security or portion thereof held within Race Street Funding LLC and is pledged as collateral supporting the amounts outstanding under the revolving credit facility with ING Capital LLC (see Note 9).
- (g) Security or portion thereof is pledged as collateral supporting the amounts outstanding under the Senior Secured Revolving Credit Facility (see Note 9).
- (h) Security or portion thereof held within FS KKR MM CLO 1 LLC (see Note 9).
- (i) Security or portion thereof was held within CCT Tokyo Funding LLC and was pledged as collateral supporting the amounts outstanding under the revolving credit facility with Sumitomo Mitsui Banking Corporation (see Note 9).
- (j) Security or portion thereof was held within CCT Dublin Funding Limited
- (k) Position or portion thereof unsettled as of December 31, 2019.
- (l) The investment is not a qualifying asset under the Investment Company Act of 1940, as amended. A business development company may not acquire any asset other than qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. As of December 31, 2019, 82.8% of the Company's total assets represented qualifying assets.
- (m) Listed investments may be treated as debt for GAAP or tax purposes.
- (n) Security is non-income producing.
- (o) Security held within IC American Energy Investments, Inc., a wholly-owned subsidiary of the Company.

*See notes to unaudited consolidated financial statements.*



**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
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- (p) Security held within FSIC Investments, Inc., a wholly-owned subsidiary of the Company.
- (q) Security held within IC Arches Investments LLC, a wholly-owned subsidiary of the Company.
- (r) Security held within IC Altus Investments, LLC, a wholly-owned subsidiary of the Company.
- (s) Security held within CCT Holdings, LLC, a wholly-owned subsidiary of the Company.
- (t) Security held within CCT Holdings II, LLC, a wholly-owned subsidiary of the Company.
- (u) Security held within FCF, LLC, a wholly-owned subsidiary of the Company.
- (v) Security is an unfunded commitment. Reflects the stated spread at the time of commitment, but may not be the actual rate received upon funding.
- (w) Asset is on non-accrual status.
- (x) Security is classified as Level 1 or 2 in the Company's fair value hierarchy (see Note 8).
- (y) Under the Investment Company Act of 1940, as amended, the Company generally is deemed to be an "affiliated person" of a portfolio company if it owns 5% or more of the portfolio company's voting securities and generally is deemed to "control" a portfolio company if it owns more than 25% of the portfolio company's voting securities or it has the power to exercise control over the management or policies of such portfolio company. As of December 31, 2019, the Company held investments in portfolio companies of which it is deemed to be an "affiliated person" but is not deemed to "control". The following table presents certain information with respect to investments in portfolio companies of which the Company was deemed to be an affiliated person for the year ended December 31, 2019:

Portfolio Company	Fair Value at December 31, 2018	Gross Additions <sup>(1)</sup>	Gross Reductions <sup>(2)</sup>	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value at December 31, 2019	Interest Income <sup>(3)</sup>	PIK Income <sup>(3)</sup>
<b>Senior Secured Loans—First Lien</b>								
AltEn, LLC	\$ 2.9	\$ —	\$ —	\$ —	\$ (1.4)	\$ 1.5	\$ —	\$ —
Aspect Software Inc <sup>(4)</sup>	2.7	—	(3.7)	—	1.0	—	—	—
Aspect Software Inc <sup>(4)</sup>	0.5	—	(0.7)	—	0.2	—	—	—
Charlotte Russe Inc	3.5	—	(1.2)	(8.2)	5.9	—	—	—
HM Dunn Co Inc	0.1	—	—	—	0.3	0.4	—	—
HM Dunn Co Inc	—	0.1	—	—	—	0.1	—	—
MB Precision Holdings LLC	4.6	0.3	(0.1)	—	(0.2)	4.6	0.6	0.1
One Call Care Management Inc	—	12.1	(19.6)	11.7	0.4	4.6	0.7	—
Petroplex Acidizing Inc	—	23.1	(0.9)	—	—	22.2	2.2	0.4
Safariland LLC <sup>(6)</sup>	—	2.8	—	—	(0.2)	2.6	0.2	—
Safariland LLC <sup>(6)</sup>	—	123.3	—	—	(7.1)	116.2	12.6	—
ThermaSys Corp	6.7	0.5	(0.1)	—	(0.7)	6.4	0.5	—
<b>Senior Secured Loans—Second Lien</b>								
Z Gallerie LLC	—	2.9	—	—	(0.1)	2.8	0.2	—
<b>Other Senior Secured Debt</b>								
JW Aluminum Co <sup>(5)</sup>	—	36.5	—	—	1.8	38.3	3.7	—
Mood Media Corp	26.6	44.3	(33.9)	—	(0.6)	36.4	4.1	1.1
Rockport (Relay) <sup>(4)</sup>	9.9	—	(30.9)	—	21.0	—	—	—

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
**As of December 31, 2019**  
**(in millions, except share amounts)**

Portfolio Company	Fair Value at December 31, 2018	Gross Additions <sup>(1)</sup>	Gross Reductions <sup>(2)</sup>	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value at December 31, 2019	Interest Income <sup>(3)</sup>	PIK Income <sup>(3)</sup>
<b>Subordinated Debt</b>								
Z Gallerie LLC	\$ —	\$ 1.5	\$ —	\$ —	\$ (0.1)	\$ 1.4	\$ 0.1	\$ —
<b>Asset Based Finance</b>								
Home Partners JV, Structured Mezzanine	—	25.0	—	—	—	25.0	1.9	—
Home Partners JV, Common Stock	—	12.5	—	—	0.7	13.2	—	—
Home Partners JV, Private Equity	—	0.6	—	—	(0.6)	—	—	—
Orchard Marine Limited, Class B Common Stock	—	—	—	—	—	—	—	—
Orchard Marine Limited, Series A Preferred Stock	32.1	4.0	—	—	(13.4)	22.7	—	—
<b>Equity/Other</b>								
AltEn, LLC, Membership Units	—	—	—	—	—	—	—	—
ASG Technologies, Common Stock	85.8	—	(30.0)	17.0	(16.3)	56.5	—	—
ASG Technologies, Warrants	6.7	—	—	—	(0.4)	6.3	—	—
Aspect Software Inc, Common Stock <sup>(4)</sup>	—	—	(10.5)	—	10.5	—	—	—
Charlotte Russe Inc, Common Stock	—	—	—	—	—	—	—	—
Fronton BV, Common Stock	—	—	—	—	1.4	1.4	—	—
HM Dunn Co Inc, Preferred Stock, Series A	—	—	—	—	—	—	—	—
HM Dunn Co Inc, Preferred Stock, Series B	—	—	—	—	—	—	—	—
Home Partners of America Inc, Common Stock	129.8	—	(30.0)	11.7	22.6	134.1	—	—
Home Partners of America Inc, Warrant	1.1	—	—	—	0.9	2.0	—	—
JW Aluminum Co, Common Stock <sup>(5)</sup>	—	—	—	—	—	—	—	—
JW Aluminum Co, Preferred Stock <sup>(5)</sup>	—	90.4	—	—	36.8	127.2	0.9	14.0
MB Precision Holdings LLC, Class A—2 Units	—	—	—	—	—	—	—	—
MB Precision Holdings LLC, Preferred Stock	1.2	0.1	—	—	(0.1)	1.2	—	—
Mood Media Corp, Common Stock	14.8	—	—	—	(13.9)	0.9	—	—
One Call Care Management Inc, Common Stock	—	3.0	—	—	—	3.0	—	—
One Call Care Management Inc, Preferred Stock A	—	32.3	—	—	—	32.3	—	—
One Call Care Management Inc, Preferred Stock B	—	9.8	—	—	—	9.8	0.2	—
Petroplex Acidizing Inc, Preferred Stock A	—	4.2	—	—	—	4.2	—	—
Petroplex Acidizing Inc, Warrant	—	—	—	—	—	—	—	—
Proserv Acquisition LLC, Class A Common Units	8.8	—	—	—	5.6	14.4	—	—
Proserv Acquisition LLC, Class A Preferred Units	9.5	—	—	—	—	9.5	—	—
Rockport (Relay), Class A Units <sup>(4)</sup>	—	—	—	—	—	—	—	—
Safariland LLC, Common Equity <sup>(6)</sup>	—	3.0	—	—	3.4	6.4	—	—
ThermaSys Corp, Common Stock	9.4	0.8	—	—	(3.3)	6.9	—	—
ThermaSys Corp, Preferred Stock	1.5	0.2	—	—	(0.2)	1.5	—	—
Z Gallerie LLC, Common Stock	—	0.7	—	—	—	0.7	—	—
<b>Total</b>	<b>\$ 358.2</b>	<b>\$ 434.0</b>	<b>\$ (161.6)</b>	<b>\$ 32.2</b>	<b>\$ 53.9</b>	<b>\$ 716.7</b>	<b>\$ 27.9</b>	<b>\$ 15.6</b>

(1) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company into this category from a different category.

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
**As of December 31, 2019**  
**(in millions, except share amounts)**

- (2) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.
- (3) Interest and PIK income presented for the full year ended December 31, 2019.
- (4) The Company held this investment as of December 31, 2019 but it was not deemed to be an “affiliated person” of the portfolio company or deemed to “control” the portfolio company as of December 31, 2019. Transfers in or out have been presented at amortized cost.
- (5) The Company held this investment as of December 31, 2018 but it was deemed to “control” the portfolio company as of December 31, 2018. Transfers in or out have been presented at amortized cost.
- (6) The Company held this investment as of December 31, 2018 but it was not deemed to be an “affiliated person” of the portfolio company or deemed to “control” the portfolio company as of December 31, 2018. Transfers in or out have been presented at amortized cost.
- (z) Under the Investment Company Act of 1940, as amended, the Company generally is deemed to “control” a portfolio company if it owns more than 25% of the portfolio company’s voting securities or it has the power to exercise control over the management or policies of such portfolio company. As of December 31, 2019, the Company held investments in one portfolio company of which it is deemed to be an “affiliated person” and deemed to “control”. During the year ended December 31, 2019, the Company disposed of investments in one portfolio of which it was deemed to be an “affiliated person” and deemed to “control”. The following table presents certain information with respect to investments in portfolio companies of which the Company was deemed to be an affiliated person and deemed to control for the year ended December 31, 2019:

Portfolio Company	Fair Value at December 31, 2018	Gross Additions <sup>(1)</sup>	Gross Reductions <sup>(2)</sup>	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value at December 31, 2019	Interest Income <sup>(3)</sup>	PIK Income <sup>(3)</sup>	Dividend Income <sup>(3)</sup>
<b>Senior Secured Loans—First Lien</b>									
Advanced Lighting Technologies Inc	\$ 20.2	\$ 0.6	\$ (0.2)	\$ —	\$ (7.5)	\$ 13.1	\$ 2.5	\$ —	\$ —
Amtek Global Technology Pte Ltd	56.4	—	—	—	(1.1)	55.3	2.8	—	—
<b>Senior Secured Loans—Second Lien</b>									
Amtek Global Technology Pte Ltd	37.6	—	—	—	(5.4)	32.2	1.9	—	—
Amtek Global Technology Pte Ltd	—	4.6	—	—	(0.5)	4.1	—	—	—
<b>Other Senior Secured Debt</b>									
Advanced Lighting Technologies Inc	8.0	—	—	—	(8.0)	—	—	—	—
JW Aluminum Co <sup>(4)</sup>	36.4	—	(36.5)	—	0.1	—	—	—	—
<b>Subordinated Debt</b>									
Hilding Anders	81.0	4.3	—	—	(8.5)	76.8	—	4.2	—
Hilding Anders	0.5	—	—	—	(0.3)	0.2	—	—	—
Hilding Anders	—	—	—	—	—	—	—	—	—
Hilding Anders	7.2	—	—	—	(3.6)	3.6	—	—	—
<b>Asset Based Finance</b>									
801 5th Ave, Seattle, Structure	—	52.9	—	—	—	52.9	0.2	—	—
Mezzanine	—	8.8	—	—	—	8.8	—	—	—
801 5th Ave, Seattle, Private Equity	—	—	—	—	—	—	—	—	—
Comet Aircraft S.a.r.l., Common Stock	32.4	—	(36.0)	1.5	2.1	—	3.3	—	—
Toorak Capital LLC, Membership	—	4.2	—	—	1.1	5.3	—	—	—
Interest	—	—	—	—	—	—	—	—	—
Toorak Capital LLC, Membership	127.4	103.5	(28.6)	—	38.2	240.5	—	—	11.8
Interest	—	—	—	—	—	—	—	—	—
<b>Strategic Credit Opportunities Partners, LLC</b>									
Strategic Credit Opportunities Partners, LLC	299.3	196.9	—	—	(17.2)	479.0	—	—	45.4

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.**  
**Consolidated Schedule of Investments (continued)**  
**As of December 31, 2019**  
**(in millions, except share amounts)**

Portfolio Company	Fair Value at December 31, 2018	Gross Additions <sup>(1)</sup>	Gross Reductions <sup>(2)</sup>	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value at December 31, 2019	Interest Income <sup>(3)</sup>	PIK Income <sup>(3)</sup>	Dividend Income <sup>(3)</sup>
<b>Equity/Other</b>									
Advanced Lighting Technologies Inc, Common Stock <sup>(4)</sup>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Advanced Lighting Technologies Inc, Warrant <sup>(4)</sup>	—	—	—	—	—	—	—	—	—
Amtek Global Technology Pte Ltd, Ordinary Shares	26.4	—	—	—	(21.2)	5.2	—	—	—
Amtek Global Technology Pte Ltd, Trade Claim	2.6	—	(1.8)	(0.2)	—	0.6	—	—	—
Hilding Anders, ARLE PIK Interest	—	—	—	—	—	—	—	—	—
Hilding Anders, Class A Common Stock	—	—	—	—	—	—	—	—	—
Hilding Anders, Class B Common Stock	—	—	—	—	—	—	—	—	—
Hilding Anders, Class C Common Stock	—	—	—	—	—	—	—	—	—
Hilding Anders, Equity Options	2.6	—	—	—	(1.3)	1.3	—	—	—
JW Aluminum Co, Common Stock <sup>(4)</sup>	—	—	—	—	—	—	—	—	—
JW Aluminum Co, Preferred Stock <sup>(4)</sup>	75.8	—	(75.7)	—	(0.1)	—	—	—	—
KKR BPT Holdings Aggregator LLC, Membership Interest	(1.4)	1.4	—	—	—	—	—	—	—
<b>Total</b>	<u>\$ 812.4</u>	<u>\$ 377.2</u>	<u>\$ (178.8)</u>	<u>\$ 1.3</u>	<u>\$ (33.2)</u>	<u>\$ 978.9</u>	<u>\$ 10.7</u>	<u>\$ 4.2</u>	<u>\$ 57.2</u>

(1) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company into this category from a different category.

(2) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.

(3) Interest, PIK and dividend income presented for the full year ended December 31, 2019.

(4) The Company held this investment as of December 31, 2019 but it was not deemed to “control” the portfolio company as of December 31, 2019. Transfers in or out have been presented at amortized cost.

*See notes to unaudited consolidated financial statements.*

**FS KKR Capital Corp.****Notes to Unaudited Consolidated Financial Statements**  
**(in millions, except share and per share amounts)****Note 1. Principal Business and Organization**

FS KKR Capital Corp. (NYSE: FSK), or the Company, was incorporated under the general corporation laws of the State of Maryland on December 21, 2007 and formally commenced investment operations on January 2, 2009. The Company is an externally managed, non-diversified, closed-end management investment company that has elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940, as amended, or the 1940 Act. In addition, the Company has elected to be treated for U.S. federal income tax purposes, and intends to qualify annually, as a regulated investment company, or RIC, as defined under Subchapter M of the Internal Revenue Code of 1986, as amended, or the Code. As of March 31, 2020, the Company had various wholly-owned subsidiaries, including special-purpose financing subsidiaries and subsidiaries through which it holds interests in portfolio companies. The unaudited consolidated financial statements include both the Company's accounts and the accounts of its wholly-owned subsidiaries as of March 31, 2020. All significant intercompany transactions have been eliminated in consolidation. Certain of the Company's consolidated subsidiaries are subject to U.S. federal and state income taxes.

The Company's investment objectives are to generate current income and, to a lesser extent, long-term capital appreciation. The Company's portfolio is comprised primarily of investments in senior secured loans and second lien secured loans of private middle-market U.S. companies and, to a lesser extent, subordinated loans and certain asset-based financing loans of private U.S. companies. In addition, a portion of the Company's portfolio may be comprised of equity and equity-related securities, corporate bonds, structured products, other debt securities and derivatives, including total return swaps and credit default swaps.

The Company is externally managed by FS/KKR Advisor, LLC, or the Advisor, pursuant to an investment advisory agreement, dated as of December 20, 2018, or the investment advisory agreement. On April 9, 2018, GSO / Blackstone Debt Funds Management LLC, or GDFM, resigned as the investment sub-adviser to the Company and terminated the investment sub-advisory agreement, or the investment sub-advisory agreement, between FB Income Advisor, LLC, or FB Advisor, and GDFM, effective April 9, 2018. In connection with GDFM's resignation as the investment sub-adviser to the Company, on April 9, 2018, the Company entered into an investment advisory agreement, or the prior investment advisory agreement, with the Advisor. The prior investment advisory agreement replaced the amended and restated investment advisory agreement, dated July 17, 2014, or the FB Advisor investment advisory agreement, by and between the Company and FB Advisor.

**Note 2. Summary of Significant Accounting Policies**

*Basis of Presentation:* The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For a more complete discussion of significant accounting policies and certain other information, the Company's interim unaudited consolidated financial statements should be read in conjunction with its audited consolidated financial statements as of and for the year ended December 31, 2019 included in the Company's annual report on Form 10-K for the year ended December 31, 2019. Operating results for the three months ended March 31, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020. The December 31, 2019 consolidated balance sheet and consolidated schedule of investments are derived from the Company's audited consolidated financial statements as of and for the year ended December 31, 2019. The Company is considered an investment company under GAAP and follows the accounting and reporting guidance applicable to investment companies under Accounting Standards Codification Topic 946, *Financial Services—Investment Companies*.

*Use of Estimates:* The preparation of the unaudited consolidated 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.

*Capital Gains Incentive Fee:* Pursuant to the terms of the investment advisory agreement, the incentive fee on capital gains is determined and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory agreement). This fee equals 20.0% of the Company's incentive fee capital gains, which shall equal both Corporate Capital Trust,

## FS KKR Capital Corp.

**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)****Note 2. Summary of Significant Accounting Policies (continued)**

Inc.'s, or CCT, and the Company's realized capital gains (without duplication) on a cumulative basis from inception, calculated as of the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation (without duplication) on a cumulative basis, less the aggregate amount of any capital gain incentive fees previously paid by CCT and the Company. On a quarterly basis, the Company accrues for the capital gains incentive fee by calculating such fee as if it were due and payable as of the end of such period.

The Company includes unrealized gains in the calculation of the capital gains incentive fee expense and related accrued capital gains incentive fee. This accrual reflects the incentive fees that would be payable to the Advisor if the Company's entire portfolio was liquidated at its fair value as of the balance sheet date even though the Advisor is not entitled to an incentive fee with respect to unrealized gains unless and until such gains are actually realized.

*Subordinated Income Incentive Fee:* Pursuant to the terms of the investment advisory agreement, the Advisor may also be entitled to receive a subordinated incentive fee on income. The subordinated incentive fee on income under the investment advisory agreement, which is calculated and payable quarterly in arrears, equals 20.0% of the Company'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 value of the Company's net assets, equal to 1.75% per quarter, or an annualized hurdle rate of 7.0%. As a result, the Advisor will not earn this incentive fee for any quarter until the Company's pre-incentive fee net investment income for such quarter exceeds the hurdle rate of 1.75%. Once the Company's pre-incentive fee net investment income in any quarter exceeds the hurdle rate, the Advisor will be entitled to a "catch-up" fee equal to the amount of the pre-incentive fee net investment income in excess of the hurdle rate, until the Company's pre-incentive fee net investment income for such quarter equals 2.1875%, or 8.75% annually, of net assets. Thereafter, the Advisor will be entitled to receive 20.0% of pre-incentive fee net investment income.

The subordinated incentive fee on income is subject to a cap equal to (i) 20.0% of the "per share pre-incentive fee return" for the then-current and eleven preceding calendar quarters minus the cumulative "per share incentive fees" accrued and/or payable for the eleven preceding calendar quarters multiplied by (ii) the weighted average number of shares outstanding during the calendar quarter (or any portion thereof) for which the subordinated incentive fee on income is being calculated. The definitions of "per share pre-incentive fee return" and "per share incentive fees" under the investment advisory agreement take into account the historic per share pre-incentive fee return of both the Company and CCT, together with the historic per share incentive fees paid by both the Company and CCT. For the purpose of calculating the "per share pre-incentive fee return," any unrealized appreciation or depreciation recognized as a result of the purchase accounting for the Company's acquisition of CCT, or the Merger, is excluded.

*Reclassifications:* Certain amounts in the unaudited consolidated financial statements as of and for the three months ended March 31, 2019 and the audited consolidated financial statements as of and for the year ended December 31, 2019 may have been reclassified to conform to the classifications used to prepare the unaudited consolidated financial statements as of and for the three months ended March 31, 2020.

*Revenue Recognition:* Security transactions are accounted for on the trade date. The Company records interest income on an accrual basis to the extent that it expects to collect such amounts. The Company records dividend income on the ex-dividend date. Distributions received from limited liability company ("LLC") and limited partnership ("LP") investments are evaluated to determine if the distribution should be recorded as dividend income or a return of capital. The Company does not accrue as a receivable interest or dividends on loans and securities if it has reason to doubt its ability to collect such income. The Company's policy is to place investments on non-accrual status when there is reasonable doubt that interest income will be collected. The Company considers many factors relevant to an investment when placing it on or removing it from non-accrual status including, but not limited to, the delinquency status of the investment, economic and business conditions, the overall financial condition of the underlying investment, the value of the underlying collateral, bankruptcy status, if any, and any other facts or circumstances relevant to the investment. If there is reasonable doubt that the Company will receive any previously accrued interest, then the accrued interest will be written-off. Payments received on non-accrual investments may be recognized as income or applied to principal depending upon the collectability of the remaining principal and interest. Non-accrual investments may be restored to accrual status when principal and interest become current and are likely to remain current based on the Company's judgment.

**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
(in millions, except share and per share amounts)

**Note 2. Summary of Significant Accounting Policies (continued)**

Loan origination fees, original issue discount and market discount are capitalized and the Company amortizes such amounts as interest income over the respective term of the loan or security. Upon the prepayment of a loan or security, any unamortized loan origination fees and original issue discount are recorded as interest income. Structuring and other non-recurring upfront fees are recorded as fee income when earned. For the three months ended March 31, 2020, the Company recognized \$7 in structuring fee revenue. The Company records prepayment premiums on loans and securities as fee income when it receives such amounts.

*Derivative Instruments:* The Company's derivative instruments include foreign currency forward contracts and cross currency swaps. The Company recognizes all derivative instruments as assets or liabilities at fair value in its consolidated financial statements. Derivative contracts entered into by the Company are not designated as hedging instruments, and as a result, the Company presents changes in fair value through net change in unrealized appreciation (depreciation) on derivative instruments in the consolidated statements of operations. Realized gains and losses of the derivative instruments are included in net realized gains (losses) on derivative instruments in the consolidated statements of operations.

*Recent Accounting Pronouncements:* In August 2018, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820)—*Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, or ASU 2018-13. ASU 2018-13 introduces new fair value disclosure requirements and eliminates and modifies certain existing fair value disclosure requirements. ASU 2018-13 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company implemented ASU 2018-13 during the three months ended March 31, 2020, and it did not have a significant impact on the Company's disclosure over fair value.

**Note 3. Share Transactions**

Below is a summary of transactions with respect to shares of the Company's common stock during the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31,			
	2020		2019	
	Shares	Amount	Shares	Amount
Share Repurchase Program	(8,941,631)	\$ (40)	(7,396,048)	\$ (47)
Net Proceeds from Share Transactions	(8,941,631)	\$ (40)	(7,396,048)	\$ (47)

During the three months ended March 31, 2020, the administrator for the Company's distribution reinvestment plan, or DRP, purchased 1,082,652 shares of common stock in the open market at an average price per share of \$6.28 (totaling \$7) pursuant to the DRP, and distributed such shares to participants in the DRP. During the three months ended March 31, 2019, the administrator for the DRP purchased 546,758 shares of common stock in the open market at an average price per share of \$5.51 (totaling \$3) pursuant to the DRP, and distributed such shares to participants in the DRP. During the period from April 1, 2020 to May 5, 2020, the administrator for the DRP purchased 2,191,641 shares of common stock in the open market at an average price per share of \$3.00 (totaling \$7) pursuant to the DRP, and distributed such shares to participants in the DRP. For additional information regarding the terms of the DRP, see Note 5.

*December 2018 Share Repurchase Program*

In December 2018, the Company's board of directors authorized a stock repurchase program. Under the program, the Company was permitted to repurchase up to \$200 in the aggregate of its outstanding common stock in the open market at prices below the then-current net asset value per share. The program has terminated since the aggregate repurchase amount that was approved by the Company's board of directors has been expended.

During the three months ended March 31, 2020, the Company repurchased 8,941,631 shares of common stock pursuant to the share repurchase program at an average price per share (inclusive of commissions paid) of \$4.45 (totaling \$40). During the period from April 1, 2020 to May 5, 2020, the Company repurchased 2,353,368 shares of common stock pursuant to the share repurchase program at an average price per share (inclusive of commissions paid) of \$3.16 (totaling \$7).

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 4. Related Party Transactions**
*Compensation of the Investment Adviser*

Pursuant to the investment advisory agreement, the Advisor is entitled to a base management fee calculated at an annual rate of 1.50% of the average weekly value of the Company's gross assets excluding cash and cash equivalents (gross assets equal the total assets of the Company as set forth on the Company's consolidated balance sheets) and an incentive fee based on the Company's performance. Effective June 15, 2019, in connection with stockholder approval of the modification of the asset coverage requirement applicable to senior securities from 200% to 150%, the Advisor reduced (by permanent waiver) the annual base management fee payable under the investment advisory agreement from 1.5% to 1.0% on all assets financed using leverage over 1.0x debt-to-equity. The base management fee is payable quarterly in arrears. All or any part of the base management fee not taken as to any quarter will be deferred without interest and may be taken in such other quarter as the Advisor determines. The prior investment advisory agreement had substantially similar terms, except that cash and cash equivalents were not excluded from gross assets. See Note 2 for a discussion of the capital gains and subordinated income incentive fees that the Advisor may be entitled to under the investment advisory agreement.

On April 9, 2018, the Company entered into an administration agreement with the Advisor, or the administration agreement. Pursuant to the administration agreement, the Advisor oversees the Company's day-to-day operations, including the provision of general ledger accounting, fund accounting, legal services, investor relations, certain government and regulatory affairs activities, and other administrative services. The Advisor also performs, or oversees the performance of, the Company's corporate operations and required administrative services, which includes being responsible for the financial records that the Company is required to maintain and preparing reports for the Company's stockholders and reports filed with the SEC. In addition, the Advisor assists the Company in calculating its net asset value, overseeing the preparation and filing of tax returns and the printing and dissemination of reports to the Company's stockholders, and generally overseeing the payment of the Company's expenses and the performance of administrative and professional services rendered to the Company by others.

Pursuant to the administration agreement, the Company reimburses the Advisor for expenses necessary to perform services related to its administration and operations, including the Advisor's allocable portion of the compensation and related expenses of certain personnel of Franklin Square Holdings, L.P., which does business as FS Investments, or FS Investments, and KKR Credit Advisors (US), LLC, or KKR Credit, providing administrative services to the Company on behalf of the Advisor. The Company reimburses the Advisor no less than quarterly for all costs and expenses incurred by the Advisor in performing its obligations and providing personnel and facilities under the administration agreement. The Advisor allocates the cost of such services to the Company based on factors such as total assets, revenues, time allocations and/or other reasonable metrics. The Company's board of directors reviews the methodology employed in determining how the expenses are allocated to the Company and the proposed allocation of administrative expenses among the Company and certain affiliates of the Advisor. The Company's board of directors then assesses the reasonableness of such reimbursements for expenses allocated to it based on the breadth, depth and quality of such services as compared to the estimated cost to the Company of obtaining similar services from third-party service providers known to be available. In addition, the Company's board of directors considers whether any single third-party service provider would be capable of providing all such services at comparable cost and quality. Finally, the Company's board of directors compares the total amount paid to the Advisor for such services as a percentage of the Company's net assets to the same ratio as reported by other comparable BDCs.

The following table describes the fees and expenses accrued under the investment advisory agreement and the administration agreement, as applicable, during the three months ended March 31, 2020 and 2019:

Related Party	Source Agreement	Description	Three Months Ended March 31,	
			2020	2019
The Advisor	Investment advisory agreement	Base Management Fee <sup>(1)</sup>	\$30	\$29
The Advisor	Investment advisory agreement	Subordinated Incentive Fee on Income <sup>(2)</sup>	\$—	\$24
The Advisor	Administration agreement	Administrative Services Expenses <sup>(3)</sup>	\$2	\$1



**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**

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**Note 4. Related Party Transactions (continued)**

- (1) During the three months ended March 31, 2020 and 2019, \$30 and \$20, respectively, in base management fees were paid to the Advisor. As of March 31, 2020, \$30 in base management fees were payable to the Advisor.
- (2) During the three months ended March 31, 2020 and 2019, \$0 and \$14, respectively, of subordinated incentive fees on income were paid to the Advisor.
- (3) During the three months ended March 31, 2020 and 2019, \$1 and \$1, respectively, of administrative services expenses related to the allocation of costs of administrative personnel for services rendered to the Company by the Advisor and the remainder related to other reimbursable expenses, including reimbursement of fees related to transactional expenses for prospective investments, such as fees and expenses associated with performing due diligence reviews of investments that do not close, often referred to as "broken deal" costs. Broken deal costs were \$0.1 for the three months ended March 31, 2020. The Company paid \$3 and \$0, respectively, in administrative services expenses to the Advisor during the three months ended March 31, 2020 and 2019.

*Potential Conflicts of Interest*

The members of the senior management and investment teams of the Advisor serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as the Company does, or of investment vehicles managed by the same personnel. For example, the Advisor is the investment adviser to FS KKR Capital Corp. II, and the officers, managers and other personnel of the Advisor may serve in similar or other capacities for the investment advisers to future investment vehicles affiliated with FS Investments or KKR Credit. In serving in these multiple and other capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the Company's best interests or in the best interest of the Company's stockholders. The Company's investment objectives may overlap with the investment objectives of such investment funds, accounts or other investment vehicles. For additional information regarding potential conflicts of interest, see the Company's annual report on Form 10-K for the year ended December 31, 2019.

*Exemptive Relief*

As a BDC, the Company is subject to certain regulatory restrictions in making its investments. For example, BDCs generally are not permitted to co-invest with certain affiliated entities in transactions originated by the BDC or its affiliates in the absence of an exemptive order from the SEC. However, BDCs are permitted to, and may, simultaneously co-invest in transactions where price is the only negotiated term.

In an order dated June 4, 2013, or the FS Order, the SEC granted exemptive relief permitting the Company, subject to the satisfaction of certain conditions, to co-invest in certain privately negotiated investment transactions with certain affiliates of its former investment adviser, including FS Energy and Power Fund, FS KKR Capital Corp. II and any future BDCs that are advised by its former investment adviser or its affiliated investment advisers. However, in connection with the investment advisory relationship with the Advisor, and in an effort to mitigate potential future conflicts of interest, the Company's board of directors authorized and directed that the Company (i) withdraw from the FS Order, except with respect to any transaction in which the Company participated in reliance on the FS Order prior to April 9, 2018, and (ii) rely on an exemptive relief order, dated April 3, 2018, that permits the Company, subject to the satisfaction of certain conditions, to co-invest in certain privately negotiated investment transactions, including investments originated and directly negotiated by the Advisor or KKR Credit, with certain affiliates of the Advisor.

**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
(in millions, except share and per share amounts)

**Note 5. Distributions**

The following table reflects the cash distributions per share that the Company has declared on its common stock during the three months ended March 31, 2020 and 2019:

For the Three Months Ended	Distribution	
	Per Share	Amount
<b>Fiscal 2019</b>		
March 31, 2019	\$0.19000	\$ 100
Total	\$0.19000	\$ 100
<b>Fiscal 2020</b>		
March 31, 2020	\$0.19000	\$ 95
Total	\$0.19000	\$ 95

On April 28, 2020, the Company's board of directors declared a regular quarterly cash distribution of \$0.15 per share, which will be paid on or about July 2, 2020 to stockholders of record as of the close of business on June 17, 2020. The timing and amount of any future distributions to stockholders are subject to applicable legal restrictions and the sole discretion of the Company's board of directors.

Pursuant to the DRP, the Company will reinvest all cash dividends or distributions declared by the Company's board of directors on behalf of stockholders who do not elect to receive their distributions in cash. As a result, if the Company's board of directors declares a distribution, then stockholders who have not elected to "opt out" of the DRP will have their distributions automatically reinvested in additional shares of the Company's common stock.

With respect to each distribution pursuant to the DRP, the Company reserves the right to either issue new shares of common stock or purchase shares of common stock in the open market in connection with implementation of the DRP. Unless the Company, in its sole discretion, otherwise directs the plan administrator, (A) if the per share market price (as defined in the DRP) is equal to or greater than the estimated net asset value per share (rounded up to the nearest whole cent) of the Company's common stock on the payment date for the distribution, then the Company will issue shares of common stock at the greater of (i) net asset value per share of common stock or (ii) 95% of the market price; or (B) if the market price is less than the net asset value per share, then, in the sole discretion of the Company, (i) shares of common stock will be purchased in open market transactions for the accounts of participants to the extent practicable, or (ii) the Company will issue shares of common stock at net asset value per share. Pursuant to the terms of the DRP, the number of shares of common stock to be issued to a participant will be determined by dividing the total dollar amount of the distribution payable to a participant by the price per share at which the Company issues such shares; provided, however, that shares purchased in open market transactions by the plan administrator will be allocated to a participant based on the average purchase price, excluding any brokerage charges or other charges, of all shares of common stock purchased in the open market.

If a stockholder receives distributions in the form of common stock pursuant to the DRP, such stockholder generally will be subject to the same federal, state and local tax consequences as if it elected to receive distributions in cash. If the Company's common stock is trading at or below net asset value, a stockholder receiving distributions in the form of additional common stock will be treated as receiving a distribution in the amount of cash that they would have received if they had elected to receive the distribution in cash. If the Company's common stock is trading above net asset value, a stockholder receiving distributions in the form of additional common stock will be treated as receiving a distribution in the amount of the fair market value of the Company's common stock. The stockholder's basis for determining gain or loss upon the sale of common stock received in a distribution will be equal to the total dollar amount of the distribution payable to the stockholder. Any stock received in a distribution will have a holding period for tax purposes commencing on the day following the day on which the shares of common stock are credited to the stockholder's account.

The Company may fund its cash distributions to stockholders from any sources of funds legally available to it, including proceeds from the sale of shares of the Company's common stock, borrowings, net investment income from operations, capital

**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
(in millions, except share and per share amounts)

**Note 5. Distributions (continued)**

gains proceeds from the sale of assets, non-capital gains proceeds from the sale of assets, and dividends or other distributions paid to the Company on account of preferred and common equity investments in portfolio companies. The Company has not established limits on the amount of funds it may use from available sources to make distributions. During certain periods, the Company's distributions may exceed its earnings. As a result, it is possible that a portion of the distributions the Company makes may represent a return of capital. A return of capital generally is a return of a stockholder's investment rather than a return of earnings or gains derived from the Company's investment activities. Each year a statement on Form 1099-DIV identifying the sources of the distributions (i.e., paid from ordinary income, paid from net capital gains on the sale of securities, and/or a return of capital, which is a nontaxable distribution) will be mailed to the Company's stockholders. There can be no assurance that the Company will be able to pay distributions at a specific rate or at all.

The following table reflects the sources of the cash distributions on a tax basis that the Company has paid on its common stock during the three months ended March 31, 2020 and 2019:

Source of Distribution	Three Months Ended March 31,			
	2020		2019	
	Distribution Amount	Percentage	Distribution Amount	Percentage
Return of capital	\$ —	—	\$ —	—
Net investment income <sup>(1)</sup>	95	100%	100	100%
Short-term capital gains proceeds from the sale of assets	—	—	—	—
Long-term capital gains proceeds from the sale of assets	—	—	—	—
<b>Total</b>	<b>\$ 95</b>	<b>100%</b>	<b>\$ 100</b>	<b>100%</b>

- (1) During the three months ended March 31, 2020 and 2019, 89.4% and 89.7%, respectively, of the Company's gross investment income was attributable to cash income earned, 1.7% and 2.1%, respectively, was attributable to non-cash accretion of discount and 8.9% and 8.2%, respectively, was attributable to PIK interest.

The determination of the tax attributes of the Company's distributions is made annually as of the end of the Company's fiscal year based upon the Company's taxable income for the full year and distributions paid for the full year. Therefore, a determination made on a quarterly basis may not be representative of the actual tax attributes of the Company's distributions for a full year. The actual tax characteristics of distributions to stockholders are reported to stockholders annually on Form 1099-DIV.

Net capital losses may be carried forward indefinitely, and their character is retained as short-term or long-term losses. As of March 31, 2020, the Company had short-term and long-term capital loss carryforwards available to offset future realized capital gains of \$15 and \$555, respectively. \$85 of such losses were carried over from CCT due to the Merger, and \$177 of such losses were carried over from losses generated by the Company prior to the Merger. Because of the loss limitation rules of the Code, some of the tax basis losses may be limited in their use. Any unused balances resulting from such limitations may be carried forward into future years indefinitely.

As of March 31, 2020 and December 31, 2019, the Company's gross unrealized appreciation on a tax basis was \$932 and \$1,087, respectively. As of March 31, 2020 and December 31, 2019, the Company's gross unrealized depreciation on a tax basis was \$1,550 and \$1,002, respectively.

The aggregate cost of the Company's investments for U.S. federal income tax purposes totaled \$8,289 and \$7,973 as of March 31, 2020 and December 31, 2019, respectively. The aggregate net unrealized appreciation (depreciation) on investments on a tax basis was \$(1,344) and \$(616) as of March 31, 2020 and December 31, 2019, respectively. The aggregate net unrealized appreciation (depreciation) on investments on a tax basis excludes net unrealized appreciation (depreciation) from merger accounting, foreign currency forward contracts and foreign currency transactions.

As of March 31, 2020, the Company had a deferred tax liability of \$6 resulting from unrealized appreciation on investments held by the Company's wholly-owned taxable subsidiaries and a deferred tax asset of \$54 resulting from net operating losses of

**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
(in millions, except share and per share amounts)

**Note 5. Distributions (continued)**

the Company's wholly-owned taxable subsidiaries and unrealized depreciation on investments held by the Company's wholly-owned taxable subsidiaries. As of March 31, 2020, certain wholly-owned taxable subsidiaries anticipated that they would be unable to fully utilize their generated net operating losses and capital losses, therefore the deferred tax asset was offset by a valuation allowance of \$48. For the three months ended March 31, 2020, the Company did not record a provision for taxes related to wholly-owned taxable subsidiaries.

**Note 6. Investment Portfolio**

The following table summarizes the composition of the Company's investment portfolio at cost and fair value as of March 31, 2020 and December 31, 2019:

	March 31, 2020 (Unaudited)			December 31, 2019		
	Amortized Cost <sup>(1)</sup>	Fair Value	Percentage of Portfolio	Amortized Cost <sup>(1)</sup>	Fair Value	Percentage of Portfolio
Senior Secured Loans—First Lien	\$ 4,050	\$3,777	54.4%	\$ 3,868	\$3,724	50.6%
Senior Secured Loans—Second Lien	1,131	909	13.1%	1,273	1,196	16.3%
Other Senior Secured Debt	267	167	2.4%	298	238	3.2%
Subordinated Debt	464	345	5.0%	480	410	5.6%
Asset Based Finance	879	778	11.2%	761	737	10.0%
Strategic Credit Opportunities Partners, LLC	666	537	7.7%	491	479	6.5%
Equity/Other	635	432	6.2%	638	573	7.8%
Total	<u>\$ 8,092</u>	<u>\$6,945</u>	<u>100.0%</u>	<u>\$ 7,809</u>	<u>\$7,357</u>	<u>100.0%</u>

(1) Amortized cost represents the original cost adjusted for the amortization of premiums and/or accretion of discounts, as applicable, on investments.

In general, under the 1940 Act, the Company would be presumed to "control" a portfolio company if it owned more than 25% of its voting securities or it had the power to exercise control over the management or policies of such portfolio company, and would be an "affiliated person" of a portfolio company if it owned 5% or more of its voting securities.

As of March 31, 2020, the Company held investments in eight portfolio companies of which it is deemed to "control." As of March 31, 2020, the Company held investments in sixteen portfolio companies of which it is deemed to be an "affiliated person" but is not deemed to "control." For additional information with respect to such portfolio companies, see footnotes (y) and (z) to the unaudited consolidated schedule of investments as of March 31, 2020 in this quarterly report on Form 10-Q.

As of December 31, 2019, the Company held investments in seven portfolio companies of which it is deemed to "control." As of December 31, 2019, the Company held investments in sixteen portfolio companies of which it is deemed to be an "affiliated person" but is not deemed to "control." For additional information with respect to such portfolio companies, see footnotes (y) and (z) to the consolidated schedule of investments as of December 31, 2019 in this quarterly report on Form 10-Q.

The Company's investment portfolio may contain loans and other unfunded arrangements that are in the form of lines of credit, revolving credit facilities, delayed draw credit facilities or other investments, which require the Company to provide funding when requested by portfolio companies in accordance with the terms of the underlying agreements. As of March 31, 2020, the Company had unfunded debt investments with aggregate unfunded commitments of \$372.9, unfunded equity/other commitments of \$214.5 and unfunded commitments of \$210.2 of Strategic Credit Opportunities Partners, LLC. As of December 31, 2019, the Company had unfunded debt investments with aggregate unfunded commitments of \$438.0, unfunded equity commitments of \$240.1 and unfunded commitments of \$385.2 of Strategic Credit Opportunities Partners, LLC. The Company maintains sufficient cash on hand and available borrowings to fund such unfunded commitments should the need arise. For additional details regarding the Company's unfunded debt investments, see the Company's unaudited consolidated schedule of investments as of March 31, 2020 and the Company's audited consolidated schedule of investments as of December 31, 2019.

**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
(in millions, except share and per share amounts)

**Note 6. Investment Portfolio (continued)**

The table below describes investments by industry classification and enumerates the percentage, by fair value, of the total portfolio assets in such industries as of March 31, 2020 and December 31, 2019:

Industry Classification	March 31, 2020 (Unaudited)		December 31, 2019	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
Automobiles & Components	\$ 97	1.4%	\$ 247	1.9%
Banks	15	0.2%	15	0.2%
Capital Goods	924	13.3%	1,085	21.5%
Commercial & Professional Services	506	7.3%	557	6.1%
Consumer Durables & Apparel	414	6.0%	363	5.9%
Consumer Services	249	3.6%	294	3.0%
Diversified Financials	654	9.4%	575	8.9%
Energy	142	2.0%	208	3.8%
Food & Staples Retailing	201	2.9%	209	1.1%
Food, Beverage & Tobacco	109	1.6%	119	2.0%
Health Care Equipment & Services	655	9.4%	601	6.7%
Household & Personal Products	207	3.0%	120	0.9%
Insurance	249	3.6%	217	1.2%
Materials	154	2.2%	260	5.1%
Media & Entertainment	60	0.9%	94	1.3%
Pharmaceuticals, Biotechnology & Life Sciences	19	0.3%	30	0.1%
Real Estate	303	4.3%	236	2.4%
Retailing	349	5.0%	457	6.1%
Semiconductors & Semiconductor Equipment	—	—	19	0.3%
Software & Services	800	11.5%	805	12.8%
Strategic Credit Opportunities Partners, LLC	537	7.7%	479	4.0%
Technology Hardware & Equipment	41	0.6%	94	1.0%
Telecommunication Services	60	0.9%	71	1.4%
Transportation	200	2.9%	202	2.3%
<b>Total</b>	<b>\$6,945</b>	<b>100.0%</b>	<b>\$7,357</b>	<b>100.0%</b>

*Strategic Credit Opportunities Partners, LLC*

Strategic Credit Opportunities Partners, LLC, or SCJV, is a joint venture between the Company and South Carolina Retirement Systems Group Trust, or SCRS. SCRS purchased its interests in SCJV from Conway Capital, LLC, an affiliate of Guggenheim Life and Annuity Company and Delaware Life Insurance Company, in June 2019, which had no impact on the significant terms governing SCJV other than an increase in the aggregate capital commitment (but not the percentage of the aggregate capital committed by each member) to SCJV. SCJV's amended and restated limited liability company agreement, or the SCJV Agreement, requires the Company and SCRS to provide capital to SCJV of up to \$1,000 in the aggregate where the Company and SCRS would provide 87.5% and 12.5%, respectively, of the committed capital. Pursuant to the terms of the SCJV Agreement, the Company and SCRS each have 50% voting control of SCJV and are required to agree on all investment decisions as well as certain other significant actions for SCJV. SCJV invests its capital in a range of investments, including senior secured loans (both first lien and second lien) to middle market companies, broadly syndicated loans, equity, warrants and other investments. As administrative agent of SCJV, the Company performs certain day-to-day management responsibilities on behalf of SCJV and is entitled to a fee of 0.25% of SCJV's assets under administration, calculated and payable quarterly in arrears. As of March 31, 2020, the Company and SCRS have funded approximately \$759.8 to SCJV, of which \$664.9 was from the Company.

**FS KKR Capital Corp.****Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)****Note 6. Investment Portfolio (continued)**

On September 29, 2017, Jersey City Funding LLC, or Jersey City Funding, a wholly-owned subsidiary of SCJV, entered into a revolving credit facility, or as subsequently amended and restated, the Jersey City Funding Credit Facility, with Goldman Sachs Bank, as sole lead arranger, syndication agent, and administrative agent, each of the lenders from time to time party thereto, State Street Bank and Trust Company, as collateral administrator and collateral agent, and Cortland Capital Market Services LLC, as collateral custodian. The Jersey City Funding Credit Facility provides for borrowings in U.S. dollars, and certain agreed upon foreign currencies, in an aggregate principal amount up to \$350 on a committed basis. The maturity date for the Jersey City Funding Credit Facility is September 29, 2021. U.S. dollar borrowings bear interest at the rate of three-month LIBOR (subject to a 0% floor) plus 2.25% per annum. Foreign currency borrowings bear interest at the rate of the relevant reference rate (subject to a 0% floor) plus the spread applicable to the specified currency. Jersey City Funding is subject to an unused fee of up to 0.50% per annum on the average daily unborrowed portion of the committed facility amount. Borrowings under the Jersey City Funding Credit Facility are secured by a first priority security interest in substantially all of the assets of Jersey City Funding, including its portfolio of assets. As of March 31, 2020, total outstanding borrowings under the Jersey City Funding Credit Facility were \$340.1.

On February 18, 2020, the Jersey City Funding Credit Facility maximum facility amount was reduced from \$400 to \$350 pursuant to the Commitment Decrease and Amendment No. 4 between Jersey City Funding, SCJV, Goldman Sachs Bank, and the other parties thereto.

On September 18, 2019, Chestnut Street Funding LLC, or Chestnut Street Funding, a wholly-owned subsidiary of SCJV, entered into a revolving credit facility, or as subsequently amended, the Chestnut Street Funding Credit Facility, with Citibank, N.A., or Citibank, as administrative agent, each of the lenders from time to time party thereto, SCJV, as collateral manager, and Wells Fargo Bank, National Association, as collateral agent, account bank, and collateral custodian. The Chestnut Street Funding Credit Facility provides for borrowings in U.S. dollars and certain agreed upon foreign currencies in an aggregate principal amount up to \$400 on a committed basis. The end of the reinvestment period and the maturity date for the Chestnut Street Funding Credit Facility are September 18, 2022 and September 18, 2024, respectively. Under the Chestnut Street Funding Credit Facility, borrowings bear interest at the rate of three-month LIBOR (or the relevant reference rate for any foreign currency borrowings) (subject to a 0% floor) plus 2.25% per annum. During the reinvestment period, Chestnut Street Funding is subject to an unused fee of 0.50% per annum on the average daily unborrowed portion of the committed facility amount. Borrowings under the Chestnut Street Funding Credit Facility are secured by a first priority security interest in substantially all of the assets of Chestnut Street Funding, including its portfolio of assets. As of March 31, 2020, total outstanding borrowings under the Chestnut Street Funding Credit Facility were \$316.7.

On February 21, 2020, the Chestnut Street Funding Credit Facility maximum facility amount was increased from \$300 to \$400 pursuant to the First Amendment to Loan and Servicing Agreement between Chestnut Street Funding, SCJV, Citibank, and the other parties thereto. SCJV was in compliance with all covenants required by its financing arrangements as of March 31, 2020 and December 31, 2019.

During the three months ended March 31, 2020, the Company sold investments with a cost of \$131.8 for proceeds of \$102.3 to SCJV and recognized a net realized gain (loss) of \$(29.5) in connection with the transactions. As of March 31, 2020, \$145.8 of these sales to SCJV are included in receivable for investments sold in the consolidated statements of assets and liabilities.

As of March 31, 2020 and December 31, 2019, SCJV had total investments with a fair value of \$1,331.3 and \$1,438.5, respectively. As of March 31, 2020, SCJV had four investments on non-accrual status. As of December 31, 2019, SCJV had no investments on non-accrual status.

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Below is a summary of SCJV's portfolio, followed by a listing of the individual loans in SCJV's portfolio as of March 31, 2020 and December 31, 2019:

	As of	
	March 31, 2020	December 31, 2019
Total debt investments <sup>(1)</sup>	\$1,395.8	\$ 1,346.3
Weighted average current interest rate on debt investments <sup>(2)</sup>	9.1%	9.4%
Number of portfolio companies in SCJV	77	59
Largest investment in a single portfolio company <sup>(1)</sup>	\$ 72.6	\$ 72.5
Unfunded commitments <sup>(1)</sup>	\$ 31.7	\$ 45.2

(1) At cost.

(2) Computed as the (a) annual stated interest rate on accruing debt, divided by (b) total debt at par amount.

**Strategic Credit Opportunities Partners, LLC Portfolio**  
**As of March 31, 2020 (in millions)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor <sup>(b)</sup>	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
<b>Senior Secured Loans—First Lien</b>								
<b>—136.4%</b>								
1a Smart Start LLC	(e)(i)	Technology Hardware & Equipment	L+450	1.0%	2/21/22	\$ 23.4	\$23.3	\$23.0
1a Smart Start LLC	(e)(f)	Technology Hardware & Equipment	L+450	1.0%	2/21/22	—	—	—
ABB CONCISE Optical Group LLC	(i)	Retailing	L+500	1.0%	6/15/23	12.2	9.5	9.3
Apex Group Limited	(e)(h)	Diversified Financials	L+700	1.3%	6/15/23	1.0	0.9	1.0
Apex Group Limited	(e)(f)	Diversified Financials	L+700	1.3%	6/15/23	1.0	0.9	1.0
Apex Group Limited	(e)(h)(i)	Diversified Financials	L+700	1.0%	6/15/25	47.2	47.2	46.0
Apex Group Limited	(e)(h)	Diversified Financials	L+700	1.3%	6/15/25	20.8	20.6	20.3
Arrotex Australia Group Pty Ltd	(e)(h)(i)	Pharmaceuticals, Biotechnology & Life Sciences	B+525	1.0%	7/10/24	A\$ 75.4	50.3	44.3
BearCom Acquisition Corp	(e)(i)	Technology Hardware & Equipment	L+450	1.0%	7/5/24	\$ 2.3	2.2	2.2
BearCom Acquisition Corp	(e)(i)	Technology Hardware & Equipment	L+450	1.0%	7/5/24	C\$ 14.6	10.6	10.3
BearCom Acquisition Corp	(e)(f)	Technology Hardware & Equipment	L+450	1.0%	7/5/24	7.2	5.3	5.3
BearCom Acquisition Corp	(e)(i)	Technology Hardware & Equipment	L+450	1.0%	7/5/24	1.3	0.9	0.9

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor <sup>(b)</sup>	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
BearCom Acquisition Corp	(e)(f)	Technology Hardware & Equipment	L+450	1.0%	7/5/24	C\$ —	\$ —	\$ —
Belk Inc	(h)	Retailing	L+675	1.0%	7/31/25	\$ 3.9	3.6	2.2
Big Bus Tours Ltd	(e)(i)	Consumer Services	L+700		3/18/24	13.9	13.9	10.9
Big Bus Tours Ltd	(e)(i)	Consumer Services	E+750		3/18/24	€ 9.8	10.9	8.8
Brand Energy & Infrastructure Services Inc	(h)(i)	Capital Goods	L+425	1.0%	6/21/24	\$ 11.8	10.7	9.6
			7.8% PIK (7.8% Max)					
Bugaboo International BV	(e)(h)	Consumer Durables & Apparel	PIK		3/20/25	€ 33.6	39.0	35.7
Cambium Learning Group Inc	(h)(i)	Consumer Services	L+450		12/18/25	\$ 55.6	53.5	45.9
Camping World Good Sam	(i)	Consumer Durables & Apparel	L+275	0.8%	11/8/23	1.0	0.8	0.6
			L+725, 0.8% PIK (0.8% Max PIK)					
Casual Dining Group Ltd	(e)(h)	Consumer Services			12/10/22	£ 17.3	17.6	15.3
			L+725, 0.8% PIK (0.8% Max PIK)					
Casual Dining Group Ltd	(e)(h)	Consumer Services			12/10/22	5.1	6.5	4.5
			L+1,200 PIK (L+1,200 Max PIK)					
Casual Dining Group Ltd	(e)(h)	Consumer Services			12/10/22	4.2	5.5	5.2
			L+1,200 PIK (L+1,200 Max PIK)					
Casual Dining Group Ltd	(e)(f)	Consumer Services			12/10/22	6.2	8.2	8.3
Catapult Learning LLC	(e)(i)	Consumer Services	L+475	1.0%	4/24/23	\$ 4.4	4.4	4.3
Catapult Learning LLC	(e)(i)	Consumer Services	L+635	1.0%	4/24/23	15.7	15.7	15.1
Catapult Learning LLC	(e)(f)	Consumer Services	L+635	1.0%	4/24/23	1.5	1.5	1.5
Catapult Learning LLC	(e)(i)	Consumer Services	L+635	1.0%	4/24/23	5.1	5.1	5.0
Catapult Learning LLC	(e)(f)	Consumer Services	L+635	1.0%	4/24/23	0.5	0.5	0.5
Child Development Schools Inc	(e)(f)	Consumer Services	L+425	1.0%	5/21/23	2.5	2.5	2.5
Child Development Schools Inc	(e)(i)	Consumer Services	L+425	1.0%	5/21/23	9.7	9.7	9.6
CommerceHub Inc	(h)	Software & Services	L+350		5/21/25	2.1	2.1	1.8
CSM Bakery Products	(i)	Food, Beverage & Tobacco	L+400	1.0%	7/3/20	1.3	1.0	1.1



**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor <sup>(b)</sup>	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
Dentix	(e)(g) (h)(k)	Health Care Equipment & Services	E+825, 1.8% PIK (1.8% Max PIK)		6/7/20	€ 3.0	\$ 3.4	\$ —
Dentix	(e)(g) (h)(k)	Health Care Equipment & Services	E+825, 1.8% PIK (1.8% Max PIK)		12/1/22	21.0	24.8	—
Diamond Resorts International Inc	(h)	Consumer Services	L+375	1.0%	9/2/23	\$ 6.8	6.6	4.7
Eacom Timber Corp	(e)(h)	Materials	L+650	1.0%	11/30/23	65.0	65.0	58.6
HealthChannels LLC	(i)	Health Care Equipment & Services	L+450		4/3/25	24.5	24.3	21.9
Highline Aftermarket Acquisition LLC	(e)(i)	Automobiles & Components	L+350	1.0%	4/26/23	0.8	0.8	0.7
Highline Aftermarket Acquisition LLC	(e)(f)	Automobiles & Components	L+350	1.0%	4/26/23	2.0	2.0	1.6
Huws Gray Ltd	(e)(h)	Materials	L+525	0.5%	4/11/25	£ 21.7	28.6	25.5
Huws Gray Ltd	(e)(f)	Materials	L+525	0.5%	4/11/25	6.7	8.8	8.5
ID Verde	(e)(h)	Commercial & Professional Services	E+700		3/29/24	€ 3.1	3.6	3.3
ID Verde	(e)(h)	Commercial & Professional Services	E+700		3/29/24	£ 1.3	1.7	1.6
ID Verde	(e)(h)	Commercial & Professional Services	E+700		3/29/25	€ 15.9	18.5	16.8
ID Verde	(e)(h) (g)(i)	Commercial & Professional Services	L+725		3/29/25	£ 5.8	7.7	7.0
Imagine! Print Solutions Inc	(k)	Media & Entertainment	L+475	1.0%	6/21/22	\$ 13.6	11.1	2.9
Industria Chimica Emiliana Srl	(e)(h)(i)	Pharmaceuticals, Biotechnology & Life Sciences	L+650		6/30/26	€ 62.5	68.4	64.9
Jostens Inc	(i)	Consumer Services	L+550		12/19/25	\$ 1.6	1.3	1.3
Kettle Cuisine LLC	(i)	Food, Beverage & Tobacco	L+375	1.0%	8/25/25	16.7	16.7	14.1
Koosharem LLC	(h)	Commercial & Professional Services	L+450	1.0%	4/18/25	17.4	17.3	13.8
MedAssets Inc	(h)	Health Care Equipment & Services	L+450	1.0%	10/20/22	6.8	6.9	5.8
MI Windows & Doors Inc	(i)	Capital Goods	L+550	1.0%	11/6/26	8.9	7.7	7.7
Onvoy LLC	(i)	Telecommunication Services	L+450	1.0%	2/10/24	1.1	0.9	0.9

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor <sup>(b)</sup>	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
Parts Authority Inc	(e)(i)	Automobiles & Components	L+425		1/5/24	\$ 5.9	\$ 5.9	\$ 5.5
Parts Authority Inc	(e)(f)	Automobiles & Components	L+425		1/5/24	0.2	0.2	0.2
Parts Authority Inc	(e)(i)	Automobiles & Components	L+425		1/5/25	17.2	17.1	16.2
Parts Town LLC	(e)(h)	Retailing	L+550	1.0%	10/15/25	24.9	24.8	23.6
Precision Global Corp	(e)(i)	Materials	L+475	1.0%	8/3/24	9.2	8.8	8.3
Precision Global Corp	(e)(f)	Materials	L+475	1.0%	8/3/24	1.2	1.2	1.1
Project Marron	(e)(i)	Consumer Services	L+625		7/2/25	C\$ 23.8	18.0	16.1
Project Marron	(e)(i)	Consumer Services	B+625		7/3/25	A\$ 28.8	19.5	16.7
Qdoba Restaurant Corp	(i)	Consumer Services	L+700	1.0%	3/21/25	\$ 1.6	1.5	1.4
Quirch Foods Co	(i)	Food & Staples Retailing	L+600		12/19/25	14.8	14.8	13.0
		Health Care Equipment & Services						
Sentry Data Systems Inc	(e)(i)	Services	L+675	1.0%	5/7/21	10.2	10.2	10.2
Sequa Corp	(i)	Materials	L+500	1.0%	11/28/21	12.5	9.1	10.3
Smart & Final Stores LLC	(h)	Food & Staples Retailing	L+675		6/20/25	18.8	17.3	16.6
SMART Global Holdings Inc	(e)(f)	Semiconductors & Semiconductor Equipment	L+400		2/9/21	0.6	0.6	0.6
Staples Canada	(e)(h)	Retailing	L+700	1.0%	9/12/24	C\$ 37.9	28.6	27.0
Technimark LLC	(i)	Materials	L+375		8/8/25	\$ 18.5	18.4	15.0
Total Safety US Inc	(i)	Capital Goods	L+600	1.0%	8/16/25	4.0	3.3	3.3
Transaction Services Group Ltd	(e)(h)	Consumer Services	L+600		10/15/26	A\$ 99.5	68.5	56.2
Weld North Education LLC	(i)	Software & Services	L+425		2/15/25	\$ 14.7	14.8	13.2
Yak Access LLC	(i)	Capital Goods	L+500		7/11/25	0.9	0.6	0.6
<b>Total Senior Secured Loans—</b>								
<b>First Lien</b>							993.7	868.7
Unfunded Loan Commitments							(32.2)	(32.2)
<b>Net Senior Secured Loans—</b>								
<b>First Lien</b>							961.5	836.5
<b>Senior Secured Loans—Second Lien—35.2%</b>								
Access CIG LLC	(i)	Commercial & Professional Services	L+775		2/27/26	0.6	0.5	0.5
Albany Molecular Research Inc	(i)	Pharmaceuticals, Biotechnology & Life Sciences	L+700	1.0%	8/30/25	8.3	6.7	6.0

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor <sup>(b)</sup>	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
Ammeraal Beltech Holding BV	(e)(h)	Capital Goods	L+800		7/27/26	\$ 40.7	\$ 39.9	\$ 37.9
BCA Marketplace PLC	(e)(h) (i)	Retailing	L+825		11/12/27	£ 47.7	62.3	55.4
Casual Dining Group Ltd	(e)(g) (h)(k)	Consumer Services	11.5% PIK (11.5% Max PIK)		12/10/22	15.7	19.8	—
Excelitas Technologies Corp	(i)	Technology Hardware & Equipment	L+750	1.0%	12/1/25	\$ 8.4	6.5	6.6
Invictus	(i)	Materials	L+675		3/30/26	0.6	0.4	0.4
Misys Ltd	(i)	Software & Services	L+725	1.0%	6/13/25	6.2	4.8	4.8
Resource Label Group LLC	(e)(i)	Materials	L+850	1.0%	11/26/23	15.0	13.0	12.5
Sequa Corp	(i)	Materials	L+900	1.0%	4/28/22	18.6	13.5	13.6
SIRVA Worldwide Inc	(i)	Commercial & Professional Services	L+950		8/3/26	3.8	2.9	3.0
Watchfire Enterprises Inc	(e)(i)	Technology Hardware & Equipment	L+800	1.0%	10/2/21	9.3	6.6	9.2
WireCo WorldGroup Inc	(i)	Capital Goods	L+900	1.0%	9/30/24	10.3	8.3	9.1
Wittur Holding GmbH	(e)(h) (i)	Capital Goods	E+850, 0.5% PIK (0.5% Max PIK)		9/23/27	€ 55.0	59.9	56.9
<b>Total Senior Secured Loans— Second Lien</b>							<u>245.1</u>	<u>215.9</u>
<b>Other Senior Secured Debt—1.3%</b>								
Cleaver-Brooks Inc	(h)	Capital Goods	\$0.1		3/1/23	\$ 9.3	7.5	7.8
<b>Total Senior Secured Debt</b>							<u>7.5</u>	<u>7.8</u>
<b>Subordinated Debt—11.1%</b>								
Diamond Resorts International Inc	(h)	Consumer Services	10.8%		9/1/24	1.7	1.0	1.1
Home Partners of America Inc	(e)(h)	Real Estate	L+625	1.0%	10/8/22	42.9	42.6	41.8
Kenan Advantage Group Inc	(h)	Transportation	7.9%		7/31/23	7.7	7.6	6.5
MultiPlan Inc	(h)	Health Care Equipment & Services	7.1%		6/1/24	1.7	1.4	1.5
Plastipak Holdings Inc	(h)	Materials	6.3%		10/15/25	1.0	0.7	0.9

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor <sup>(b)</sup>	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
Solera LLC	(h)	Software & Services	10.5%		3/1/24	\$ 6.8	\$ 7.2	\$ 6.7
Vivint Inc	(h)	Commercial & Professional Services	7.6%		9/1/23	12.6	8.9	9.9
<b>Total Subordinated Debt</b>							<u>69.4</u>	<u>68.4</u>
<b>Asset Based Finance—24.9%</b>								
Comet Aircraft S.a.r.l., Common Stock	(e)(h)	Capital Goods	12.4%		2/28/22	\$ 26.0	26.3	26.8
GA Capital Specialty Lending Fund, Limited Partnership Interest	(e)(h)	Diversified Financials				N/A	—	10.4
Global Lending Services LLC, Private Equity	(e)(h) (k)	Diversified Financials				6,981,478	7.0	7.1
KKR Zeno Aggregator LP (K2 Aviation), Partnership Interest	(e)(h)	Capital Goods				19,642,734	24.5	21.7
Lenovo Group Ltd, Structured Mezzanine	(e)(h)	Technology Hardware & Equipment	8.0%		6/22/22	\$ 15.5	15.5	15.5
Lenovo Group Ltd, Structured Mezzanine	(e)(h)	Technology Hardware & Equipment	12.0%		6/22/22	\$ 9.8	9.8	9.9
MP4 2013-2A Class Subord. B	(e)(h) (k)	Diversified Financials			7/25/29	\$ 21.0	5.1	3.6
NewStar Clarendon 2014-1A Class D	(e)(h) (k)	Diversified Financials			1/25/27	\$ 17.9	2.3	5.9
Pretium Partners LLC P1, Structured Mezzanine	(e)(h)	Real Estate	2.8%, 5.3% PIK (5.3% Max PIK)		10/22/26	\$ 11.7	11.7	11.2
Pretium Partners LLC P2, Structured Mezzanine	(e)(h)	Real Estate	2.0%, 7.5% PIK (7.5% Max PIK)		5/29/25	\$ 24.4	24.6	24.4
Sealane Trade Finance	(e)(j)	Banks	L+375	1.0%	5/8/23	\$ 5.0	5.0	4.9
Sealane Trade Finance	(e)(j)	Banks	L+963	1.0%	5/8/23	\$ 12.0	12.0	11.6
<b>Total Asset Based Finance</b>							<u>143.8</u>	<u>153.0</u>

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor <sup>(b)</sup>	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
<b>Equity/Other—8.1%</b>								
ASG Technologies, Common Stock	(e)(i)(k)	Software & Services				540,346	\$ 30.0	\$ 21.3
Casual Dining Group Ltd, Common Stock	(e)(h)(k)	Consumer Services				12,670,634	15.9	—
Home Partners of America Inc, Common Stock	(e)(i)(k)	Real Estate				18,419	30.0	28.4
<b>Total Equity/Other</b>							<u>75.9</u>	<u>49.7</u>
<b>TOTAL INVESTMENTS—217.0%</b>							<u>\$1,503.2</u>	<u>\$1,331.3</u>
<b>Derivative Instruments—1.0%</b>								
Foreign currency forward contracts								\$ 6.3

- (a) Security may be an obligation of one or more entities affiliated with the named company.
- (b) Certain variable rate securities in the Company's portfolio bear interest at a rate determined by a publicly disclosed base rate plus a basis point spread. As of March 31, 2020, the three-month London Interbank Offered Rate, or LIBOR or "L", was 1.45%, the Euro Interbank Offered Rate, or EURIBOR, was (0.36)%, the Australian Bank Bill Swap Bid Rate, or BBSY or "B", was 0.42% and the Canadian Dollar Offer Rate, or CDOR, was 1.24%. PIK means paid-in-kind. PIK income accruals may be adjusted based on the fair value of the underlying investment. Variable rate securities with no floor rate use the respective benchmark rate in all cases.
- (c) Denominated in U.S. dollars unless otherwise noted.
- (d) Fair value determined by the Company's board of directors.
- (e) Investments classified as Level 3.
- (f) Security is an unfunded commitment. The stated rate reflects the spread disclosed at the time of commitment and may not indicate the actual rate received upon funding.
- (g) Asset is on non-accrual status.
- (h) Security or portion thereof held within Jersey City Funding LLC and is pledged as collateral supporting the amounts outstanding under the revolving credit facility with Goldman Sachs Bank.
- (i) Security or portion thereof held within Chestnut Street Funding LLC and is pledged as collateral supporting the amounts outstanding under the revolving credit facility with Citibank.
- (j) Security or portion thereof held within JCF Cayman Ltd and is pledged as collateral supporting the amounts outstanding under the revolving credit facility with Goldman Sachs Bank.
- (k) Security is non-income producing.

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**
**Strategic Credit Opportunities Partners, LLC Portfolio**  
**As of December 31, 2019 (in millions)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
<b>Senior Secured Loans—First Lien—</b>								
<b>175.6%</b>								
1a Smart Start LLC	(e)(i)	Technology Hardware & Equipment	L+450	1.0%	2/21/2022	\$ 26.8	\$26.7	\$26.7
1a Smart Start LLC	(e)(f)	Technology Hardware & Equipment	L+450	1.0%	2/21/2022	1.7	1.7	1.6
Apex Group Limited	(e)(f)	Diversified Financials	L+700	1.3%	6/15/2023	2.1	1.9	2.1
Apex Group Limited	(e)(h)(i)	Diversified Financials	L+700	1.3%	6/15/2025	68.1	67.9	68.2
Arrotex Australia Group Pty Ltd	(e)(h)(i)	Pharmaceuticals, Biotechnology & Life Sciences	B+525	1.0%	7/10/2024	A\$ 75.4	50.2	52.0
BearCom Acquisition Corp	(e)(i)	Technology Hardware & Equipment	L+450	1.0%	7/5/2024	C\$ 1.3	0.9	1.0
BearCom Acquisition Corp	(e)(f)	Technology Hardware & Equipment	L+450	1.0%	7/5/2024	—	—	—
BearCom Acquisition Corp	(e)(i)	Technology Hardware & Equipment	L+450	1.0%	7/5/2024	17.0	12.8	13.6
BearCom Acquisition Corp	(e)(f)	Technology Hardware & Equipment	L+450	1.0%	7/5/2024	7.2	5.3	5.4
Belk Inc	(h)	Retailing	L+675	1.0%	7/31/2025	\$ 4.0	3.6	2.8
Big Bus Tours Ltd	(e)(i)	Consumer Services	E+700		3/18/2024	€ 9.8	10.9	11.0
Big Bus Tours Ltd	(e)(i)	Consumer Services	L+700		3/18/2024	\$ 13.9	13.9	13.8
Brand Energy & Infrastructure Services Inc	(h)	Capital Goods	L+425	1.0%	6/21/2024	7.3	7.3	7.3
Bugaboo International BV	(e)(h)	Consumer Durables & Apparel	7.8% PIK (7.8% Max PIK)		3/20/2025	€ 32.4	37.5	36.0
Casual Dining Group Ltd	(e)(h)	Consumer Services	L+725, 0.8% PIK (0.8% Max PIK)		12/10/2022	£ 22.3	24.0	29.6
Casual Dining Group Ltd	(e)(h)	Consumer Services	L+1,200 PIK (L+1,200 Max PIK)		12/10/2022	1.3	1.7	1.7
Casual Dining Group Ltd	(e)(f)	Consumer Services	L+1,200 PIK (L+1,200 Max PIK)		12/10/2022	9.1	12.0	12.2
Catapult Learning LLC	(e)(i)	Consumer Services	L+475	1.0%	4/24/2023	\$ 3.2	3.2	3.2

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
Catapult Learning LLC	(e)(f)	Consumer Services	L+475	1.0%	4/24/2023	\$ 1.2	\$ 1.2	\$ 1.2
Catapult Learning LLC	(e)(i)	Consumer Services	L+635	1.0%	4/24/2023	15.8	15.8	15.7
Catapult Learning LLC	(e)(f)	Consumer Services	L+635	1.0%	4/24/2023	1.5	1.5	1.5
Catapult Learning LLC	(e)(i)	Consumer Services	L+635	1.0%	4/24/2023	5.2	5.2	5.1
Catapult Learning LLC	(e)(f)	Consumer Services	L+635	1.0%	4/24/2023	0.5	0.5	0.5
Child Development Schools Inc	(e)(i)	Consumer Services	L+425		5/21/2023	9.9	9.9	9.9
Child Development Schools Inc	(e)(f)	Consumer Services	L+425		5/21/2023	2.5	2.5	2.5
CommerceHub Inc	(h)	Software & Services	L+350		5/21/2025	2.1	2.1	2.1
Commercial Barge Line Co	(h)	Transportation	L+875	1.0%	11/12/2020	4.1	4.0	2.1
DB Datacenter Holdings Inc	(i)	Software & Services	L+425	1.0%	10/3/2024	25.5	25.2	25.1
			E+825, 1.8% PIK (1.8% Max PIK)					
Dentix	(e)(h)	Health Care Equipment & Services			4/7/2020	€ 3.0	3.4	3.0
			E+825, 1.8% PIK (1.8% Max PIK)					
Dentix	(e)(h)	Health Care Equipment & Services			12/1/2022	21.0	24.8	20.9
Diamond Resorts International Inc	(h)	Consumer Services	L+375	1.0%	9/2/2023	\$ 6.8	6.6	6.6
Eacom Timber Corp	(e)(h)	Materials	L+650	1.0%	11/30/2023	65.9	65.9	62.3
HealthChannels LLC	(i)	Health Care Equipment & Services	L+450		4/3/2025	24.6	24.3	24.2
Highline Aftermarket Acquisition LLC	(e)(f)	Automobiles & Components	L+350	1.0%	4/26/2023	2.8	2.6	2.6
Huws Gray Ltd	(e)(h)	Materials	L+525	0.5%	4/11/2025	£ 20.2	26.7	26.7
Huws Gray Ltd	(e)(h)	Materials	L+525	0.5%	4/11/2025	0.7	1.0	1.0
Huws Gray Ltd	(e)(f)	Materials	L+525	0.5%	4/11/2025	7.4	9.7	9.8
ID Verde	(e)(h)	Commercial & Professional Services	E+700		3/29/2024	€ 3.1	3.6	3.5
ID Verde	(e)(h)	Commercial & Professional Services	E+700		3/29/2024	£ 1.3	1.7	1.7
ID Verde	(e)(h)	Commercial & Professional Services	E+700		3/29/2025	€ 15.9	18.5	17.8
ID Verde	(e)(h)	Commercial & Professional Services	L+725		3/29/2025	£ 5.8	7.7	7.7

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
Imagine Communications Corp	(e)(i)	Media & Entertainment	L+750	1.0%	4/29/2020	\$ 11.6	\$ 11.6	\$ 11.6
Imagine Communications Corp	(e)(i)	Media & Entertainment	L+750	1.0%	4/29/2020	19.5	19.5	19.5
Imagine! Print Solutions Inc	(i)	Media & Entertainment	L+475	1.0%	6/21/2022	13.6	10.9	5.1
Industria Chimica Emiliana Srl	(e)(h)(i)	Pharmaceuticals, Biotechnology & Life Sciences	L+650		6/30/2026	€ 62.5	68.4	68.4
Kettle Cuisine LLC	(i)	Food, Beverage & Tobacco	L+375	1.0%	8/25/2025	\$ 16.8	16.7	16.6
Koosharem LLC	(h)	Commercial & Professional Services	L+450	1.0%	4/18/2025	17.7	17.6	17.4
Marshall Retail Group LLC	(e)(h)	Retailing	L+600	1.0%	8/25/2020	—	—	—
MedAssets Inc	(h)	Health Care Equipment & Services	L+450	1.0%	10/20/2022	6.9	6.9	5.7
P2 Energy Solutions, Inc.	(h)	Software & Services	L+375	1.0%	10/30/2020	2.9	2.9	2.9
Parts Authority Inc	(e)(i)	Automobiles & Components	L+425		1/5/2024	2.1	2.1	2.1
Parts Authority Inc	(e)(f)	Automobiles & Components	L+425		1/5/2024	4.0	4.0	4.0
Parts Authority Inc	(e)(i)	Automobiles & Components	L+425		1/5/2025	17.3	17.1	17.2
Parts Town LLC	(e)(h)	Retailing	L+550	1.0%	10/15/2025	25.0	24.9	24.9
Precision Global Corp	(e)(i)	Materials	L+475	1.0%	8/3/2024	9.2	8.7	8.8
Precision Global Corp	(e)(f)	Materials	L+475	1.0%	8/3/2024	1.2	1.2	1.2
Project Marron	(e)(i)	Consumer Services	B+625		7/3/2025	A\$ 28.8	19.5	20.3
Project Marron	(e)(i)	Consumer Services	L+625		7/2/2025	C\$ 23.8	18.0	18.5
Quirch Foods Co	(i)	Food & Staples Retailing	L+600		12/19/2025	\$ 14.8	14.9	14.8
Sentry Data Systems Inc	(e)(i)	Health Care Equipment & Services	L+675	1.0%	5/7/2021	0.2	0.2	0.2
Sentry Data Systems Inc	(e)(f)	Health Care Equipment & Services	L+675	1.0%	5/7/2021	0.5	0.5	0.5
Sentry Data Systems Inc	(e)(i)	Health Care Equipment & Services	L+675	1.0%	5/7/2021	9.6	9.5	9.5
Smart & Final Stores LLC	(h)	Food & Staples Retailing	L+675		6/20/2025	18.8	17.2	18.2
SMART Global Holdings Inc	(e)(f)	Semiconductors & Semiconductor Equipment	L+400		2/9/2021	0.6	0.6	0.6



**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
SMART Global Holdings Inc	(e)(h)	Semiconductors & Semiconductor Equipment	L+625	1.0%	8/9/2022	\$ 37.7	\$ 38.0	\$ 37.8
Staples Canada	(e)(h)	Retailing	L+700	1.0%	9/12/2024	C\$ 38.9	29.4	30.6
Technimark LLC	(i)	Materials	L+375		8/8/2025	\$ 18.5	18.4	18.2
Transaction Services Group Ltd	(e)(h)(i)	Consumer Services	L+600		10/15/2026	A\$ 99.5	68.4	68.4
Utility One Source LP	(h)	Capital Goods	L+550	1.0%	4/18/2023	\$ —	—	—
Weld North Education LLC	(i)	Software & Services	L+425		2/15/2025	14.8	14.8	14.8
<b>Total Senior Secured Loans—First Lien</b>							1,007.8	999.5
Unfunded Loan Commitments							(46.1)	(46.1)
<b>Net Senior Secured Loans—First Lien</b>							961.7	953.4
<b>Senior Secured Loans—Second Lien—37.5%</b>								
Ammeraal Beltech Holding BV	(e)(h)	Capital Goods	L+800		7/27/2026	40.7	39.9	39.3
Asurion LLC	(i)	Software & Services	L+650		8/4/2025	—	—	—
BCA Marketplace PLC	(e)(h)(i)	Retailing	L+825		9/24/2027	£ 47.7	62.7	62.3
				11.5% PIK (11.5% Max PIK)				
Casual Dining Group Ltd	(e)(h)	Consumer Services			12/10/2022	15.3	19.8	20.2
Resource Label Group LLC	(e)(i)	Materials	L+850	1.0%	11/26/2023	\$ 15.0	12.9	13.0
Watchfire Enterprises Inc	(e)(i)	Technology Hardware & Equipment	L+800	1.0%	10/2/2021	9.3	6.3	9.3
				E+850, 0.5% PIK (0.5% Max PIK)				
Wittur Holding GmbH	(e)(h)(i)	Capital Goods			9/23/2027	€ 55.0	59.8	59.8
<b>Total Senior Secured Loans—Second Lien</b>							201.4	203.9
<b>Subordinated Debt—10.6%</b>								
Home Partners of America Inc	(e)(i)	Real Estate	L+625	1.0%	10/8/2022	\$ 42.9	42.5	42.9
Kenan Advantage Group Inc	(h)	Transportation	7.9%		7/31/2023	7.7	7.6	7.5
Solera LLC	(h)	Software & Services	10.5%		3/1/2024	6.8	7.2	7.2
<b>Total Subordinated Debt</b>							57.3	57.6

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

<u>Company<sup>(a)</sup></u>	<u>Footnotes</u>	<u>Industry</u>	<u>Interest Rate<sup>(b)</sup></u>	<u>Base Rate Floor</u>	<u>Maturity Date</u>	<u>No. Shares/ Principal Amount <sup>(c)</sup></u>	<u>Cost</u>	<u>Fair Value</u>
<b>Asset Based Finance—30.2%</b>								
Comet Aircraft S.a.r.l., Common Stock	(e)(h)	Capital Goods	14.0%		2/28/2022	29,557,191	\$ 33.8	\$ 32.2
GA Capital Specialty Lending Fund, Limited Partnership Interest	(e)(h)	Diversified Financials				N/A	—	11.0
Global Lending Services LLC, Private Equity	(e)(h)	Diversified Financials				6,981,478	7.0	7.0
KKR Zeno Aggregator LP (K2 Aviation)	(e)(h)	Capital Goods				19,642,734	24.4	23.2
Lenovo Group Ltd, Structured Mezzanine	(e)(h)	Technology Hardware & Equipment	8.0%		6/22/2022	\$ 15.5	15.5	15.5
Lenovo Group Ltd, Structured Mezzanine	(e)(h)	Technology Hardware & Equipment	12.0%		6/22/2022	\$ 9.8	9.8	9.8
MP4 2013-2A Class Subord. B	(e)(h)	Diversified Financials			7/25/2029	\$ 21.0	5.5	6.5
NewStar Clarendon 2014-1A Class D	(e)(h)	Diversified Financials			1/25/2027	\$ 17.9	7.9	7.0
Pretium Partners LLC P1, Structured Mezzanine	(e)(h)	Real Estate	2.8%, 5.3% PIK (5.3% Max PIK)		10/22/2026	\$ 11.7	11.7	11.7
Pretium Partners LLC P2, Structured Mezzanine	(e)(h)	Real Estate	2.0%, 7.5% PIK (7.5% Max PIK)		5/29/2025	\$ 23.5	23.8	23.8
Sealane Trade Finance	(e)	Banks	L+375	1.0%	5/8/2023	\$ 5.0	5.0	5.0
Sealane Trade Finance	(e)	Banks	L+963	1.0%	5/8/2023	\$ 12.0	12.0	11.8
<b>Total Asset Based Finance</b>							<u>156.4</u>	<u>164.5</u>
<b>Equity/Other—10.9%</b>								
ASG Technologies, Common Stock	(e)(i)	Software & Services				540,346	30.0	26.6
Casual Dining Group Ltd, Common Stock	(e)(h)	Consumer Services				12,670,634	15.9	2.2

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 6. Investment Portfolio (continued)**

Company <sup>(a)</sup>	Footnotes	Industry	Interest Rate <sup>(b)</sup>	Base Rate Floor	Maturity Date	No. Shares/ Principal Amount <sup>(c)</sup>	Cost	Fair Value
Home Partners of America Inc, Common Stock	(e)(i)	Real Estate				18,419	\$ 30.0	\$ 30.3
<b>Total Equity/Other</b>							75.9	59.1
<b>TOTAL INVESTMENTS—</b>								
<b>264.8%</b>							<u>\$1,452.7</u>	<u>\$1,438.5</u>

- (a) Security may be an obligation of one or more entities affiliated with the named company.
- (b) Certain variable rate securities in the Company's portfolio bear interest at a rate determined by a publicly disclosed base rate plus a basis point spread. As of December 31, 2019, the three-month London Interbank Offered Rate, or LIBOR or "L", was 1.91% and the Euro Interbank Offered Rate, or EURIBOR, was (0.38)% and the Australian Interbank Rate, or BBSY or "B", was 0.92%. PIK means paid-in-kind. PIK income accruals may be adjusted based on the fair value of the underlying investment.
- (c) Denominated in U.S. dollars unless otherwise noted.
- (d) Fair value determined by the Company's board of directors.
- (e) Investments classified as Level 3.
- (f) Security is an unfunded commitment. The stated rate reflects the spread disclosed at the time of commitment and may not indicate the actual rate received upon funding.
- (g) Not used.
- (h) Security or portion thereof held within Jersey City Funding LLC and is pledged as collateral supporting the amounts outstanding under the revolving credit facility with Goldman Sachs.
- (i) Security or portion thereof held within Chestnut Street Funding LLC and is pledged as collateral supporting the amounts outstanding under the revolving credit facility with Citibank, N.A.

Below is selected balance sheet information for SCJV as of March 31, 2020 and December 31, 2019:

Selected Balance Sheet Information	As of	
	March 31, 2020	December 31, 2019
Total investments, at fair value	\$1,331.3	\$ 1,438.5
Cash and other assets	135.3	220.9
<b>Total assets</b>	<u>1,466.6</u>	<u>1,659.4</u>
Debt	656.8	466.1
Other liabilities	196.4	645.9
<b>Total liabilities</b>	<u>853.2</u>	<u>1,112.0</u>
<b>Member's equity</b>	<u>\$ 613.4</u>	<u>\$ 547.4</u>

FS KKR Capital Corp.

Notes to Unaudited Consolidated Financial Statements (continued)  
(in millions, except share and per share amounts)

**Note 6. Investment Portfolio (continued)**

Below is selected statement of operations information for SCJV for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
<b>Selected Statement of Operations Information</b>		
Total investment income	\$ 23.7	\$ 12.9
<b>Expenses</b>		
Interest expense	5.6	3.3
Custodian and accounting fees	0.1	0.1
Administrative services	1.0	0.1
Professional services	0.3	0.2
Other	0.0	0.0
Total expenses	7.0	3.7
Net investment income	16.7	9.2
Net realized and unrealized losses	(130.1)	1.8
<b>Net increase in net assets resulting from operations</b>	<b>\$ (113.4)</b>	<b>\$ 11.0</b>

**Note 7. Financial Instruments**

The following is a summary of the fair value and location of the Company's derivative instruments in the consolidated balance sheets held as of March 31, 2020 and December 31, 2019:

Derivative Instrument	Statement Location	Fair Value	
		March 31, 2020	December 31, 2019
Foreign currency forward contracts	Unrealized appreciation on foreign currency forward contracts	\$ 3	\$ 1
Foreign currency forward contracts	Unrealized depreciation on foreign currency forward contracts	—	0
<b>Total</b>		<b>\$ 3</b>	<b>\$ 1</b>

Net realized and unrealized gains and losses on derivative instruments recorded by the Company for the three months ended March 31, 2020 and 2019 are in the following locations in the consolidated statements of operations:

Derivative Instrument	Statement Location	Net Realized Gains (Losses) Three Months Ended March 31,	
		2020	2019
Cross currency swaps	Net realized gain (loss) on swap contracts	\$ —	\$ 1
Foreign currency forward contracts	Net realized gain (loss) on foreign currency forward contracts	—	—
<b>Total</b>		<b>\$ —</b>	<b>\$ 1</b>

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 7. Financial Instruments (continued)**

Derivative Instrument	Statement Location	Net Unrealized Gains (Losses)	
		Three Months Ended	
		March 31,	
		2020	2019
Cross currency swaps	Net change in unrealized appreciation (depreciation) on swap contracts	\$ —	\$ 4
Foreign currency forward contracts	Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	2	1
<b>Total</b>		<b>\$ 2</b>	<b>\$ 5</b>

*Offsetting of Derivative Instruments*

The Company has derivative instruments that are subject to master netting agreements. These agreements include provisions to offset positions with the same counterparty in the event of default by one of the parties. The Company's unrealized appreciation and depreciation on derivative instruments are reported as gross assets and liabilities, respectively, in the condensed consolidated statements of assets and liabilities. The following tables present the Company's assets and liabilities related to derivatives by counterparty, net of amounts available for offset under a master netting arrangement and net of any collateral received or pledged by the Company for such assets and liabilities as of March 31, 2020 and December 31, 2019:

As of March 31, 2020					
Counterparty	Derivative Assets Subject to Master Netting Agreement	Derivatives Available for Offset	Non-cash Collateral Received <sup>(1)</sup>	Cash Collateral Received <sup>(1)</sup>	Net Amount of Derivative Assets <sup>(2)</sup>
JP Morgan Chase Bank	\$ 3	\$ —	\$ —	\$ —	\$ 3
<b>Total</b>	<b>\$ 3</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3</b>

  

Counterparty	Derivative Liabilities Subject to Master Netting Agreement	Derivatives Available for Offset	Non-cash Collateral Pledged <sup>(1)</sup>	Cash Collateral Pledged <sup>(1)</sup>	Net Amount of Derivative Liabilities <sup>(3)</sup>
JP Morgan Chase Bank	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 7. Financial Instruments (continued)**

As of December 31, 2019					
Counterparty	Derivative Assets Subject to Master Netting Agreement	Derivatives Available for Offset	Non-cash Collateral Received <sup>(1)</sup>	Cash Collateral Received <sup>(1)</sup>	Net Amount of Derivative Assets <sup>(2)</sup>
JP Morgan Chase Bank	\$ 1	\$ —	\$ —	\$ —	\$ 1
Total	\$ 1	\$ —	\$ —	\$ —	\$ 1

  

Counterparty	Derivative Liabilities Subject to Master Netting Agreement	Derivatives Available for Offset	Non-cash Collateral Pledged <sup>(1)</sup>	Cash Collateral Pledged <sup>(1)</sup>	Net Amount of Derivative Liabilities <sup>(3)</sup>
JP Morgan Chase Bank	\$ 0	\$ 1	\$ —	\$ —	\$ 1
Total	\$ 0	\$ 1	\$ —	\$ —	\$ 1

(1) In some instances, the actual amount of the collateral received and/or pledged may be more than the amount shown due to overcollateralization.

(2) Net amount of derivative assets represents the net amount due from the counterparty to the Company.

(3) Net amount of derivative liabilities represents the net amount due from the Company to the counterparty.

**Foreign Currency Forward Contracts and Cross Currency Swaps:**

The Company may enter into foreign currency forward contracts and cross currency swaps from time to time to facilitate settlement of purchases and sales of investments denominated in foreign currencies and to economically hedge the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies. A foreign currency forward contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. These contracts are marked-to-market by recognizing the difference between the contract forward exchange rate and the forward market exchange rate on the last day of the period presented as unrealized appreciation or depreciation. Realized gains or losses are recognized when forward contracts are settled. Risks arise as a result of the potential inability of the counterparties to meet the terms of their contracts. The Company attempts to limit counterparty risk by only dealing with well-known counterparties.

Cross currency swaps are interest rate swaps in which interest cash flows are exchanged between two parties based on the notional amounts of two different currencies. These swaps are marked-to-market by recognizing the difference between the present value of cash flows of each leg of the swaps as unrealized appreciation or depreciation. Realized gain or loss is recognized when periodic payments are received or paid and the swaps are terminated. The entire notional value of a cross currency swap is subject to the risk that the counterparty to the swap will default on its contractual delivery obligations. The Company attempts to limit counterparty risk by only dealing with well-known counterparties. The Company utilizes cross currency swaps from time to time in order to hedge a portion of its investments in foreign currency.

The average notional balance for foreign currency forward contracts during the three months ended March 31, 2020 and 2019 was \$27.9 and \$160.0, respectively.

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 7. Financial Instruments (continued)**

As of March 31, 2020 and December 31, 2019, the Company's open foreign currency forward contracts were as follows:

As of March 31, 2020						
Foreign Currency	Settlement Date	Counterparty	Amount and Transaction	US\$ Value at Settlement Date	US\$ Value at March 31, 2020	Unrealized Appreciation (Depreciation)
GBP	10/13/2021	JP Morgan Chase Bank	£ 3.4 Sold	\$ 4.6	\$ 4.2	\$ 0.4
GBP	1/11/2023	JP Morgan Chase Bank	£ 7.0 Sold	9.4	8.7	0.7
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.9 Sold	2.9	2.4	0.5
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.7 Sold	2.6	2.1	0.5
GBP	1/11/2023	JP Morgan Chase Bank	£ 3.4 Sold	4.8	4.2	0.6
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.4 Sold	1.9	1.7	0.2
EUR	7/17/2023	JP Morgan Chase Bank	€ 1.3 Sold	1.7	1.5	0.2
Total				<u>\$ 27.9</u>	<u>\$ 24.8</u>	<u>\$ 3.1</u>
As of December 31, 2019						
Foreign Currency	Settlement Date	Counterparty	Amount and Transaction	US\$ Value at Settlement Date	US\$ Value at December 31, 2019	Unrealized Appreciation (Depreciation)
GBP	1/11/2023	JP Morgan Chase Bank	£ 7.0 Sold	\$ 9.4	\$ 9.5	\$ (0.1)
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.9 Sold	2.9	2.6	0.3
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.7 Sold	2.6	2.3	0.3
GBP	1/11/2023	JP Morgan Chase Bank	£ 3.4 Sold	4.8	4.6	0.2
GBP	1/11/2023	JP Morgan Chase Bank	£ 1.4 Sold	1.9	1.9	—
GBP	10/13/2021	JP Morgan Chase Bank	£ 3.4 Sold	4.6	4.6	—
EUR	7/17/2023	JP Morgan Chase Bank	€ 1.3 Sold	1.7	1.6	0.1
Total				<u>\$ 27.9</u>	<u>\$ 27.1</u>	<u>\$ 0.8</u>

**Note 8. Fair Value of Financial Instruments**

Under existing accounting guidance, fair value is defined as the price that the Company would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment. This accounting guidance emphasizes valuation techniques that maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances. The Company classifies the inputs used to measure these fair values into the following hierarchy as defined by current accounting guidance:

*Level 1:* Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Level 2:* Inputs that are quoted prices for similar assets or liabilities in active markets.

*Level 3:* Inputs that are unobservable for an asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
(in millions, except share and per share amounts)

**Note 8. Fair Value of Financial Instruments (continued)**

As of March 31, 2020 and December 31, 2019, the Company's investments were categorized as follows in the fair value hierarchy:

Valuation Inputs	March 31, 2020 (Unaudited)	December 31, 2019
Level 1—Price quotations in active markets	\$ —	\$ 1
Level 2—Significant other observable inputs	305	730
Level 3—Significant unobservable inputs	6,103	6,147
Investments measured at net asset value <sup>(1)</sup>	537	479
	<u>\$ 6,945</u>	<u>\$ 7,357</u>

- (1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

In addition, the Company had foreign currency forward contracts, as described in Note 7, which were categorized as Level 2 in the fair value hierarchy as of March 31, 2020 and December 31, 2019.

The Company's investments consist primarily of debt investments that were acquired directly from the issuer. Debt investments, for which broker quotes are not available, are valued by independent valuation firms, which determine the fair value of such investments by considering, among other factors, the borrower's ability to adequately service its debt, prevailing interest rates for like investments, expected cash flows, call features, anticipated repayments and other relevant terms of the investments. Except as described below, all of the Company's equity/other investments are also valued by independent valuation firms, which determine the fair value of such investments by considering, among other factors, contractual rights ascribed to such investments, as well as various income scenarios and multiples of earnings before interest, taxes, depreciation and amortization, or EBITDA, cash flows, net income, revenues or, in limited instances, book value or liquidation value. An investment that is newly issued and purchased near the date of the financial statements is valued at cost if the Company's board of directors determines that the cost of such investment is the best indication of its fair value. Such investments described above are typically classified as Level 3 within the fair value hierarchy. Investments that are traded on an active public market are valued at their closing price as of the date of the financial statements and are classified as Level 1 within the fair value hierarchy. Except as described above, the Company typically values its other investments by using the midpoint of the prevailing bid and ask prices from dealers on the date of the relevant period end, which are provided by independent third-party pricing services and screened for validity by such services and are typically classified as Level 2 within the fair value hierarchy.

The Company periodically benchmarks the bid and ask prices it receives from the third-party pricing services and/or dealers and independent valuation firms as applicable, against the actual prices at which the Company purchases and sells its investments. Based on the results of the benchmark analysis and the experience of the Company's management in purchasing and selling these investments, the Company believes that these prices are reliable indicators of fair value. The valuation committee of the Company's board of directors, or the valuation committee, and the board of directors reviewed and approved the valuation determinations made with respect to these investments in a manner consistent with the Company's valuation policy.



**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 8. Fair Value of Financial Instruments (continued)**

The following is a reconciliation for the three months ended March 31, 2020 and 2019 of investments for which significant unobservable inputs (Level 3) were used in determining fair value:

	For the Three Months Ended March 31, 2020						
	Senior Secured Loans—First Lien	Senior Secured Loans—Second Lien	Other Senior Secured Debt	Subordinated Debt	Asset Based Finance	Equity/Other	Total
Fair value at beginning of period	\$3,358	\$1,015	\$ 151	\$ 314	\$ 737	\$ 572	\$6,147
Accretion of discount (amortization of premium)	2	1	—	—	—	—	3
Net realized gain (loss)	(89)	—	—	—	(1)	—	(90)
Net change in unrealized appreciation (depreciation)	(84)	(143)	(32)	(36)	(77)	(138)	(510)
Purchases	940	4	—	48	126	—	1,118
Paid-in-kind interest	2	2	3	4	7	4	22
Sales and repayments	(543)	—	—	(24)	(14)	(6)	(587)
Net transfers in or out of Level 3	—	—	—	—	—	—	—
Fair value at end of period	<u>\$3,586</u>	<u>\$ 879</u>	<u>\$ 122</u>	<u>\$ 306</u>	<u>\$ 778</u>	<u>\$ 432</u>	<u>\$6,103</u>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	<u>\$ (126)</u>	<u>\$ (141)</u>	<u>\$ (31)</u>	<u>\$ (29)</u>	<u>\$ (68)</u>	<u>\$ (130)</u>	<u>\$ (525)</u>
	For the Three Months Ended March 31, 2019						
	Senior Secured Loans—First Lien	Senior Secured Loans—Second Lien	Other Senior Secured Debt	Subordinated Debt	Asset Based Finance	Equity/Other	Total
Fair value at beginning of period	\$3,689	\$ 884	\$ 165	\$ 300	\$ 659	\$ 545	\$6,242
Accretion of discount (amortization of premium)	1	1	—	—	1	—	3
Net realized gain (loss)	—	—	—	—	(4)	(11)	(15)
Net change in unrealized appreciation (depreciation)	(22)	—	(11)	(6)	3	39	3
Purchases	277	133	1	56	23	8	498
Paid-in-kind interest	—	1	4	1	3	3	12
Sales and repayments	(192)	(64)	(9)	(43)	(11)	—	(319)
Net transfers in or out of Level 3	—	—	—	—	—	—	—
Fair value at end of period	<u>\$3,753</u>	<u>\$ 955</u>	<u>\$ 150</u>	<u>\$ 308</u>	<u>\$ 674</u>	<u>\$ 584</u>	<u>\$6,424</u>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	<u>\$ (22)</u>	<u>\$ (2)</u>	<u>\$ (10)</u>	<u>\$ (7)</u>	<u>\$ 2</u>	<u>\$ 34</u>	<u>\$ (5)</u>

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 8. Fair Value of Financial Instruments (continued)**

The valuation techniques and significant unobservable inputs used in recurring Level 3 fair value measurements as of March 31, 2020 and December 31, 2019 were as follows:

Type of Investment	Fair Value at March 31, 2020 (Unaudited)	Valuation Technique <sup>(1)</sup>	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase in Input <sup>(2)</sup>
Senior Debt	\$ 4,074	Discounted Cash Flow	Discount Rate	6.77% - 23.22% (9.87%)	Decrease
	376	Waterfall	EBITDA Multiple	2.30x - 26.00x (8.55x)	Increase
	137	Other <sup>(3)</sup>			
Subordinated Debt	179	Discounted Cash Flow	Discount Rate	10.62% - 23.13% (12.40%)	Decrease
	68	Option Pricing Model	Equity Illiquidity Discount	37.50% - 37.50% (37.50%)	Decrease
	59	Waterfall	EBITDA Multiple	6.10x - 9.30x (6.11x)	Increase
Asset Based Finance	501	Waterfall	EBITDA Multiple	1.00x - 9.50x (3.49x)	Increase
	176	Discounted Cash Flow	Discount Rate	7.00% - 16.00% (11.98%)	Decrease
	54	Other <sup>(3)</sup>			
	46	Cost			
	1	Indicative Dealer Quotes		1.19% - 1.19% (1.19%)	Increase
Equity/Other	297	Waterfall	EBITDA Multiple	2.75x - 12.05x (7.13x)	Increase
	134	Option Pricing Model	Equity Illiquidity Discount	20.00% - 60.00% (21.70%)	Decrease
	1	Other <sup>(3)</sup>			
<b>Total</b>	<b>\$ 6,103</b>				

- (1) Investments using a market quotes valuation technique were primarily valued by using the midpoint of the prevailing bid and ask prices from dealers on the date of the relevant period end, which were provided by independent third-party pricing services and screened for validity by such services. Investments valued using an EBITDA multiple or a revenue multiple pursuant to the market comparables valuation technique may be conducted using an enterprise valuation waterfall analysis.
- (2) Represents the directional change in the fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the input would have the opposite effect. Significant changes in these inputs in isolation could result in significantly higher or lower fair value measurements.
- (3) Fair value based on expected outcome of proposed corporate transactions and/or other factors.

Type of Investment	Fair Value at December 31, 2019	Valuation Technique <sup>(1)</sup>	Unobservable Input	Range	Impact to Valuation from an Increase in Input <sup>(2)</sup>
Senior Debt	\$ 3,802	Discounted Cash Flow	Discount Rate	6.30% - 19.10% (9.79%)	Decrease
	380	Waterfall	EBITDA Multiple	2.05x - 21.05x (6.98x)	Increase
	311	Cost			
	31	Other <sup>(3)</sup>			
Subordinated Debt	232	Discounted Cash Flow	Discount Rate	11.20% - 20.80% (14.80%)	Decrease
	78	Waterfall	EBITDA Multiple	8.15x - 10.40x (8.89x)	Increase
	4	Option Pricing Model	Equity Illiquidity Discount	25.00% - 25.00% (25.00%)	Decrease
Asset Based Finance	455	Waterfall	EBITDA Multiple	1.00x - 13.00x (4.37x)	Increase
	128	Discounted Cash Flow	Discount Rate	7.80% - 16.00% (12.16%)	Decrease
	100	Cost			
	46	Other <sup>(3)</sup>			
	8	Indicative Dealer Quotes		4.73% - 32.70% (32.36%)	Increase
Equity/Other	408	Waterfall	EBITDA Multiple	0.18x - 15.60x (7.77x)	Increase
	139	Option Pricing Model	Equity Illiquidity Discount	20.00% - 30.00% (20.13%)	Decrease
	25	Other <sup>(3)</sup>			
<b>Total</b>	<b>\$ 6,147</b>				

- (1) Investments using a market quotes valuation technique were primarily valued by using the midpoint of the prevailing bid and ask prices from dealers on the date of the relevant period end, which were provided by independent third-party pricing services and screened for validity by such services. Investments valued using an EBITDA multiple or a revenue multiple pursuant to the market comparables valuation technique may be conducted using an enterprise valuation waterfall analysis.
- (2) Represents the directional change in the fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the input would have the opposite effect. Significant changes in these inputs in isolation could result in significantly higher or lower fair value measurements.
- (3) Fair value based on expected outcome of proposed corporate transactions and/or other factors.

**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
(in millions, except share and per share amounts)

**Note 9. Financing Arrangements**

Prior to June 14, 2019, in accordance with the 1940 Act, the Company was allowed to borrow amounts such that its asset coverage, calculated pursuant to the 1940 Act, was at least 200% after such borrowing. Effective June 15, 2019, the Company's asset coverage requirement applicable to senior securities was reduced from 200% to 150%. As of March 31, 2020, the aggregate amount outstanding of the senior securities issued by the Company was \$4,258. As of March 31, 2020, the Company's asset coverage was 171%.

The following tables present summary information with respect to the Company's outstanding financing arrangements as of March 31, 2020 and December 31, 2019. For additional information regarding these financing arrangements, see the notes to the Company's audited consolidated financial statements contained in its annual report on Form 10-K for the year ended December 31, 2019. Any significant changes to the Company's financing arrangements during the three months ended March 31, 2020 are discussed below.

Arrangement	Type of Arrangement	As of March 31, 2020 (Unaudited)			
		Rate <sup>(1)</sup>	Amount Outstanding	Amount Available	Maturity Date
CCT Tokyo Funding Credit Facility <sup>(2)</sup>	Revolving Credit Facility	L+1.75% - 2.00% <sup>(3)</sup>	\$ 300	\$ —	June 2, 2023
Locust Street Credit Facility <sup>(2)</sup>	Revolving Credit Facility	L+2.50%	400	—	September 28, 2022
Senior Secured Revolving Credit Facility <sup>(2)</sup>	Revolving Credit Facility	L+1.75% - 2.00% <sup>(4)</sup>	1,641 <sup>(5)</sup>	574	November 7, 2024
4.750% Notes due 2022 <sup>(6)</sup>	Unsecured Notes	4.75%	450	—	May 15, 2022
5.000% Notes due 2022 <sup>(6)</sup>	Unsecured Notes	5.00%	245	—	June 28, 2022
4.625% Notes due 2024 <sup>(6)</sup>	Unsecured Notes	4.63%	400	—	July 15, 2024
4.125% Notes due 2025 <sup>(6)</sup>	Unsecured Notes	4.13%	470	—	February 1, 2025
2019-1 Notes <sup>(2)(7)</sup>	Collateralized Loan Obligation	L+1.70% - 2.50%	352	—	July 15, 2030
<b>Total</b>			<b>\$ 4,258</b>	<b>\$ 574</b>	

(1) LIBOR is subject to a 0% floor.

(2) The carrying amount outstanding under the facility approximates its fair value.

(3) The spread over LIBOR is determined by reference to the amount outstanding under the facility.

(4) The spread over LIBOR is determined by reference to the ratio of the value of the borrowing base to the aggregate amount of certain outstanding indebtedness of the Company.

(5) Amount includes borrowing in Euros, Canadian dollars, pound sterling and Australian dollars. Euro balance outstanding of €191 has been converted to U.S. dollars at an exchange rate of €1.00 to \$1.10 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars. Canadian dollar balance outstanding of CAD \$67 has been converted to U.S. dollars at an exchange rate of CAD \$1.00 to \$0.71 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars. Pound sterling balance outstanding of £127 has been converted to U.S. dollars at an exchange rate of £1.00 to \$1.25 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars. Australian dollar balance outstanding of A\$8 has been converted to U.S. dollars at an exchange rate of A\$1.00 to \$0.61 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars.

(6) As of March 31, 2020, the fair value of the 4.750% notes, the 5.000% notes, the 4.625% notes and the 4.125% notes was approximately \$422, \$238, \$316 and \$383, respectively. These valuations are considered Level 2 valuations within the fair value hierarchy.

(7) As of March 31, 2020, there were \$299.4 of Class A-1 notes outstanding at L+1.70% and \$52.3 of Class A-2 notes outstanding at L+2.50%.

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 9. Financing Arrangements (continued)**

Arrangement	Type of Arrangement	Rate <sup>(1)</sup>	As of December 31, 2019		
			Amount Outstanding	Amount Available	Maturity Date
CCT Tokyo Funding Credit Facility <sup>(2)</sup>	Revolving Credit Facility	L+1.75% - 2.00% <sup>(3)</sup>	\$ 265	\$ 35	June 2, 2023
Locust Street Credit Facility <sup>(2)</sup>	Revolving Credit Facility	L+2.50%	400	—	September 28, 2022
Senior Secured Revolving Credit Facility <sup>(2)</sup>	Revolving Credit Facility	L+1.75% - 2.00% <sup>(4)</sup>	1,613 <sup>(5)</sup>	602	November 7, 2024
4.750% Notes due 2022 <sup>(6)</sup>	Unsecured Notes	4.75%	450	—	May 15, 2022
5.000% Notes due 2022 <sup>(6)</sup>	Unsecured Notes	5.00%	245	—	June 28, 2022
4.625% Notes due 2024 <sup>(6)</sup>	Unsecured Notes	4.63%	400	—	July 15, 2024
4.125% Notes due 2025 <sup>(6)</sup>	Unsecured Notes	4.13%	470	—	February 1, 2025
2019-1 Notes <sup>(2)(7)</sup>	Collateralized Loan Obligation	L+1.70% - 2.50%	352	—	July 15, 2030
<b>Total</b>			<b>\$ 4,195</b>	<b>\$ 637</b>	

(1) LIBOR is subject to a 0% floor.

(2) The carrying amount outstanding under the facility approximates its fair value.

(3) The spread over LIBOR is determined by reference to the amount outstanding under the facility.

(4) The spread over LIBOR is determined by reference to the ratio of the value of the borrowing base to the aggregate amount of certain outstanding indebtedness of the Company.

(5) Amount includes borrowing in Euros, Canadian dollars, pound sterling and Australian dollars. Euro balance outstanding of €291 has been converted to U.S. dollars at an exchange rate of €1.00 to \$1.12 as of December 31, 2019 to reflect total amount outstanding in U.S. dollars. Canadian dollar balance outstanding of CAD \$69 has been converted to U.S. dollars at an exchange rate of CAD \$1.00 to \$0.77 as of December 31, 2019 to reflect total amount outstanding in U.S. dollars. Pound sterling balance outstanding of £100 has been converted to U.S. dollars at an exchange rate of £1.00 to \$1.33 as of December 31, 2019 to reflect total amount outstanding in U.S. dollars. Australian dollar balance outstanding of A\$173 has been converted to U.S. dollars at an exchange rate of A\$1.00 to \$0.70 as of December 31, 2019 to reflect total amount outstanding in U.S. dollars.

(6) As of December 31, 2019, the fair value of the 4.750% notes, the 5.000% notes, the 4.625% notes and the 4.125% notes was approximately \$467, \$250, \$416 and \$478, respectively. These valuations are considered Level 2 valuations within the fair value hierarchy.

(7) As of December 31, 2019, there were \$299.4 of Class A-1 notes outstanding at L+1.70% and \$52.3 of Class A-2 notes outstanding at L+2.50%.

For the three months ended March 31, 2020 and 2019, the components of total interest expense for the Company's financing arrangements were as follows:

Arrangement <sup>(1)</sup>	Three Months Ended March 31,					
	2020			2019		
	Direct Interest Expense	Amortization of Deferred Financing Costs and Discount	Total Interest Expense	Direct Interest Expense	Amortization of Deferred Financing Costs and Discount	Total Interest Expense
CCT New York Funding Credit Facility <sup>(2)</sup>	\$ —	\$ —	\$ —	\$ 2	\$ —	\$ 2
CCT Tokyo Funding Credit Facility <sup>(2)</sup>	3	0	3	2	—	2
Locust Street Credit Facility <sup>(2)</sup>	5	0	5	7	—	7
Senior Secured Revolving Credit Facility <sup>(2)</sup>	16	0	16	15	1	16
4.000% Notes due 2019	—	—	—	4	1	5
4.250% Notes due 2020	—	—	—	5	—	5
4.750% Notes due 2022	5	0	5	3	—	3
5.000% Notes due 2022	3	—	3	3	—	3
4.625% Notes due 2024	5	0	5	—	—	—
4.125% Notes due 2025	5	1	6	—	—	—
2019-1 Notes	3	0	3	—	—	—
<b>Total</b>	<b>\$ 45</b>	<b>\$ 1</b>	<b>\$ 46</b>	<b>\$ 41</b>	<b>\$ 2</b>	<b>\$ 43</b>

(1) Borrowings of each of the Company's wholly-owned, special-purpose financing subsidiaries are considered borrowings of the Company for purposes of complying with the asset coverage requirements applicable to BDCs under the 1940 Act.

(2) Direct interest expense includes the effect of non-usage fees.

**FS KKR Capital Corp.****Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)****Note 9. Financing Arrangements (continued)**

The Company's average borrowings and weighted average interest rate, including the effect of non-usage fees, for the three months ended March 31, 2020 were \$4,519 and 3.88%, respectively. As of March 31, 2020, the Company's weighted average effective interest rate on borrowings, including the effect of non-usage fees, was 3.71%.

The Company's average borrowings and weighted average interest rate, including the effect of non-usage fees, for the three months ended March 31, 2019 were \$3,584 and 4.63%, respectively. As of March 31, 2019, the Company's weighted average effective interest rate on borrowings, including the effect of non-usage fees, was 4.73%.

Under its financing arrangements, the Company has made certain representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar financing arrangements. The Company was in compliance with all covenants required by its financing arrangements as of March 31, 2020 and December 31, 2019.

*Senior Secured Revolving Credit Facility*

On March 3, 2020, the Company entered into a Commitment Increase Agreement in connection with its senior secured revolving credit facility, or as subsequently amended and restated, the Senior Secured Revolving Credit Facility, with FS KKR Capital Corp. II, as an additional borrower, JPMorgan Chase Bank, N.A., as administrative agent, ING Capital LLC, as collateral agent, and the lenders party thereto, which, among other things, increased the total facility amount from \$3,890 to \$3,980. There was no change to the sublimit of the total facility amount available for the Company to borrow.

**Note 10. Commitments and Contingencies**

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

The Company is not currently subject to any material legal proceedings and, to the Company's knowledge, no material legal proceedings are threatened against the Company. From time to time, the Company may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company's rights under contracts with its portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, the Company does not expect that any such proceedings will have a material effect upon its financial condition or results of operations.

**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
(in millions, except share and per share amounts)

**Note 10. Commitments and Contingencies (continued)**

Unfunded commitments to provide funds to portfolio companies are not recorded in the Company's consolidated statements of assets and liabilities. Since these commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. The Company has sufficient liquidity to fund these commitments. As of March 31, 2020, the Company's unfunded commitments consisted of the following:

Category / Company <sup>(1)</sup>	Commitment Amount
<b>Senior Secured Loans—First Lien</b>	
5 Arch Income Fund 2, LLC	\$ 4.8
A10 Capital LLC	14.0
All Systems Holding LLC	7.2
Apex Group Limited	0.9
Aspect Software Inc.	0.4
Bellatrix Exploration Ltd.	0.3
CSafe Global	8.5
Eagle Family Foods Inc.	4.6
Entertainment Benefits Group LLC	0.7
Greystone Equity Member Corp.	0.9
Heniff Transportation Systems LLC	4.8
HM Dunn Co Inc.	—
ID Verde	22.5
Industria Chimica Emiliana Srl	12.7
J S Held LLC	10.7
J S Held LLC	2.6
Kellermeyer Bergensons Services LLC	35.0
Kodiak BP LLC	77.9
Lexitas Inc.	3.7
Lexitas Inc.	2.5
Motion Recruitment Partners LLC	29.8
P2 Energy Solutions Inc.	4.7
Pretium Packaging LLC	19.4
RSC Insurance Brokerage Inc.	3.1
RSC Insurance Brokerage Inc.	16.5
Sungard Availability Services Capital Inc.	0.5
Truck-Lite Co LLC	4.2
Truck-Lite Co LLC	16.1
Zeta Interactive Holdings Corp.	0.6
<b>Subordinated Debt</b>	
Opendoor Labs Inc.	47.1
<b>Asset Based Finance</b>	
Home Partners JV, Structured Mezzanine	16.2
<b>Total</b>	<b>\$ 372.9</b>
Unfunded Asset Based Finance/Other commitments	<b>\$ 214.5</b>

(1) May be commitments to one or more entities affiliated with the named company.

**FS KKR Capital Corp.**
**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**
**Note 10. Commitments and Contingencies (continued)**

As of March 31, 2020, the Company's debt commitments are comprised of \$34.2 revolving credit facilities and \$338.7 of delayed draw term loans, which generally are used for acquisitions or capital expenditures and are subject to certain performance tests. Such unfunded debt commitments have a fair value representing unrealized appreciation (depreciation) of \$(8.6). The Company's unfunded Asset Based Finance/Other commitments generally require certain conditions to be met or actual approval from the Advisor prior to funding.

As of March 31, 2020, the Company also has an unfunded commitment to provide \$210.2 of capital to SCJV. The capital commitment can be satisfied with contributions of cash and/or investments. The capital commitments cannot be drawn without an affirmative vote by both the Company's and SCRS's representatives on SCJV's board of managers.

While the Company does not expect to fund all of its unfunded commitments, there can be no assurance that it will not be required to do so.

In the normal course of business, the Company may enter into guarantees on behalf of portfolio companies. Under such arrangements, the Company would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. The Company has no such guarantees outstanding at March 31, 2020 and December 31, 2019.

**Note 11. Financial Highlights**

The following is a schedule of financial highlights of the Company for the three months ended March 31, 2020 and the year ended December 31, 2019:

	Three Months Ended March 31, 2020 (Unaudited)	Year Ended December 31, 2019
<b>Per Share Data:<sup>(1)</sup></b>		
Net asset value, beginning of period	\$ 7.64	\$ 7.84
<b>Results of operations<sup>(2)</sup></b>		
Net investment income (loss)	0.19	0.79
Net realized and unrealized appreciation (depreciation) on investments and secured borrowing and gain/loss on foreign currency	(1.59)	(0.32)
Net increase (decrease) in net assets resulting from operations	(1.40)	0.47
<b>Stockholder distributions<sup>(3)</sup></b>		
Distributions from net investment income	(0.19)	(0.76)
Distributions from net realized gain on investments	—	—
Net decrease in net assets resulting from stockholder distributions	(0.19)	(0.76)
<b>Capital share transactions</b>		
Issuance of common stock <sup>(4)</sup>	—	—
Repurchases of common stock <sup>(5)</sup>	0.04	0.09
Net increase (decrease) in net assets resulting from capital share transactions	0.04	0.09
Net asset value, end of period	\$ 6.09	\$ 7.64
Per share market value, end of period	\$ 3.00	\$ 6.13
Shares outstanding, end of period	497,385,433	506,327,064
Total return based on net asset value <sup>(6)</sup>	(17.80)%	7.14%
Total return based on market value <sup>(7)</sup>	(47.96)%	33.80%

FS KKR Capital Corp.

Notes to Unaudited Consolidated Financial Statements (continued)  
(in millions, except share and per share amounts)

Note 11. Financial Highlights (continued)

	Three Months Ended March 31, 2020 (Unaudited)	Year Ended December 31, 2019
<b>Ratio/Supplemental Data:</b>		
Net assets, end of period	\$ 3,028	\$ 3,866
Ratio of net investment income to average net assets <sup>(8)</sup>	10.44%	10.09%
Ratio of total operating expenses to average net assets <sup>(8)</sup>	8.63%	9.09%
Ratio of net operating expenses to average net assets <sup>(8)</sup>	8.63%	9.09%
Portfolio turnover <sup>(9)</sup>	12.26%	38.49%
Total amount of senior securities outstanding, exclusive of treasury securities	\$ 4,258	\$ 4,195
Asset coverage per unit <sup>(10)</sup>	1.71	1.92

- (1) Per share data may be rounded in order to recompute the ending net asset value per share.
- (2) The per share data was derived by using the weighted average shares outstanding during the applicable period.
- (3) The per share data for distributions reflect the actual amount of distributions paid per share during the applicable period.
- (4) The issuance of common stock on a per share basis reflects the incremental net asset value changes as a result of the issuance of shares of common stock pursuant to the DRP. The issuance of common stock at a price that is greater than the net asset value per share results in an increase in net asset value per share. The per share impact of the DRP is an increase to the net asset value of less than \$0.01 per share during the year ended December 31, 2018.
- (5) Represents the incremental impact of the Company's share repurchase program by buying shares in the open market at a price lower than net asset value per share.
- (6) The total return based on net asset value for each period presented was calculated by taking the net asset value per share as of the end of the applicable period, adding the cash distributions per share that were declared during the period and dividing the total by the net asset value per share at the beginning of the period. Total return based on net asset value does not consider the effect of any sales commissions or charges that may be incurred in connection with the sale of shares of the Company's common stock. The historical calculation of total return based on net asset value in the table should not be considered a representation of the Company's future total return based on net asset value, which may be greater or less than the return shown in the table due to a number of factors, including the Company's ability or inability to make investments in companies that meet its investment criteria, the interest rates payable on the debt securities the Company acquires, the level of the Company's expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which the Company encounters competition in its markets and general economic conditions. As a result of these 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 the Company's investment portfolio during the applicable period and do not represent an actual return to stockholders.
- (7) The total return based on market value for each period presented was calculated based on the change in market price during the applicable period, including the impact of distributions reinvested in accordance with the Company's DRP. Total return based on market value does not consider the effect of any sales commissions or charges that may be incurred in connection with the sale of shares of the Company's common stock. The historical calculation of total return based on market value in the table should not be considered a representation of the Company's future total return based on market value, which may be greater or less than the return shown in the table due to a number of factors, including the Company's ability or inability to make investments in companies that meet its investment criteria, the interest rates payable on the debt securities the Company acquires, the level of the Company's expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which the Company encounters competition in its markets, general economic conditions and fluctuations in per share market value. As a result of these factors, results for any previous period should not be relied upon as being indicative of performance in future periods.



**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
(in millions, except share and per share amounts)

**Note 11. Financial Highlights (continued)**

- (8) Weighted average net assets during the applicable period are used for this calculation. Ratios for the three months ended March 31, 2020 are annualized. Annualized ratios for the three months ended March 31, 2020 are not necessarily indicative of the ratios that may be expected for the year ending December 31, 2020. The following is a schedule of supplemental ratios for the three months ended March 31, 2020 and year ended December 31, 2019:

	Three Months Ended March 31, 2020 (Unaudited)	Year Ended December 31, 2019
Ratio of subordinated income incentive fees to average net assets	—	1.40%
Ratio of interest expense to average net assets	4.90%	4.19%
Ratio of excise taxes to average net assets	—	0.17%

- (9) Portfolio turnover for the three months ended March 31, 2020 is not annualized.
- (10) Asset coverage per unit is the ratio of the carrying value of the Company's total consolidated assets, less liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness.

**Note 12. Subsequent Events**

On April 30, 2020, the Company and U.S. Bank National Association, as trustee, or U.S. Bank, entered into that certain Sixth Supplemental Indenture, or the Sixth Supplemental Indenture, to the Indenture, dated as of July 14, 2014 between the Company and U.S. Bank, or the Base Indenture, and together with the Sixth Supplemental Indenture, the Indenture. The Sixth Supplemental Indenture relates to the Company's issuance of \$250 aggregate principal amount of its 8.625% notes due 2025, or the Notes, and such issuance of the Notes, the Offering.

The Notes will mature on May 15, 2025 and may be redeemed in whole or in part at the Company's option at any time or from time to time at the redemption prices set forth in the Indenture. The Notes bear interest at a rate of 8.625% per year, subject to adjustment during any "downgrade period" as described in the Indenture, payable semi-annually on May 15th and November 15th of each year, commencing on November 15, 2020. The Notes are general unsecured obligations of the Company that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the Notes, rank *pari passu* with all existing and future unsecured unsubordinated indebtedness issued by the Company, rank effectively junior to any of the Company's secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness, and rank structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries, financing vehicles or similar facilities. The Indenture contains certain covenants, including covenants requiring the Company to comply with the asset coverage requirements of Section 18(a)(1)(A) as modified by Section 61(a)(1) and (2) of the Investment Company Act of 1940, as amended, whether or not it is subject to those requirements, to provide financial information to the holders of the Notes and U.S. Bank if the Company is no longer subject to the reporting requirements under the Securities Exchange Act of 1934, as amended, and to use reasonable best efforts to obtain a rating of the Notes (but not a specific rating) from two or more rating agencies within two months after the issuance of the Notes. These covenants are subject to important limitations and exceptions that are described in the Indenture.

In addition, on the occurrence of a "change of control repurchase event," as defined in the Indenture, the Company will generally be required to make an offer to purchase the outstanding Notes at a price equal to 100% of the principal amount of such Notes plus accrued and unpaid interest to the repurchase date.

The Notes were offered to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act. The Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

The transaction closed on April 30, 2020. The Company intends to use the net proceeds from the Offering to refinance existing debt and for general corporate purposes.

**FS KKR Capital Corp.**

**Notes to Unaudited Consolidated Financial Statements (continued)**  
**(in millions, except share and per share amounts)**

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**Note 12. Subsequent Events (continued)**

On May 5, 2020, the Company entered into that certain Amendment No. 1 to Amended and Restated Senior Secured Revolving Credit Agreement, or the Amendment, to the Senior Secured Revolving Credit Facility, with FS KKR Capital Corp. II, JPMorgan Chase Bank, N.A., as administrative agent, ING Capital LLC, as collateral agent, and the lenders party thereto to, among other things, reset the minimum shareholders' equity test at \$1,968.2 plus 37.5% of net equity proceeds after April 15, 2021.

**Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**  
**(in millions, except share and per share amounts)**

The information contained in this section should be read in conjunction with our unaudited consolidated financial statements and related notes thereto appearing elsewhere in this quarterly report on Form 10-Q. In this report, “we,” “us,” “our” and the “Company” refer to FS KKR Capital Corp. and the “Advisor” refers to FS/KKR Advisor, LLC.

**Forward-Looking Statements**

Some of the statements in this quarterly report on Form 10-Q constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this quarterly report on Form 10-Q may include statements as to:

- our future operating results;
- our business prospects and the prospects of the companies in which we may invest, including our and their ability to achieve our respective objectives as a result of the current COVID-19 pandemic;
- the impact of the investments that we expect to make;
- the ability of our portfolio companies to achieve their objectives;
- our current and expected financings and investments;
- receiving and maintaining corporate credit ratings and changes in the general interest rate environment;
- the adequacy of our cash resources, financing sources and working capital;
- the timing and amount of cash flows, distributions and dividends, if any, from our portfolio companies;
- our contractual arrangements and relationships with third parties;
- actual and potential conflicts of interest with the Advisor, FS Investments, KKR Credit or any of their respective affiliates;
- the dependence of our future success on the general economy and its effect on the industries in which we may invest;
- general economic and political trends and other external factors, including the current COVID-19 pandemic and related disruptions caused thereby;
- our use of financial leverage;
- the ability of the Advisor to locate suitable investments for us and to monitor and administer our investments;
- the ability of the Advisor or its affiliates to attract and retain highly talented professionals;
- our ability to maintain our qualification as a RIC and as a BDC;
- the impact on our business of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, and the rules and regulations issued thereunder;
- the effect of changes to tax legislation on us and the portfolio companies in which we may invest and our and their tax position; and
- the tax status of the enterprises in which we may invest.

In addition, words such as “anticipate,” “believe,” “expect” and “intend” indicate a forward-looking statement, although not all forward-looking statements include these words. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason. Factors that could cause actual results to differ materially include:

- changes in the economy;
- risks associated with possible disruption in our operations or the economy generally due to terrorism, natural disasters or pandemics;

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- future changes in laws or regulations and conditions in our operating areas; and
- the price at which shares of our common stock may trade on the New York Stock Exchange, or NYSE.

We have based the forward-looking statements included in this quarterly report on Form 10-Q on information available to us on the date of this quarterly report on Form 10-Q. Except as required by the federal securities laws, we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. Stockholders are advised to consult any additional disclosures that we may make directly to stockholders or through reports that we may file in the future with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The forward-looking statements and projections contained in this quarterly report on Form 10-Q are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act.

### **Overview**

We were incorporated under the general corporation laws of the State of Maryland on December 21, 2007 and formally commenced investment operations on January 2, 2009. We are an externally managed, non-diversified, closed-end management investment company that has elected to be regulated as a BDC under the 1940 Act and 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.

We are externally managed by the Advisor pursuant to an investment advisory agreement, or the investment advisory agreement, and supervised by our board of directors, a majority of whom are independent.

Our investment objectives are to generate current income and, to a lesser extent, long-term capital appreciation. We seek to meet our investment objectives by:

- utilizing the experience and expertise of the management team of the Advisor;
- employing a defensive investment approach focused on long-term credit performance and principal protection;
- focusing primarily on debt investments in a broad array of private U.S. companies, including middle-market companies, which we define as companies with annual EBITDA of \$25 million to \$100 million at the time of investment;
- investing primarily in established, stable enterprises with positive cash flows; and
- maintaining rigorous portfolio monitoring in an attempt to anticipate and pre-empt negative credit events within our portfolio, such as an event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company.

We pursue our investment objective by investing primarily in the debt of middle market U.S. companies with a focus on originated transactions sourced through the network of the Advisor and its affiliates. We define direct originations as any investment where the Company's investment adviser, sub-adviser or their affiliates had negotiated the terms of the transaction beyond just the price, which, for example, may include negotiating financial covenants, maturity dates or interest rate terms. These directly originated transactions include participation in other originated transactions where there may be third parties involved, or a bank acting as an intermediary, for a closely held club, or similar transactions. These direct originations include investments originated by our former investment adviser, our former investment sub-adviser or their affiliates.

Our portfolio is comprised primarily of investments in senior secured loans and second lien secured loans of private middle market U.S. companies and, to a lesser extent, subordinated loans and certain asset-based financing loans of private U.S. companies. Although we do not expect a significant portion of our portfolio to be comprised of subordinated loans, there is no limit on the amount of such loans in which we may invest. We may purchase interests in loans or make other debt investments, including investments in senior secured bonds, through secondary market transactions in the "over-the-counter" market or directly from our target companies as primary market or directly originated investments. In connection with our debt investments, we may on occasion receive equity interests such as warrants or options as additional consideration. We may also purchase or otherwise acquire interests in the form of common or preferred equity or equity-related securities, such as rights and warrants that may be converted into or exchanged for common stock or other equity or the cash value of common stock or other equity, including through a co-investment with a financial sponsor or possibly the restructuring of an investment. In addition, a portion of our portfolio may be comprised of corporate bonds, structured products, other debt securities and derivatives, including total return swaps and credit default swaps. The Advisor will seek to tailor our investment focus as market conditions evolve. Depending on market conditions, we may increase or decrease our exposure to less senior portions of the capital structures of our portfolio companies or otherwise make opportunistic investments, such as where the market price of loans, bonds or other securities reflects a lower value than deemed warranted by the

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Advisor's fundamental analysis. Such investment opportunities may occur due to general dislocations in the markets, a misunderstanding by the market of a particular company or an industry being out of favor with the broader investment community and may include event driven investments, anchor orders and structured products.

The senior secured loans, second lien secured loans and senior secured bonds in which we invest generally have stated terms of three to seven years and subordinated debt investments that we make generally have stated terms of up to ten years, but the expected average life of such securities is generally three to four years. However, we may invest in loans and securities with any maturity or duration. Our debt investments may be rated by a NRSRO and, in such case, generally will carry a rating below investment grade (rated lower than "Baa3" by Moody's or lower than "BBB-" by S&P). We may invest without limit in debt or other securities of any rating, as well as debt or other securities that have not been rated by a NRSRO.

### *Revenues*

The principal measure of our financial performance is net increase in net assets resulting from operations, which includes net investment income, net realized gain or loss on investments, net realized gain or loss on foreign currency, net unrealized appreciation or depreciation on investments and net unrealized gain or loss on foreign currency. Net investment income is the difference between our income from interest, dividends, fees and other investment income and our operating and other expenses. Net realized gain or loss on investments is the difference between the proceeds received from dispositions of portfolio investments and their amortized cost, including the respective realized gain or loss on foreign currency for those foreign denominated investment transactions. Net realized gain or loss on foreign currency is the portion of realized gain or loss attributable to foreign currency fluctuations. Net unrealized appreciation or depreciation on investments is the net change in the fair value of our investment portfolio, including the respective unrealized gain or loss on foreign currency for those foreign denominated investments. Net unrealized gain or loss on foreign currency is the net change in the value of receivables or accruals due to the impact of foreign currency fluctuations.

We principally generate revenues in the form of interest income on the debt investments we hold. In addition, we generate revenues in the form of non-recurring commitment, closing, origination, structuring or diligence fees, monitoring fees, fees for providing managerial assistance, consulting fees, prepayment fees and performance-based fees. We may also generate revenues in the form of dividends and other distributions on the equity or other securities we hold.

### *Expenses*

Our primary operating expenses include the payment of management and incentive fees and other expenses under the investment advisory agreement and the administration agreement, interest expense from financing arrangements and other indebtedness, and other expenses necessary for our operations. The management and incentive fees compensate the Advisor for its work in identifying, evaluating, negotiating, executing, monitoring and servicing our investments.

The Advisor oversees our day-to-day operations, including the provision of general ledger accounting, fund accounting, legal services, investor relations, certain government and regulatory affairs activities, and other administrative services. The Advisor also performs, or oversees the performance of, our corporate operations and required administrative services, which includes being responsible for the financial records that we are required to maintain and preparing reports for our stockholders and reports filed with the SEC. In addition, the Advisor assists us in calculating our net asset value, overseeing the preparation and filing of tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others.

Pursuant to the administration agreement, we reimburse the Advisor for expenses necessary to perform services related to our administration and operations, including the Advisor's allocable portion of the compensation and related expenses of certain personnel of FS Investments and KKR Credit providing administrative services to us on behalf of the Advisor. We reimburse the Advisor no less than quarterly for all costs and expenses incurred by the Advisor in performing its obligations and providing personnel and facilities under the administration agreement. The Advisor allocates the cost of such services to us based on factors such as total assets, revenues, time allocations and/or other reasonable metrics. Our board of directors reviews the methodology employed in determining how the expenses are allocated to us and the proposed allocation of administrative expenses among us and certain affiliates of the Advisor. Our board of directors then assesses the reasonableness of such reimbursements for expenses allocated to us based on the breadth, depth and quality of such services as compared to the estimated cost to us of obtaining similar services from third-party service providers known to be available. In addition, our board of directors considers whether any single third-party service provider would be capable of providing all such services at comparable cost and quality. Finally, our board of directors compares the total amount paid to the Advisor for such services as a percentage of our net assets to the same ratio as reported by other comparable BDCs.

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We bear all other expenses of our operations and transactions, including all other expenses incurred by the Advisor in performing services for us and administrative personnel paid by the Advisor, to the extent they are not controlling persons of the Advisor or any of its affiliates, subject to the limitations included in the investment advisory agreement and the administration agreement.

In addition, we have contracted with State Street Bank and Trust Company to provide various accounting and administrative services, including, but not limited to, preparing preliminary financial information for review by the Advisor, preparing and monitoring expense budgets, maintaining accounting and corporate books and records, processing trade information provided by us and performing testing with respect to RIC compliance.

### COVID-19 Developments

The rapid spread of the COVID-19 pandemic, and associated impacts on the U.S. and global economies, has negatively impacted, and is likely to continue to negatively impact, the business operations of some of our portfolio companies. We cannot at this time fully predict the impact of COVID-19 on our business or the business of our portfolio companies, its duration or magnitude or the extent to which it will negatively impact our portfolio companies' operating results or our own results of operations or financial condition. We expect that certain of our portfolio companies will continue to experience economic distress for the foreseeable future and may significantly limit business operations if subjected to prolonged economic distress. These developments could result in a decrease in the value of our investments.

COVID-19 has already had adverse effects on our investment income and we expect that such adverse effects will continue for some time. These adverse effects may require us to restructure certain of our investments, which could result in further reductions to our investment income or in impairments on our investments. In addition, disruptions in the capital markets have resulted in illiquidity in certain market areas. These market disruptions and illiquidity are likely to have an adverse effect on our business, financial condition, results of operations and cash flows. Unfavorable economic conditions caused by COVID-19 can also be expected to increase our funding costs and limit our access to the capital markets. These events have limited our investment originations, which is likely to continue for the immediate future, and have also had a material negative impact on our operating results.

We will continue to carefully monitor the impact of the COVID-19 pandemic on our business and the business of our portfolio companies. Because the full effects of the COVID-19 pandemic are not capable of being known at this time, we cannot estimate the impacts of COVID-19 on our future financial condition, results of operations or cash flows. We do, however, expect that it will continue to have a negative impact on our business and the financial condition of our portfolio companies.

### Portfolio Investment Activity for the Three Months Ended March 31, 2020 and for the Year Ended December 31, 2019

#### Total Portfolio Activity

The following tables present certain selected information regarding our portfolio investment activity for the three months ended March 31, 2020 and the year ended December 31, 2019:

Net Investment Activity	For the Three Months Ended March 31, 2020	For the Year Ended December 31, 2019
Purchases	\$ 1,296	\$ 2,907
Sales and Repayments	(914)	(2,854)
Net Portfolio Activity	<u>\$ 382</u>	<u>\$ 53</u>

New Investment Activity by Asset Class	For the Three Months Ended March 31, 2020		For the Year Ended December 31, 2019	
	Purchases	Percentage	Purchases	Percentage
Senior Secured Loans—First Lien	\$ 942	72.7%	\$ 1,872	64.4%
Senior Secured Loans—Second Lien	5	0.4%	326	11.2%
Other Senior Secured Debt	—	—	33	1.1%
Subordinated Debt	49	3.8%	76	2.6%
Asset Based Finance	125	9.6%	361	12.4%
Strategic Credit Opportunities Partners, LLC	175	13.5%	197	6.8%
Equity/Other	—	—	42	1.5%
Total	<u>\$ 1,296</u>	<u>100.0%</u>	<u>\$ 2,907</u>	<u>100.0%</u>

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The following table summarizes the composition of our investment portfolio at cost and fair value as of March 31, 2020 and December 31, 2019:

	March 31, 2020 (Unaudited)			December 31, 2019		
	Amortized Cost <sup>(1)</sup>	Fair Value	Percentage of Portfolio	Amortized Cost <sup>(1)</sup>	Fair Value	Percentage of Portfolio
Senior Secured Loans—First Lien	\$ 4,050	\$3,777	54.4%	\$ 3,868	\$3,724	50.6%
Senior Secured Loans—Second Lien	1,131	909	13.1%	1,273	1,196	16.3%
Other Senior Secured Debt	267	167	2.4%	298	238	3.2%
Subordinated Debt	464	345	5.0%	480	410	5.6%
Asset Based Finance	879	778	11.2%	761	737	10.0%
Strategic Credit Opportunities Partners, LLC	666	537	7.7%	491	479	6.5%
Equity/Other	635	432	6.2%	638	573	7.8%
Total	<u>\$ 8,092</u>	<u>\$6,945</u>	<u>100.0%</u>	<u>\$ 7,809</u>	<u>\$7,357</u>	<u>100.0%</u>

(1) Amortized cost represents the original cost adjusted for the amortization of premiums and/or accretion of discounts, as applicable, on investments.

The following table presents certain selected information regarding the composition of our investment portfolio as of March 31, 2020 and December 31, 2019:

	March 31, 2020	December 31, 2019
Number of Portfolio Companies	184	210
% Variable Rate Debt Investments (based on fair value) <sup>(1)(2)</sup>	65.4%	64.8%
% Fixed Rate Debt Investments (based on fair value) <sup>(1)(2)</sup>	12.1%	14.6%
% Other Income Producing Investments (based on fair value) <sup>(3)</sup>	12.5%	11.2%
% Non-Income Producing Investments (based on fair value) <sup>(2)</sup>	6.1%	6.6%
% of Investments on Non-Accrual (based on fair value)	3.9%	2.8%
Weighted Average Annual Yield on Accruing Debt Investments <sup>(2)(4)</sup>	9.0%	9.7%
Weighted Average Annual Yield on All Debt Investments <sup>(5)</sup>	7.9%	8.8%

(1) “Debt Investments” means investments that pay or are expected to pay a stated interest rate, stated dividend rate or other similar stated return.

(2) Does not include investments on non-accrual status.

(3) “Other Income Producing Investments” means investments that pay or are expected to pay interest, dividends or other income to the Company on an ongoing basis but do not have a stated interest rate, stated dividend rate or other similar stated return.

(4) The Weighted Average Annual Yield on Accruing Debt Investments is computed as (i) the sum of (a) the stated annual interest rate, dividend rate or other similar stated return of each accruing Debt Investment, multiplied by its par amount, adjusted to U.S. dollars and for any partial income accrual when necessary, as of the end of the applicable reporting period, plus (b) the annual amortization of the purchase or original issue discount or premium of each accruing Debt Investment; divided by (ii) the total amortized cost of Debt Investments included in the calculated group as of the end of the applicable reporting period.

(5) The Weighted Average Annual Yield on All Debt Investments is computed as (i) the sum of (a) the stated annual interest rate, dividend rate or other similar stated return of each Debt Investment, multiplied by its par amount, adjusted to U.S. dollars and for any partial income accrual when necessary, as of the end of the applicable reporting period, plus (b) the annual amortization of the purchase or original issue discount or premium of each Debt Investment; divided by (ii) the total amortized cost of Debt Investments included in the calculated group as of the end of the applicable reporting period.

For the three months ended March 31, 2020, our total return based on net asset value was (17.80)% and our total return based on market value was (47.96)%. For the year ended December 31, 2019, our total return based on net asset value was 7.14% and our total return based on market value was 33.80%. See footnotes 6 and 7 to the table included in Note 11 to our unaudited consolidated financial statements included herein for information regarding the calculation of our total return based on net asset value and total return based on market value, respectively.

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### Direct Originations

The following table presents certain selected information regarding our Direct Originations as of March 31, 2020 and December 31, 2019:

Characteristics of All Direct Originations held in Portfolio	March 31, 2020	December 31, 2019
Number of Portfolio Companies	134	133
% of Investments on Non-Accrual (based on fair value)	3.8%	3.1%
Total Cost of Direct Originations	\$7,485.2	\$6,923.9
Total Fair Value of Direct Originations	\$6,492.7	\$6,491.5
% of Total Investments, at Fair Value	93.5%	88.2%
Weighted Average Annual Yield on Accruing Debt Investments <sup>(1)</sup>	8.9%	9.7%
Weighted Average Annual Yield on All Debt Investments <sup>(2)</sup>	8.0%	8.8%

- (1) The Weighted Average Annual Yield on Accruing Debt Investments is computed as (i) the sum of (a) the stated annual interest rate, dividend rate or other similar stated return of each accruing Debt Investment, multiplied by its par amount, adjusted to U.S. dollars and for any partial income accrual when necessary, as of the end of the applicable reporting period, plus (b) the annual amortization of the purchase or original issue discount or premium of each accruing Debt Investment; divided by (ii) the total amortized cost of Debt Investments included in the calculated group as of the end of the applicable reporting period. Does not include Debt Investments on non-accrual status.
- (2) The Weighted Average Annual Yield on All Debt Investments is computed as (i) the sum of (a) the stated annual interest rate, dividend rate or other similar stated return of each Debt Investment, multiplied by its par amount, adjusted to U.S. dollars and for any partial income accrual when necessary, as of the end of the applicable reporting period, plus (b) the annual amortization of the purchase or original issue discount or premium of each Debt Investment; divided by (ii) the total amortized cost of Debt Investments included in the calculated group as of the end of the applicable reporting period.

### Portfolio Composition by Industry Classification

The table below describes investments by industry classification and enumerates the percentage, by fair value, of the total portfolio assets in such industries as of March 31, 2020 and December 31, 2019:

Industry Classification	March 31, 2020 (Unaudited)		December 31, 2019	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
Automobiles & Components	\$ 97	1.4%	\$ 247	1.9%
Banks	15	0.2%	15	0.2%
Capital Goods	924	13.3%	1,085	21.5%
Commercial & Professional Services	506	7.3%	557	6.1%
Consumer Durables & Apparel	414	6.0%	363	5.9%
Consumer Services	249	3.6%	294	3.0%
Diversified Financials	654	9.4%	575	8.9%
Energy	142	2.0%	208	3.8%
Food & Staples Retailing	201	2.9%	209	1.1%
Food, Beverage & Tobacco	109	1.6%	119	2.0%
Health Care Equipment & Services	655	9.4%	601	6.7%
Household & Personal Products	207	3.0%	120	0.9%
Insurance	249	3.6%	217	1.2%
Materials	154	2.2%	260	5.1%
Media & Entertainment	60	0.9%	94	1.3%
Pharmaceuticals, Biotechnology & Life Sciences	19	0.3%	30	0.1%
Real Estate	303	4.3%	236	2.4%
Retailing	349	5.0%	457	6.1%
Semiconductors & Semiconductor Equipment	—	—	19	0.3%
Software & Services	800	11.5%	805	12.8%
Strategic Credit Opportunities Partners, LLC	537	7.7%	479	4.0%
Technology Hardware & Equipment	41	0.6%	94	1.0%
Telecommunication Services	60	0.9%	71	1.4%
Transportation	200	2.9%	202	2.3%
<b>Total</b>	<b>\$6,945</b>	<b>100.0%</b>	<b>\$7,357</b>	<b>100.0%</b>



## Portfolio Asset Quality

In addition to various risk management and monitoring tools, the Advisor uses an investment rating system to characterize and monitor the expected level of returns on each investment in our portfolio. The Advisor uses an investment rating scale of 1 to 4. The following is a description of the conditions associated with each investment rating:

Investment Rating	Summary Description
1	Performing investment—generally executing in accordance with plan and there are no concerns about the portfolio company’s performance or ability to meet covenant requirements.
2	Performing investment—no concern about repayment of both interest and our cost basis but company’s recent performance or trends in the industry require closer monitoring.
3	Underperforming investment—some loss of interest or dividend possible, but still expecting a positive return on investment.
4	Underperforming investment—concerns about the recoverability of principal or interest.

The following table shows the distribution of our investments on the 1 to 4 investment rating scale at fair value as of March 31, 2020 and December 31, 2019:

Investment Rating	March 31, 2020		December 31, 2019	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
1	\$3,960	57%	\$4,214	57%
2	2,081	30%	2,440	33%
3	518	7%	444	6%
4	386	6%	259	4%
Total	<u>\$6,945</u>	<u>100%</u>	<u>\$7,357</u>	<u>100%</u>

The amount of the portfolio in each grading category may vary substantially from period to period resulting primarily from changes in the composition of the portfolio as a result of new investment, repayment and exit activities. In addition, changes in the grade of investments may be made to reflect our expectation of performance and changes in investment values.

## Results of Operations

### Comparison of the Three Months Ended March 31, 2020 and March 31, 2019

#### Revenues

Our investment income for the three months ended March 31, 2020 and 2019 was as follows:

	Three Months Ended March 31,			
	2020		2019	
	Amount	Percentage of Total Income	Amount	Percentage of Total Income
Interest income	\$ 131	73.2%	\$ 158	81.0%
Paid-in-kind interest income	16	8.9%	16	8.2%
Fee income	12	6.7%	11	5.7%
Dividend income	20	11.2%	10	5.1%
Total investment income <sup>(1)</sup>	<u>\$ 179</u>	<u>100.0%</u>	<u>\$ 195</u>	<u>100.0%</u>

(1) Such revenues represent \$160 and \$175 of cash income earned as well as \$19 and \$20 in non-cash portions relating to accretion of discount and PIK interest for the three months ended March 31, 2020 and 2019, respectively. Cash flows related to such non-cash revenues may not occur for a number of reporting periods or years after such revenues are recognized.

The level of interest income we receive is generally related to the balance of income-producing investments, multiplied by the weighted average yield of our investments. Fee income is transaction based, and typically consists of amendment and consent fees, prepayment fees, structuring fees and other non-recurring fees. As such, fee income is generally dependent on new direct origination investments and the occurrence of events at existing portfolio companies resulting in such fees.

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The decrease in interest income during the three months ended March 31, 2020 compared to the three months ended March 31, 2019 can primarily be attributed to the repayment of higher yielding assets replaced by lower yielding assets, the impact of the decline in LIBOR on our floating rate investments and the increase in non-accrual assets during the quarter. A portion of each of these factors was impacted by the current COVID-19 pandemic. The increase in dividend income during the three months ended March 31, 2020 compared to the three months ended March 31, 2019 can primarily be attributed to dividends paid in respect to our investment in Strategic Credit Opportunities Partners, LLC.

### *Expenses*

Our operating expenses for the three months ended March 31, 2020 and 2019 were as follows:

	Three Months Ended March 31,	
	2020	2019
Management fees	\$ 30	\$ 29
Subordinated income incentive fees	—	24
Administrative services expenses	2	1
Accounting and administrative fees	1	0
Interest expense	46	43
Other	2	3
Total operating expenses	<u>\$ 81</u>	<u>\$ 100</u>

The following table reflects selected expense ratios as a percent of average net assets for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31,	
	2020	2019
Ratio of operating expenses to average net assets	2.16%	2.41%
Ratio of incentive fees and interest expense to average net assets <sup>(1)</sup>	1.23%	1.61%
Ratio of net operating expenses, excluding certain expenses, to average net assets	<u>0.93%</u>	<u>0.80%</u>

(1) Ratio data may be rounded in order to recompute the ending ratio of net operating expenses to average net assets or net operating expenses, excluding certain expenses, to average net assets.

Incentive fees and interest expense, among other things, may increase or decrease our expense ratios relative to comparative periods depending on portfolio performance and changes in amounts outstanding under our financing arrangements and benchmark interest rates such as LIBOR, among other factors.

### *Net Investment Income*

Our net investment income totaled \$98 (\$0.19 per share) and \$95 (\$0.18 per share) for the three months ended March 31, 2020 and 2019, respectively. The increase in net investment income during the three months ended March 31, 2020 compared to the three months ended March 31, 2019 can primarily be attributed to lower incentive fees during the three months ended March 31, 2020, partially offset by lower income as discussed above.

### *Net Realized Gains or Losses*

Our net realized gains (losses) on investments and foreign currency for the three months ended March 31, 2020 and 2019 were as follows:

	Three Months Ended March 31,	
	2020	2019
Net realized gain (loss) on investments <sup>(1)</sup>	\$ (126)	\$ (18)
Net realized gain (loss) on swap contracts	—	1
Net realized gain (loss) on foreign currency	(4)	2
Total net realized gain (loss)	<u>\$ (130)</u>	<u>\$ (15)</u>

(1) We sold investments and received principal repayments, respectively, of \$459 and \$455 during the three months ended March 31, 2020 and \$300 and \$210 during the three months ended March 31, 2019.

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### *Net Change in Unrealized Appreciation (Depreciation)*

Our net change in unrealized appreciation (depreciation) on investments and unrealized gain (loss) on foreign currency for the three months ended March 31, 2020 and 2019 were as follows:

	Three Months Ended	
	March 31,	2019
	2020	
Net change in unrealized appreciation (depreciation) on investments	\$ (695)	\$ 16
Net change in unrealized appreciation (depreciation) on swap contracts	—	4
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	2	1
Net change in unrealized gain (loss) on foreign currency	22	—
Total net change in unrealized appreciation (depreciation)	\$ (671)	\$ 21

During the three months ended March 31, 2020, the net change in unrealized appreciation (depreciation) was driven primarily by mark to market declines across the portfolio resulting from uncertainty related to the current COVID-19 pandemic.

### *Net Increase (Decrease) in Net Assets Resulting from Operations*

For the three months ended March 31, 2020, the net increase in net assets resulting from operations was \$(703) (\$1.40 per share) compared to a net decrease in net assets resulting from operations of \$101 (\$0.19 per share) during the three months ended March 31, 2019.

This “Results of Operations” section should be read in conjunction with “COVID-19 Developments” above.

## **Financial Condition, Liquidity and Capital Resources**

### *Overview*

As of March 31, 2020, we had \$193 in cash and foreign currency, which we or our wholly-owned financing subsidiaries held in custodial accounts, and \$574 in borrowings available under our financing arrangements, subject to borrowing base and other limitations. As of March 31, 2020, we also held broadly syndicated investments and opportunistic investments that we believe could be sold to create additional liquidity. As of March 31, 2020, we had unfunded debt investments with aggregate unfunded commitments of \$372.9, unfunded equity/other commitments of \$214.5 and unfunded commitments of \$210.2 of Strategic Credit Opportunities Partners, LLC. We maintain sufficient cash on hand, available borrowings and liquid securities to fund such unfunded commitments should the need arise.

We currently generate cash primarily from cash flows from fees, interest and dividends earned from our investments, as well as principal repayments and proceeds from sales of our investments. To seek to enhance our returns, we also employ leverage as market conditions permit and at the discretion of the Advisor. Prior to June 14, 2019, in accordance with the 1940 Act, we were allowed to borrow amounts such that our asset coverage, calculated pursuant to the 1940 Act, was at least 200% after such borrowing. Effective June 15, 2019, our asset coverage requirement applicable to senior securities was reduced from 200% to 150%. As of March 31, 2020, the aggregate amount outstanding of the senior securities issued by us was \$4.3 billion. As of March 31, 2020, our asset coverage was 171%. See “—Financing Arrangements.”

Prior to investing in securities of portfolio companies, we invest the cash received from fees, interest and dividends earned from our investments and principal repayments and proceeds from sales of our investments primarily in cash, cash equivalents, including money market funds, U.S. government securities, repurchase agreements and high-quality debt instruments maturing in one year or less from the time of investment, consistent with our BDC election and our election to be taxed as a RIC.

This “Financial Condition, Liquidity and Capital Resources” section should be read in conjunction with “COVID-19 Developments” above.

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### Financing Arrangements

The following table presents summary information with respect to our outstanding financing arrangements as of March 31, 2020:

Arrangement	Type of Arrangement	Rate <sup>(1)</sup>	As of March 31, 2020 (Unaudited)		
			Amount Outstanding	Amount Available	Maturity Date
CCT Tokyo Funding Credit Facility <sup>(2)</sup>	Revolving Credit Facility	L+1.75% - 2.00% <sup>(4)</sup>	\$ 300	\$ —	June 2, 2023
Locust Street Credit Facility <sup>(2)</sup>	Revolving Credit Facility	L+2.50%	400	—	September 28, 2022
Senior Secured Revolving Credit Facility <sup>(2)</sup>	Revolving Credit Facility	L+1.75% - 2.00% <sup>(4)</sup>	1,641 <sup>(5)</sup>	574	November 7, 2024
4.750% Notes due 2022 <sup>(6)</sup>	Unsecured Notes	4.75%	450	—	May 15, 2022
5.000% Notes due 2022 <sup>(6)</sup>	Unsecured Notes	5.00%	245	—	June 28, 2022
4.625% Notes due 2024 <sup>(6)</sup>	Unsecured Notes	4.63%	400	—	July 15, 2024
4.125% Notes due 2025 <sup>(6)</sup>	Unsecured Notes	4.13%	470	—	February 1, 2025
2019-1 Notes <sup>(2)(7)</sup>	Collateralized Loan Obligation	L+1.70% - 2.50%	352	—	July 15, 2030
<b>Total</b>			<b>\$ 4,258</b>	<b>\$ 574</b>	

(1) LIBOR is subject to a 0% floor.

(2) The carrying amount outstanding under the facility approximates its fair value.

(3) The spread over LIBOR is determined by reference to the amount outstanding under the facility.

(4) The spread over LIBOR is determined by reference to the ratio of the value of the borrowing base to the aggregate amount of certain outstanding indebtedness of the Company.

(5) Amount includes borrowing in Euros, Canadian dollars, pound sterling and Australian dollars. Euro balance outstanding of €191 has been converted to U.S. dollars at an exchange rate of €1.00 to \$1.10 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars. Canadian dollar balance outstanding of CAD \$67 has been converted to U.S. dollars at an exchange rate of CAD \$1.00 to \$0.71 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars. Pound sterling balance outstanding of £127 has been converted to U.S. dollars at an exchange rate of £1.00 to \$1.25 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars. Australian dollar balance outstanding of A\$8 has been converted to U.S. dollars at an exchange rate of A\$1.00 to \$0.61 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars.

(6) As of March 31, 2020, the fair value of the 4.750% notes, the 5.000% notes, the 4.625% notes and the 4.125% notes was approximately \$422, \$238, \$316 and \$383, respectively. These valuations are considered Level 2 valuations within the fair value hierarchy.

(7) As of March 31, 2020, there were \$299.4 of Class A-1 notes outstanding at L+1.70% and \$52.3 of Class A-2 notes outstanding at L+2.50%.

See Note 9 to our unaudited consolidated financial statements included herein for additional information regarding our financing arrangements.

### RIC Status and Distributions

We have elected to be subject to tax as a RIC under Subchapter M of the Code. In order to qualify for RIC tax treatment, we must, among other things, make distributions of an amount at least equal to 90% of our investment company taxable income, determined without regard to any deduction for distributions paid, each tax year. As long as the distributions are declared by the later of the fifteenth day of the ninth month following the close of a tax year or the due date of the tax return for such tax year, including extensions, distributions paid up to twelve months after the current tax year can be carried back to the prior tax year for determining the distributions paid in such tax year. We intend to make sufficient distributions to our stockholders to qualify for and maintain our RIC tax status each tax year. We are also subject to a 4% nondeductible federal excise tax on certain undistributed income unless we make distributions in a timely manner to our stockholders generally of an amount at least equal to the sum of (1) 98% of our net ordinary income (taking into account certain deferrals and elections) for the calendar year, (2) 98.2% of our capital gain net income, which is the excess of capital gains in excess of capital losses, or “capital gain net income”

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(adjusted for certain ordinary losses), for the one-year period ending October 31 of that calendar year and (3) any net ordinary income and capital gain net income for the preceding years that were not distributed during such years and on which we paid no U.S. federal income tax. Any distribution declared by us during October, November or December of any calendar year, payable to stockholders of record on a specified date in such a month and actually paid during January of the following calendar year, will be treated as if it had been paid by us, as well as received by our stockholders, on December 31 of the calendar year in which the distribution was declared. We can offer no assurance that we will achieve results that will permit us to pay any cash distributions. If we issue senior securities, we will be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings.

Subject to applicable legal restrictions and the sole discretion of our board of directors, we intend to authorize, declare and pay regular cash distributions on a quarterly basis. We will calculate each stockholder's specific distribution amount for the period using record and declaration dates and each stockholder's distributions will begin to accrue on the date that shares of our common stock are issued to such stockholder. From time to time, we may also pay special interim distributions in the form of cash or shares of our common stock at the discretion of our board of directors.

During certain periods, our distributions may exceed our earnings. As a result, it is possible that a portion of the distributions we make may represent a return of capital. A return of capital generally is a return of a stockholder's investment rather than a return of earnings or gains derived from our investment activities. Each year a statement on Form 1099-DIV identifying the sources of the distributions will be mailed to our stockholders. No portion of the distributions paid during the three months ended March 31, 2020 or 2019 represented a return of capital.

We intend to continue to make our regular distributions in the form of cash, out of assets legally available for distribution, except for those stockholders who receive their distributions in the form of shares of our common stock under the DRP. Any distributions reinvested under the plan will nevertheless remain taxable to a U.S. stockholder.

The following table reflects the cash distributions per share that we have declared on our common stock during the three months ended March 31, 2020 and 2019:

For the Three Months Ended	Distribution	
	Per Share	Amount
<b>Fiscal 2019</b>		
March 31, 2019	\$0.19000	\$ 100
Total	<u>\$0.19000</u>	<u>\$ 100</u>
<b>Fiscal 2020</b>		
March 31, 2020	\$0.19000	\$ 95
Total	<u>\$0.19000</u>	<u>\$ 95</u>

See Note 5 to our unaudited consolidated financial statements included herein for additional information regarding our distributions.

### Recent Developments

On April 30, 2020, the Company entered into the Sixth Supplemental Indenture in connection with the Offering. For additional discussion of the Offering, see Note 12 to our unaudited consolidated financial statements included herein.

On May 5, 2020, the Company entered into the Amendment. For additional discussion of the Amendment, see Note 12 to our unaudited consolidated financial statements included herein.

### Critical Accounting Policies

Our financial statements are prepared in conformity with GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Management has utilized available information, including our past history, industry standards and the current economic environment, among other factors, in forming the estimates and judgments, giving due consideration to materiality. Actual results may differ from these estimates. In addition, other companies may utilize different estimates, which may impact the comparability of our results of operations to those of companies in similar businesses. Understanding our accounting policies and the extent to which we use management judgment and estimates in applying these policies is integral to understanding our financial statements. We describe our most significant accounting policies in "Note 2.

Summary of Significant Accounting Policies” in our consolidated financial statements. Critical accounting policies are those that require the application of management’s most difficult, subjective or complex judgments, often because of the need to make estimates about the effect of matters that are inherently uncertain and that may change in subsequent periods. We evaluate our critical accounting estimates and judgments required by our policies on an ongoing basis and update them as necessary based on changing conditions. We have identified one of our accounting policies, valuation of portfolio investments, as critical because it involves significant judgments and assumptions about highly complex and inherently uncertain matters, and the use of reasonably different estimates and assumptions could have a material impact on our reported results of operations or financial condition. As we execute our operating plans, we will describe additional critical accounting policies in the notes to our future financial statements in addition to those discussed below.

#### *Valuation of Portfolio Investments*

We determine the net asset value of our investment portfolio each quarter. Securities are valued at fair value as determined in good faith by our board of directors. In connection with that determination, the Advisor provides our board of directors with portfolio company valuations which are based on relevant inputs, including, but not limited to, indicative dealer quotes, values of like securities, recent portfolio company financial statements and forecasts, and valuations prepared by independent third-party valuation services.

Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosure*, or ASC Topic 820, issued by the FASB clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. ASC Topic 820 defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, which includes inputs such as quoted prices for similar securities in active markets and quoted prices for identical securities where there is little or no activity in the market; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

With respect to investments for which market quotations are not readily available, we undertake a multi-step valuation process each quarter, as described below:

- our quarterly fair valuation process begins by the Advisor providing financial and operating information with respect to each portfolio company or investment to our independent third-party valuation service providers;
- our independent third-party valuation service providers review this information, along with other public and private information, and provide the Advisor with a valuation range for each portfolio company or investment;
- the Advisor then discusses the independent third-party valuation service providers’ valuation ranges and provides the valuation committee of the board of directors, or the valuation committee, with a valuation recommendation for each investment, along with supporting materials;
- preliminary valuations are then discussed with the valuation committee;
- our valuation committee reviews the preliminary valuations and the Advisor, together with our independent third-party valuation service providers and, if applicable, supplements the preliminary valuations to reflect any comments provided by the valuation committee;
- following the completion of its review, our valuation committee recommends that our board of directors approves the fair valuations determined by the valuation committee; and
- our board of directors discusses the valuations and determines the fair value of each such investment in our portfolio in good faith based on various statistical and other factors, including the input and recommendation of the Advisor, the valuation committee and our independent third-party valuation service providers.

Determination of fair value involves subjective judgments and estimates. Accordingly, the notes to our consolidated financial statements refer to the uncertainty with respect to the possible effect of such valuations and any change in such valuations on our consolidated financial statements. In making its determination of fair value, our board of directors may use any approved independent third-party pricing or valuation services. However, our board of directors is not required to determine fair value in accordance with the valuation provided by any single source, and may use any relevant data, including information obtained from the Advisor or any approved independent third-party valuation or pricing service that our board of directors deems

to be reliable in determining fair value under the circumstances. Below is a description of factors that the Advisor, any approved independent third-party valuation services and our board of directors may consider when determining the fair value of our investments.

Valuation of fixed income investments, such as loans and debt securities, depends upon a number of factors, including prevailing interest rates for like securities, expected volatility in future interest rates, call features, put features and other relevant terms of the debt. For investments without readily available market prices, we may incorporate these factors into discounted cash flow models to arrive at fair value. Other factors that may be considered include the borrower's ability to adequately service its debt, the fair market value of the borrower in relation to the face amount of its outstanding debt and the quality of collateral securing our debt investments.

For convertible debt securities, fair value generally approximates the fair value of the debt plus the fair value of an option to purchase the underlying security (i.e., the security into which the debt may convert) at the conversion price. To value such an option, a standard option pricing model may be used.

Our equity interests in portfolio companies for which there is no liquid public market are valued at fair value. Our board of directors, in its determination of fair value, may consider various factors, such as multiples of EBITDA, cash flows, net income, revenues or, in limited instances, book value or liquidation value. All of these factors may be subject to adjustments based upon the particular circumstances of a portfolio company or our actual investment position. For example, adjustments to EBITDA may take into account compensation to previous owners or acquisition, recapitalization, restructuring or other related items.

The Advisor, any approved independent third-party valuation services and our board of directors may also consider private merger and acquisition statistics, public trading multiples discounted for illiquidity and other factors, valuations implied by third-party investments in the portfolio companies or industry practices in determining fair value. The Advisor, any approved independent third-party valuation services and our board of directors may also consider the size and scope of a portfolio company and its specific strengths and weaknesses, and may apply discounts or premiums, where and as appropriate, due to the higher (or lower) financial risk and/or the smaller size of portfolio companies relative to comparable firms, as well as such other factors as our board of directors, in consultation with the Advisor and any approved independent third-party valuation services, if applicable, may consider relevant in assessing fair value. Generally, the value of our equity interests in public companies for which market quotations are readily available is based upon the most recent closing public market price. Portfolio securities that carry certain restrictions on sale are typically valued at a discount from the public market value of the security.

When we receive warrants or other equity securities at nominal or no additional cost in connection with an investment in a debt security, the cost basis in the investment will be allocated between the debt securities and any such warrants or other equity securities received at the time of origination. Our board of directors subsequently values these warrants or other equity securities received at their fair value.

The fair values of our investments are determined in good faith by our board of directors. Our board of directors is responsible for the valuation of our portfolio investments at fair value as determined in good faith pursuant to our valuation policy and consistently applied valuation process. Our board of directors has delegated day-to-day responsibility for implementing our valuation policy to the Advisor, and has authorized the Advisor to utilize independent third-party valuation and pricing services that have been approved by our board of directors. The valuation committee is responsible for overseeing the Advisor's implementation of the valuation process.

See Note 8 to our unaudited consolidated financial statements included herein for additional information regarding the fair value of our financial instruments.

### **Contractual Obligations**

We have entered into agreements with the Advisor to provide us with investment advisory and administrative services. Payments for investment advisory services under the investment advisory agreement are equal to (a) an annual base management fee based on the average weekly value of our gross assets (excluding cash and cash equivalents) and (b) an incentive fee based on our performance. The Advisor is reimbursed for administrative expenses incurred on our behalf. See Note 4 to our unaudited consolidated financial statements included herein for a discussion of these agreements and for the amount of fees and expenses accrued under these agreements during the three months ended March 31, 2020 and 2019.

A summary of our significant contractual payment obligations for the repayment of outstanding indebtedness at March 31, 2020 is as follows:

	Maturity Date <sup>(1)</sup>	Payments Due By Period				
		Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
CCT Tokyo Funding Credit Facility <sup>(2)</sup>	June 2, 2023	\$300	—	—	\$300	—
Locust Street Credit Facility <sup>(3)</sup>	September 28, 2022	\$400	—	\$400	—	—
Senior Secured Revolving Credit Facility <sup>(4)</sup>	November 7, 2024	\$1,641	—	—	\$1,641	—
4.750% Notes due 2022	May 15, 2022	\$450	—	\$450	—	—
5.000% Notes due 2022	June 28, 2022	\$245	—	\$245	—	—
4.625% Notes due 2024	July 15, 2024	\$400	—	—	\$400	—
4.125% Notes due 2025	February 1, 2025	\$470	—	—	\$470	—
2019-1 Notes	July 15, 2030	\$352	—	—	—	\$352

- (1) Amounts outstanding under the financing arrangements will mature, and all accrued and unpaid interest thereunder will be due and payable, on the maturity date.
- (2) At March 31, 2020, \$0 remained unused under the financing arrangement.
- (3) At March 31, 2020, \$0 remained unused under the financing arrangement.
- (4) At March 31, 2020, \$574 remained unused under the Senior Secured Revolving Credit Facility. Amount includes borrowing in Euros, Canadian dollars, pound sterling and Australian dollars. Euro balance outstanding of €191 has been converted to U.S. dollars at an exchange rate of €1.00 to \$1.10 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars. Canadian dollar balance outstanding of CAD \$67 has been converted to U.S. dollars at an exchange rate of CAD \$1.00 to \$0.71 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars. Pound sterling balance outstanding of £127 has been converted to U.S. dollars at an exchange rate of £1.00 to \$1.25 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars. Australian dollar balance outstanding of A\$8 has been converted to U.S. dollars at an exchange rate of A\$1.00 to \$0.61 as of March 31, 2020 to reflect total amount outstanding in U.S. dollars.

#### Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements, including any risk management of commodity pricing or other hedging practices.



### Item 3. Quantitative and Qualitative Disclosures About Market Risk.

#### Interest Rate Risk

We are subject to financial market risks, including changes in interest rates. As of March 31, 2020, 65.4% of our portfolio investments (based on fair value) were debt investments paying variable interest rates and 12.1% were debt investments paying fixed interest rates while 12.5% were other income producing investments, 6.1% consisted of non-income producing investments, and the remaining 3.9% consisted of investments on non-accrual status. A rise in the general level of interest rates can be expected to lead to higher interest rates applicable to any variable rate investments we hold and to declines in the value of any fixed rate investments we hold. However, many of our variable rate investments provide for an interest rate floor, which may prevent our interest income from increasing until benchmark interest rates increase beyond a threshold amount. To the extent that a substantial portion of our investments may be in variable rate investments, an increase in interest rates beyond this threshold would make it easier for us to meet or exceed the hurdle rate applicable to the subordinated incentive fee on income, and may result in a substantial increase in our net investment income and to the amount of incentive fees payable to the Advisor with respect to our increased pre-incentive fee net investment income. In recent weeks, the U.S. Federal Reserve and other central banks have reduced certain interest rates in response to the COVID-19 pandemic and market conditions. A prolonged reduction in interest rates may reduce our net investment income.

Pursuant to the terms of the CCT Tokyo Funding Credit Facility, Locust Street Funding Credit Facility, Senior Secured Revolving Credit Facility and the 2019-1 Notes, we borrow at a floating rate based on a benchmark interest rate. Under the indentures governing the 4.750% notes, the 5.000% notes, the 4.625% notes and the 4.125% notes, we pay interest to the holders of such notes at a fixed rate. To the extent that any present or future credit facilities or other financing arrangements that we or any of our subsidiaries enter into are based on a floating interest rate, we will be subject to risks relating to changes in market interest rates. In periods of rising interest rates when we or our subsidiaries have such debt outstanding, or financing arrangements in effect, our interest expense would increase, which could reduce our net investment income, especially to the extent we hold fixed rate investments.

The following table shows the effect over a twelve month period of changes in interest rates on our interest income, interest expense and net interest income, assuming no changes in the composition of our investment portfolio, including the accrual status of our investments, and our financing arrangements in effect as of March 31, 2020 (dollar amounts are presented in millions):

Basis Point Change in Interest Rates	Increase (Decrease) in Interest Income <sup>(1)</sup>	Increase (Decrease) in Interest Expense	Increase (Decrease) in Net Interest Income	Percentage Change in Net Interest Income
Down 100 basis points	\$ (20)	\$ (27)	\$ 7	1.9%
No change	—	—	—	—
Up 100 basis points	46	27	19	5.3%
Up 300 basis points	142	81	61	16.8%
Up 500 basis points	239	135	104	28.7%

(1) Assumes no defaults or prepayments by portfolio companies over the next twelve months.

We expect that our long-term investments will be financed primarily with equity and debt. If deemed prudent, we may use interest rate risk management techniques in an effort to minimize our exposure to interest rate fluctuations. These techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations. During the three months ended March 31, 2020 and 2019, we did not engage in interest rate hedging activities.

#### Foreign Currency Risk

From time to time, we may make investments that are denominated in a foreign currency that are subject to the effects of exchange rate movements between the foreign currency of each such investment and the U.S. dollar, which may affect future fair values and cash flows, as well as amounts translated into U.S. dollars for inclusion in our consolidated financial statements.

The table below presents the effect that a 10% immediate, unfavorable change in the foreign currency exchange rates (i.e. strengthening of the U.S. dollar) would have on the fair value of our investments denominated in foreign currencies as of March 31, 2020, by foreign currency, all other valuation assumptions remaining constant. In addition, the table below presents the par value of our investments denominated in foreign currencies and the notional amount of foreign currency forward contracts in local currency in place as of March 31, 2020 to hedge against foreign currency risks.

	Investments Denominated in Foreign Currencies As of March 31, 2020				Economic Hedging As of March 31, 2020	
	Cost in Local Currency	Cost in US\$	Fair Value	Reduction in Fair Value as of March 31, 2020 if 10% Adverse Change in Exchange Rate <sup>(1)</sup>	Net Foreign Currency Hedge Amount in Local Currency	Net Foreign Currency Hedge Amount in U.S. Dollars
Australian Dollars	A\$ 20.4	\$ 12.5	\$ 5.2	\$ 0.5	—	\$ —
British Pound Sterling	£ 136.1	169.5	158.8	15.9	£ 18.8	26.2
Canadian Dollars	C\$ 76.4	54.1	49.4	4.9	—	—
Euros	€ 361.4	398.1	235.9	23.6	€ 1.3	1.7
Swedish Kronor	kr 149.6	15.1	0.2	0.0	—	—
Total		<u>\$649.3</u>	<u>\$ 449.5</u>	<u>\$ 44.9</u>		<u>\$ 27.9</u>

(1) Excludes effect, if any, of any foreign currency hedges.

As illustrated in the table above, we use derivative instruments from time to time, including foreign currency forward contracts and cross currency swaps, to manage the impact of fluctuations in foreign currency exchange rates. In addition, we have the ability to borrow in foreign currencies under our Senior Secured Revolving Credit Facility, which provides a natural hedge with regard to changes in exchange rates between the foreign currencies and U.S. dollar and reduces our exposure to foreign exchange rate differences. We are typically a net receiver of these foreign currencies as related for our international investment positions, and, as a result, our investments denominated in foreign currencies, to the extent not hedged, benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar.

As of March 31, 2020, the net contractual amount of our foreign currency forward contracts totaled \$27.9, all of which related to hedging of our foreign currency denominated debt investments. As of March 31, 2020, we had outstanding borrowings denominated in foreign currencies of €191, CAD \$67, £127 and A\$8 under our Senior Secured Revolving Credit Facility.

In addition, we may have risk regarding portfolio valuation. See “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Valuation of Portfolio Investments.”

#### Item 4. Controls and Procedures.

##### Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including the chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2020.

Based on the foregoing, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that we would meet our disclosure obligations.

##### Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) that occurred during the three month period ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us. From time to time, we may be party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. While the outcome of any legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material adverse effect upon our financial condition or results of operations.

### Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors that appeared under Item 1A. “Risk Factors” in our most recent Annual Report on Form 10-K. There are no material changes from the risk factors included within our most recent Annual Report on Form 10-K other than the risks described below.

#### ***Events outside of our control, including public health crises, could negatively affect our portfolio companies and our results of operations.***

Periods of market volatility have occurred and could continue to occur in response to pandemics or other events outside of our control. These types of events have adversely affected, and could continue to adversely affect operating results for us and for our portfolio companies. For example, the COVID-19 pandemic has resulted in the following in many affected jurisdictions, including the United States: (i) restrictions on travel and the temporary closure of many corporate offices, retail stores, and manufacturing facilities and factories, resulting in significant disruption to the business of many companies, (ii) increased defaults by borrowers, (iii) volatility in credit markets and (iv) rapidly evolving action by government officials to address the economic and market problems. In addition to these developments having adverse consequences for us and our portfolio companies, the operations of the Advisor have been, and could continue to be, adversely impacted, including through quarantine measures and travel restrictions imposed on its personnel or service providers based or temporarily located in affected countries, or any related health issues of such personnel or service providers.

As the potential impact of COVID-19 is difficult to predict, the extent to which COVID-19 could negatively affect our and our portfolio companies’ operating results or the duration of any potential business or supply-chain disruption is uncertain. Any potential impact to our results of operations will depend to a large extent on future developments and new information that could emerge regarding the duration and severity of the COVID-19 pandemic and the actions taken by authorities and other entities to contain the spread of COVID-19 or treat its impact, all of which are beyond our control. These potential impacts, while uncertain, could adversely affect our and our portfolio companies’ operating results.

#### ***We are currently operating in a period of capital markets disruption and economic uncertainty.***

The U.S. capital markets have experienced extreme volatility and disruption following the global outbreak of COVID-19 that began in December 2019. Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a world-wide economic downturn. Disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. These and future market disruptions and/or illiquidity would be expected to have an adverse effect on our business, financial condition, results of operations and cash flows. Unfavorable economic conditions also would be expected to increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events have limited and could continue to limit our investment originations, limit our ability to grow and have a material negative impact on our operating results and the fair values of our debt and equity investments.

#### ***If the current period of capital market disruption and instability continues for an extended period of time, there is a risk that investors in our equity securities may not receive distributions consistent with historical levels or at all or that our distributions may not grow over time and a portion of our distributions may be a return of capital.***

As announced, our next quarterly distribution to stockholders has been reduced to \$0.15 per share. Our ability to pay reduced distributions, to resume paying distributions consistent with our historical range or to continue to pay our distribution fully in cash rather than shares of common stock might be adversely affected by the impact of one or more of the risk factors described in this Quarterly Report on Form 10-Q and in our most recent Annual Report on Form 10-K, including the COVID-19 pandemic described above. If we are unable to satisfy the asset coverage test applicable to us under the 1940 Act as a business development company or if we violate certain covenants under our existing or future credit facilities or other leverage, we may

also be limited in our ability to make distributions. If we declare a distribution and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash distribution payments. To the extent we make distributions to stockholders that include a return of capital, such portion of the distribution essentially constitutes a return of the stockholder's investment. Although such return of capital may not be taxable, such distributions would generally decrease a stockholder's basis in our common stock and may therefore increase such stockholder's tax liability for capital gains upon the future sale of such stock. A return of capital distribution may cause a stockholder to recognize a capital gain from the sale of our common stock even if the stockholder sells its shares for less than the original purchase price.

***We have obtained the approval of our stockholders to issue shares of our common stock at prices below the then-current net asset value per share of our common stock, and any such issuance could materially dilute our stockholders' interest in our common stock and reduce our net asset value per share.***

We have obtained the approval of our stockholders to issue shares of our common stock at prices below the then-current net asset value of our common stock, subject to certain conditions, during the twelve-month period concluding on July 16, 2020. Any sale or other issuance of shares of our common stock at a price below net asset value per share would result in an immediate dilution to our common stock and a reduction of our net asset value per share. This dilution would occur as a result of a proportionately greater decrease in a stockholder's interest in our earnings and assets and voting interest in us than the increase in our assets resulting from such issuance. Such dilutive effects may be material.

## **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

In December 2018, the Company's board of directors authorized a stock repurchase program. Under the program, the Company was permitted to repurchase up to \$200 in the aggregate of its outstanding common stock in the open market at prices below the then-current net asset value per share. The program has terminated since the aggregate repurchase amount that was approved by the Company's board of directors has been expended.

During the three months ended March 31, 2020, the Company repurchased 8,941,631 shares of common stock pursuant to the share repurchase program at an average price per share (inclusive of commissions paid) of \$4.45 (totaling \$40). During the period from April 1, 2020 to May 5, 2020, the Company repurchased 2,353,368 shares of common stock pursuant to the share repurchase program at an average price per share (inclusive of commissions paid) of \$3.16 (totaling \$7).

Repurchases of our common stock under our stock repurchase program for the periods below were as follows (dollar amounts in the table below are presented in millions, except for share and per share amounts).

Period	Total Number of Shares Purchased	Average Price Paid per Share <sup>(1)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2020 through January 31, 2020	1,571,461	\$ 6.2853	1,571,461	\$ 37
February 1, 2020 through February 29, 2020	1,633,124	6.0913	1,633,124	27
March 1, 2020 through March 31, 2020	5,737,046	3.4753	5,737,046	7
	<u>8,941,631</u>	<u>\$ 4.4469</u>	<u>8,941,631</u>	

(1) Amount includes commissions paid.

## **Item 3. Defaults upon Senior Securities.**

Not applicable.

## **Item 4. Mine Safety Disclosures.**

Not applicable.

## **Item 5. Other Information.**

On April 30, 2020, the Company entered into the Sixth Supplemental Indenture in connection with the Offering. For additional discussion of the Offering, see Note 12 to our unaudited consolidated financial statements included herein.

On May 5, 2020, the Company entered into the Amendment. For additional discussion of the Amendment, see Note 12 to our unaudited consolidated financial statements included herein.

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<b>Item 6.</b>	<b>Exhibits</b>
2.1	<a href="#"><u>Agreement and Plan of Merger, by and among FS Investment Corporation, IC Acquisition, Inc., Corporate Capital Trust, Inc. and FS/KKR Advisor, LLC, dated as of July 22, 2018. (Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on July 23, 2018.)</u></a>
3.1	<a href="#"><u>Second Articles of Amendment and Restatement of FS Investment Corporation. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on April 16, 2014.)</u></a>
3.2	<a href="#"><u>Articles of Amendment of FS Investment Corporation. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 3, 2018.)</u></a>
3.3	<a href="#"><u>Articles of Amendment of FS Investment Corporation. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 19, 2018.)</u></a>
3.4	<a href="#"><u>Second Amended and Restated Bylaws of FS Investment Corporation. (Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on April 16, 2014.)</u></a>
3.5	<a href="#"><u>Amendment No. 1 to the Second Amended and Restated Bylaws of FS Investment Corporation. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on July 23, 2018.)</u></a>
4.1	<a href="#"><u>Distribution Reinvestment Plan, effective as of June 2, 2014. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 23, 2014.)</u></a>
4.2	<a href="#"><u>Indenture, dated as of July 14, 2014, by and between the Company and U.S. Bank National Association, as trustee. (Incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 filed on August 14, 2014.)</u></a>
4.3	<a href="#"><u>Third Supplemental Indenture, dated as of April 30, 2015, relating to the 4.750% Notes due 2022, by and between the Company and U.S. Bank National Association, as trustee. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 30, 2015.)</u></a>
4.4	<a href="#"><u>Form of 4.750% Notes due 2022. (Included as Exhibit A to the Third Supplemental Indenture in Exhibit 4.3) (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 30, 2015.)</u></a>
4.5	<a href="#"><u>Fourth Supplemental Indenture, dated as of July 15, 2019, relating to the 4.625% Notes due 2024, by and between the Company and U.S. Bank National Association, as trustee. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 15, 2019.)</u></a>
4.6	<a href="#"><u>Form of 4.625% Notes due 2024. (Included as Exhibit A to the Fourth Supplemental Indenture in Exhibit 4.5) (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 15, 2019.)</u></a>
4.7	<a href="#"><u>Fifth Supplemental Indenture, dated as of November 20, 2019, relating to the 4.125% Notes due 2025, by and between the Company and U.S. Bank National Association, as trustee. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 20, 2020.)</u></a>
4.8	<a href="#"><u>Form of 4.125% Notes due 2025. (Included as Exhibit A to the Fifth Supplemental Indenture in Exhibit 4.7) (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 20, 2020.)</u></a>
4.9*	<a href="#"><u>Sixth Supplemental Indenture, dated as of April 30, 2020 relating to the 8.625% Notes due 2025, by and between the Company and U.S. Bank National Association, as trustee.</u></a>
4.10*	<a href="#"><u>Form of 8.625% Notes due 2025. (Included as Exhibit A to the Sixth Supplemental Indenture in Exhibit 4.9)</u></a>
4.11	<a href="#"><u>Indenture, dated June 28, 2017, by and between The Bank of New York Mellon Trust Company, N.A. and Corporate Capital Trust, Inc. (Incorporated by reference to Exhibit 4.1 to Corporate Capital Trust Inc.'s Current Report on Form 8-K filed on July 5, 2017.)</u></a>
4.12	<a href="#"><u>Form of 5.00% Notes due 2022. (Included as Exhibit A to the Indenture in Exhibit 4.9) (Incorporated by reference to Exhibit 4.1 to Corporate Capital Trust Inc.'s Current Report on Form 8-K filed on July 5, 2017.)</u></a>
10.1	<a href="#"><u>Investment Advisory Agreement, dated as of December 20, 2018, by and between FS KKR Capital Corp. and FS/KKR Advisor, LLC. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 28, 2018.)</u></a>

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- 10.2 [Administration Agreement, dated as of April 9, 2018, by and between FS Investment Corporation and FS/KKR Advisor, LLC. \(Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on April 9, 2018.\)](#)
- 10.3 [Custodian Agreement, dated as of November 14, 2011, by and between the Company and State Street Bank and Trust Company. \(Incorporated by reference to Exhibit 10.9 filed with the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 filed on November 14, 2011.\)](#)
- 10.4 [Amended and Restated Loan and Security Agreement, dated as of March 4, 2019, by and between Locust Street Funding LLC, JPMorgan Chase Bank, N.A., the lenders party thereto, and Wells Fargo Bank, National Association. \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 8, 2019.\)](#)
- 10.5 [Amended and Restated Senior Secured Revolving Credit Agreement, dated as of November 7, 2019, by and among the Company, FS Investment Corporation II, and FS Investment Corporation III, as borrowers, JPMorgan Chase Bank, N.A., as administrative agent, ING Capital LLC, as collateral agent, and the lenders, documentation agents, joint bookrunners, and joint lead arrangers party thereto. \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 13, 2019.\)](#)
- 10.6\* [Commitment Increase Letter, dated as of March 3, 2020, among BNP Paribas, ING Capital LLC, the Company, FS KKR Capital Corp. II and JPMorgan Chase Bank, N.A., as administrative agent.](#)
- 10.7\*† [Amendment No. 1 to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of May 5, 2020, by and among the Company, FS KKR Capital Corp. II, JPMorgan Chase Bank, N.A., as administrative agent, ING Capital LLC, as collateral agent, and the lenders party thereto.](#)
- 10.8 [Loan and Servicing Agreement, dated as of December 2, 2015, among CCT Tokyo Funding LLC, Corporate Capital Trust, Inc. and Sumitomo Mitsui Banking Corporation. \(Incorporated by reference to Exhibit 10.42 to Corporate Capital Trust, Inc.'s Annual Report on Form 10-K filed on March 21, 2016.\)](#)
- 10.9 [First Amendment to Loan and Servicing Agreement, dated September 20, 2017, by an among CCT Tokyo Funding LLC, Corporate Capital Trust, Inc. and Sumitomo Mitsui Banking Corporation. \(Incorporated by reference to Exhibit 10.3 to Corporate Capital Trust, Inc.'s Quarterly Report on Form 10-Q filed on November 9, 2017.\)](#)
- 10.10 [Second Amendment to Loan and Servicing Agreement, dated as of November 28, 2017, by and among CCT Tokyo Funding LLC, Corporate Capital Trust, Inc. and Sumitomo Mitsui Banking Corporation. \(Incorporated by reference to Exhibit 10.1 to Corporate Capital Trust Inc.'s Current Report on Form 8-K filed on November 28, 2017.\)](#)
- 10.11 [Fourth Amendment to Loan and Servicing Agreement, dated as of November 30, 2018, by and among CCT Tokyo Funding LLC, Corporate Capital Trust, Inc., and Sumitomo Mitsui Banking Corporation. \(Incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K filed on February 28, 2019.\)](#)
- 10.12 [Fifth Amendment to Loan and Servicing Agreement, dated as of December 2, 2019, by and among CCT Tokyo Funding LLC, the Company, and Sumitomo Mitsui Banking Corporation. \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 5, 2019.\)](#)
- 10.13 [Indenture, dated June 25, 2019, by and between FS KKR MM CLO 1 LLC and US Bank National Association. \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 1, 2019.\)](#)
- 31.1\* [Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.](#)
- 31.2\* [Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.](#)
- 32.1\* [Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

\* Filed herewith.

† Pursuant to Item 601(a)(5) of Regulation S-K, certain exhibits and schedules have been omitted. The registrant hereby agrees to furnish supplementally a copy of any omitted attachment to the SEC upon request.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this quarterly report to be signed on its behalf by the undersigned, thereunto duly authorized on May 6, 2020.

FS KKR CAPITAL CORP.

By: /s/ MICHAEL C. FORMAN

**Michael C. Forman**  
**Chief Executive Officer**  
**(Principal Executive Officer)**

By: /s/ STEVEN LILLY

**Steven Lilly**  
**Chief Financial Officer**  
**(Principal Financial Officer)**

**SIXTH SUPPLEMENTAL INDENTURE****between****FS KKR CAPITAL CORP.****and****U.S. BANK NATIONAL ASSOCIATION,****as Trustee****Dated as of April 30, 2020**

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**SIXTH SUPPLEMENTAL INDENTURE**

THIS SIXTH SUPPLEMENTAL INDENTURE (this “Sixth Supplemental Indenture”), dated as of April 30, 2020, is between FS KKR Capital Corp., a Maryland corporation (the “Company”), and U.S. Bank National Association, as trustee (the “Trustee”). All capitalized terms used herein shall have the meaning set forth in the Base Indenture (as defined below) unless otherwise defined herein.

**RECITALS OF THE COMPANY**

The Company and the Trustee executed and delivered an Indenture, dated as of July 14, 2014 (the “Base Indenture”), as amended and supplemented by the First Supplemental Indenture, dated as of July 14, 2014, the Second Supplemental Indenture, dated as of December 3, 2014, the Third Supplemental Indenture, dated as of April 30, 2015, the Fourth Supplemental Indenture, dated as of July 15, 2019, the Fifth Supplemental Indenture, dated November 20, 2019, and this Sixth Supplemental Indenture (the Sixth Supplemental Indenture together with the Base Indenture, the “Indenture”), to provide for the issuance by the Company from time to time of the Company’s unsecured debentures, notes or other evidences of indebtedness (the “Securities”), to be issued in one or more series as provided in the Base Indenture.

The Company desires to issue and sell \$250,000,000 aggregate principal amount of the Company’s 8.625% Notes due 2025 (the “Notes”). The Notes will be distributed initially only to (i) persons reasonably believed to be QIBs in reliance on Rule 144A and (ii) Non-U.S. Persons in reliance on Regulation S, as such terms are defined herein.

Sections 901(4) and 901(6) of the Base Indenture provide that without the consent of Holders of the Securities of any series issued under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), the Company, when authorized by or pursuant to a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Base Indenture to (i) change or eliminate any of the provisions of the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto) when there is no Security Outstanding of any series created prior to the execution of the supplemental indenture that is entitled to the benefit of such provision and (ii) establish the form or terms of Securities of any series as permitted by Section 201 and Section 301 of the Base Indenture.

The Company desires to establish the form and terms of the Notes and to modify, alter, supplement and change certain provisions of the Base Indenture for the benefit of the Holders of the Notes (subject to amendment as may be provided in a future supplemental indenture to the Indenture (“Future Supplemental Indenture”)).

The Company has duly authorized the execution and delivery of this Sixth Supplemental Indenture to provide for the issuance of the Notes and all acts and things necessary to make this Sixth Supplemental Indenture a valid, binding, and legal obligation of the Company and to constitute a valid agreement of the Company, in accordance with its terms, have been done and performed.



NOW, THEREFORE, for and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Notes, as follows:

## ARTICLE I TERMS OF THE NOTES

**Section 1.01.** The following terms relating to the Notes are hereby established:

(a) The Notes shall constitute a series of Senior Securities having the title “8.625% Notes due 2025”. The Notes offered and sold to QIBs in reliance on Rule 144A shall bear a CUSIP number of 302635 AF4 and an ISIN number of US302635AF48. The Notes offered and sold in reliance on Regulation S shall bear a CUSIP number of U3484Q AA6 and an ISIN number of USU3484QAA68.

(b) The aggregate principal amount of the Notes that may be initially authenticated and delivered under the Indenture (except for Notes authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, other Notes pursuant to Sections 304, 305, 306, 906, 1107 or 1305 of the Base Indenture, and except for any Securities that, pursuant to Section 303 of the Base Indenture, are deemed never to have been authenticated and delivered under the Indenture) shall be \$250,000,000. Under a Board Resolution, Officers’ Certificate pursuant to Board Resolutions or an indenture supplement, the Company may from time to time, with the consent of the Holders of not less than a majority in principal amount of the Notes at the time Outstanding (the “Majority Holders”), issue additional Notes (in any such case “Additional Notes”) having the same ranking and the same interest rate, maturity and other terms as the Notes; *provided* that, if such Additional Notes are not fungible with the Notes (or any other tranche of Additional Notes) for U.S. federal income tax purposes, then such Additional Notes will have different CUSIP numbers from the Notes (and any such other tranche of Additional Notes). Any Additional Notes and the existing Notes will constitute a single series under the Indenture and all references to the relevant Notes herein shall include the Additional Notes unless the context otherwise requires. In connection with the issuance of Additional Notes, in addition to the other deliverables to be provided by the Company to the Trustee under the terms of the Indenture in connection therewith, the Trustee shall also receive (i) an Officers’ Certificate from the Company certifying to the Trustee that the aforementioned consent of the Majority Holders has been obtained, and (ii) a copy of such consent by the Majority Holders. Such Officers’ Certificate and consent shall be relied upon by the Trustee without the need for further enquiry with respect thereto.

(c) The entire outstanding principal of the Notes shall be payable on May 15, 2025, unless earlier redeemed or repurchased in accordance with the provisions of this Sixth Supplemental Indenture.

(d) The rate at which the Notes shall bear interest shall be 8.625% per annum (the “Applicable Interest Rate”), *provided, however*, that during a Downgrade Period, the Applicable Interest Rate shall be 10.00% per annum for the duration of the Downgrade Period (subject to the conditions and limitations herein) (the “Downgrade Period Interest Rate,” and, together with the Applicable Interest Rate, the “Interest Rate”). The date from which interest shall accrue on the Notes shall be April 30, 2020, or the most recent Interest Payment Date to which interest has been paid or provided for; the Interest Payment Dates for the Notes shall be May 15 and November 15 of each year, commencing November 15, 2020 (if an Interest Payment Date falls on a day that is not a Business Day, then the applicable interest payment will be made on the next succeeding Business Day and no additional interest will accrue as a result of such delayed payment); the initial interest period will be the period from and including May 15, 2020 (or the most recent Interest Payment Date to which interest has been paid or provided for), to, but excluding, the initial Interest Payment Date, and the subsequent interest periods will be the periods from and including an Interest Payment Date to, but excluding, the next Interest Payment Date or the Stated Maturity, as the case may be. Any increase or decrease in the Interest Rate in connection with the commencement or termination of a Downgrade Period, as described above, shall take effect on the Business Day immediately following the date the applicable rating change has occurred so as to cause the Downgrade Period. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date, will be paid to the Person in whose name the Note (or one or more Predecessor Securities) is registered at 5:00 p.m. New York City time, or the close of business, on the Regular Record Date for such interest, which shall be April 30 and October 31 (whether or not a Business

Day), as the case may be, next preceding such Interest Payment Date. Payment of principal of (and premium, if any, on) and any such interest on the Notes will be made at the office of the Trustee located at One Federal Street, 10th Floor, Boston, MA 02110 and at such other address as designated by the Trustee, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that at the option of the Company, payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register. Interest on the Notes will be computed on the basis of a 360-day year of twelve (12) thirty (30) day months.

(e) The Notes offered on the date hereof will be distributed initially only to (i) persons reasonably believed to be QIBs in reliance on Rule 144A and (ii) Non-U.S. Persons in reliance on Regulation S. Such Notes may thereafter be transferred only in accordance with the provisions of the Indenture.

(f) The Notes shall be initially issuable in global form (each such Note, a “Global Note”). The Global Notes and the Trustee’s certificate of authentication thereon shall be substantially in the form of Exhibit A to this Sixth Supplemental Indenture. Each Global Note shall represent the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate amount of outstanding Notes from time to time endorsed thereon and that the aggregate amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the amount of outstanding Notes represented thereby shall be made by the Trustee or the Security Registrar, in accordance with Sections 203 and 305 of the Base Indenture.

(i) The Notes offered and sold to QIBs in reliance on Rule 144A shall be issued initially in the form of one or more 144A Global Notes, which shall be deposited with, or on behalf of, the Depositary, or will remain in the custody of the Trustee pursuant to an agreement between the Depositary and the Trustee.

(ii) The Notes offered and sold in reliance on Regulation S shall be issued initially in the form of one or more Regulation S Global Notes, which shall be deposited with, or on behalf of, a custodian for the Depositary, or will remain in the custody of the Trustee pursuant to an agreement between the Depositary and the Trustee, for credit to the respective accounts of the purchasers (or to such other accounts as they may direct) at Euroclear or Clearstream.

(iii) Unrestricted Global Notes shall be issued in accordance with Section 1.02(b)(vi) hereof and shall be deposited, duly executed by the Company and authenticated by the Trustee as hereinafter provided.

(g) The depositary for such Global Notes (the “Depositary”) shall be The Depositary Trust Company, New York, New York, until a successor shall have been appointed and becomes such person, and thereafter, Depositary shall mean or include such successor. The Security Registrar with respect to the Global Notes shall be the Trustee.

(h) The Notes shall be defeasible pursuant to Section 1402 or Section 1403 of the Base Indenture. Covenant defeasance contained in Section 1403 of the Base Indenture shall apply to the covenants contained in Sections 1007, 1008 and 1009 of the Indenture.

(i) The Notes shall be redeemable pursuant to Section 1101 of the Base Indenture and as follows:

(i) The Notes will be redeemable, in whole or in part, at any time, or from time to time, at the option of the Company, at a Redemption Price equal to the applicable of the following amounts, plus, in each case, accrued and unpaid interest, if any, to, but excluding, the Redemption Date:

(A) prior to April 30, 2022, the greater of (x) 100% of the principal amount of the Notes to be redeemed; or (y) the sum of the present values of the

remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the Redemption Date) on the Notes to be redeemed through the Par Call Date, discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve (12) thirty (30) day months) using the applicable Treasury Rate plus 40 basis points;

- (B) commencing on April 30, 2022, 108.625% of the principal amount of the Notes to be redeemed;
- (C) commencing on April 30, 2023, 104.3125% of the principal amount of the Notes to be redeemed;
- (D) commencing on April 30, 2024, 102.15625% of the principal amount of the Notes to be redeemed; and
- (E) commencing on March 16, 2025, 100% of the principal amount of the Notes to be redeemed.

(ii) Notwithstanding the foregoing, commencing on the first day of any Downgrade Period and lasting until the earlier of (i) the end of such Downgrade Period and (ii) the date that is one hundred and eighty (180) days after such Downgrade Period commenced, the Redemption Price shall equal to 100% of the principal amount of the Notes to be redeemed plus, in each case, accrued and unpaid interest, if any, to, but excluding, the Redemption Date.

For purposes of calculating the Redemption Price in connection with the redemption of the Notes, on any Redemption Date, the following terms have the meanings set forth below:

“Comparable Treasury Issue” means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the Notes to be redeemed (assuming the notes matured on the applicable Par Call Date) that would be utilized, at the time of selection and in accordance with customary financing practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining weighted average term of the Notes being redeemed.

“Comparable Treasury Price” means (1) the average of the remaining Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Par Call Date” means March 16, 2025, which is the date that is sixty (60) days prior to the maturity date of the Notes.

“Quotation Agent” means a Reference Treasury Dealer selected by the Company.

“Reference Treasury Dealer” means each of (1) BofA Securities, Inc., (2) Citigroup Global Markets Inc. and (3) a primary U.S. government securities dealer selected by the Company; provided, however, that if any of the foregoing or their affiliates shall cease to be a primary U.S. government securities dealer in the United States (a “Primary Treasury Dealer”), the Company shall select another Primary Treasury Dealer or such other dealers as the Company selects.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 3:30 p.m. New York City time on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue (computed as of the third Business Day immediately preceding the redemption), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Redemption Price and the Treasury Rate will be determined by the Company.

All determinations made by any Reference Treasury Dealer, including the Quotation Agent, with respect to determining the Redemption Price will be final and binding absent manifest error.

(i) Notice of redemption shall be given in writing and mailed, first-class postage prepaid or by overnight courier guaranteeing next-day delivery, to each Holder of the Notes to be redeemed, not less than fifteen (15) nor more than sixty (60) days prior to the Redemption Date, at the Holder’s address appearing in the Security Register. All notices of redemption shall contain the information set forth in Section 1104 of the Base Indenture.

(ii) Any exercise of the Company’s option to redeem the Notes will be done in compliance with the Investment Company Act, to the extent applicable.

(iii) If the Company elects to redeem only a portion of the Notes, the particular Notes to be redeemed will be selected in accordance with the applicable procedures of the Trustee and, so long as the Notes are registered to the Depositary or its nominee, the Depositary; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than \$2,000.

(iv) Unless the Company defaults in payment of the Redemption Price, on and after the Redemption Date, interest will cease to accrue on the Notes called for redemption hereunder.

(j) The Notes shall not be subject to any sinking fund pursuant to Section 1201 of the Base Indenture.

(k) The Notes shall be issuable in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

(l) Holders of the Notes will not have the option to have the Notes repaid prior to the Stated Maturity other than in accordance with Article Thirteen of the Indenture.

#### **Section 1.02. Transfer and Exchange.**

(a) *Transfer and Exchange of Global Notes.* A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes only if (i) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it ceases to be a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 90 days after the date of such notice from the Depositary or of such cessation, (ii) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee or (iii) an Event of Default has occurred or is continuing. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 304 and 306 of the Base Indenture. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 102 or Sections 304 and 305 of the Base Indenture, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 1.02(a); however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 1.02(b) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes.* The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the

provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with subsections (i) through (vi) below, as applicable, as well as one or more of the other following subsections, as applicable:

(i) *Transfer of Beneficial Interests in the Same Global Note.* Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Restricted Notes Legend. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Security Registrar to effect the transfers described in this Section 1.02(b)(i).

(ii) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 1.02(b)(i) above, the transferor of such beneficial interest must deliver to the Security Registrar (A) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (B) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 1.02 hereof. Transfers by an owner of a beneficial interest in the Rule 144A Global Note to a transferee who takes delivery of such interest through the Regulation S Global Note, whether before or after the expiration of the Restricted Period, shall be made only upon receipt by the Trustee of a certification from the transferor to the effect that such transfer is being made in accordance with Regulation S or, after the expiration of the Restricted Period, if available, Rule 144 under the Securities Act and that, if such transfer is being made prior to the expiration of the Restricted Period, the interest transferred shall be held immediately thereafter through Euroclear or Clearstream.

(iii) *Restrictions on Transfer of Regulation S Global Note.*

(A) Prior to the expiration of the Restricted Period, interests in the Regulation S Global Note may only be held through Euroclear or Clearstream. Prior to expiration of the Restricted Period, transfers by an owner of a beneficial interest in the Regulation S Global Note to a transferee who takes delivery of such interest through the 144A Global Note shall be made only in accordance with Applicable Procedures and upon receipt by the Trustee of a written certification from the transferor of the beneficial interest in the form provided by Exhibit B or as otherwise provided by the Company in accordance with law to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting requirements of Rule 144A. Such certification shall not be required after the expiration of the Restricted Period.

(B) Upon the expiration of the Restricted Period, beneficial ownership interests in the Regulation S Note shall be transferable in accordance with law and the other terms of this Indenture.

(iv) *Other Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 1.02(b)(ii) above and delivers a certificate in the form of Exhibit B hereto.

(v) *Transfer and Exchange of Beneficial Interests in Global Notes to Definitive Notes.* In the event that a Global Note is exchanged for Definitive Notes in accordance with the terms of this Indenture (including Section 1.02(a)), such Notes may be exchanged only in accordance with such procedures as are substantially consistent with the provisions of this Section 1.02 (b), (c), (d) and (e) (including the certification

requirements set forth therein intended to ensure that such transfers comply with Rule 144A, Regulation S or such other applicable exemption from registration under the Securities Act, as the case may be) and such other procedures as may from time to time be adopted by the Company reasonably necessary to comply with applicable law.

(vi) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in the Unrestricted Global Note.* A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 1.02(b)(ii) above and:

- (A) such Notes are sold or exchanged pursuant to an effective registration statement under the Securities Act; or
- (B) the Security Registrar receives the following:
  - (1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item 1(a) thereof; or
  - (2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item 4 thereof;

and, in each such case set forth in this subparagraph (B), if the Company or the Security Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Security Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Notes Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (A) or (B) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of a Company Order in accordance with Section 303 of the Base Indenture, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (A) or (B) above.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes.*

(i) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, in each case in accordance with the terms of this Indenture (including Section 1.02(a)), then, upon receipt by the Security Registrar of the following documentation:

- (A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item 2(a) thereof;
- (B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item 1 thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction and in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item 2 thereof; or

(D) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item 3 thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 1.02(g) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Restricted Definitive Note in the appropriate principal amount. Any Restricted Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 1.02(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Security Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Restricted Definitive Notes to the Persons in whose names such Notes are so registered. Any Restricted Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 1.02(c)(i) shall bear the Restricted Notes Legend and shall be subject to all restrictions on transfer contained therein.

(ii) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note in accordance with the terms of this Indenture (including Section 1.02(a)) only if:

(A) such Notes are sold or exchanged pursuant to an effective registration statement under the Securities Act; or

(B) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item 4(a) thereof; and

(C) the Security Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Restricted Notes Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item 1(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Restricted Notes Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item 4 thereof;

and, in each such case set forth in this subparagraph (C), if the Company or the Security Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Security Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Notes Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest

for an Unrestricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note in accordance with the terms of this Indenture (including Section 1.02(a)), then, upon satisfaction of the conditions set forth in Section 1.02(b)(ii) hereof, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 1.02(g) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions an Unrestricted Definitive Note in the appropriate principal amount. Any Unrestricted Definitive Note issued in exchange for a beneficial interest pursuant to this Section 1.02(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Security Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Unrestricted Definitive Notes to the Persons in whose names such Notes are so registered. Any Unrestricted Definitive Note issued in exchange for a beneficial interest pursuant to this Section 1.02(c)(iii) shall not bear the Restricted Notes Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests.*

(i) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Security Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item 2(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item 1 thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction and in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item 2 thereof; or

(D) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item 3 thereof,

the Trustee shall cancel the Restricted Definitive Note and increase or cause to be increased the aggregate principal amount of the Restricted Global Note.

(ii) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such Notes are sold or exchanged pursuant to an effective registration statement under the Securities Act; or

(B) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item 4(a) thereof; and



(C) the Security Registrar receives the following:

- (1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item 1(c) thereof; or
- (2) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item 4 thereof;

and, in each such case set forth in this subparagraph (C), if the Company or the Security Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Security Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Notes Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 1.02(d)(ii), the Trustee shall cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from an Unrestricted Definitive Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(C) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Company Order in accordance with Section 303 of the Base Indenture, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 1.02(e), the Security Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Security Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Security Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 1.02(e).

(i) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Security Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item 1 thereof and;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item 2 thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item 3 thereof, if applicable.

(ii) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such Notes are sold or exchanged pursuant to an effective registration statement under the Securities Act;

(B) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item 4(a) thereof; or

(C) the Security Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item 1(d) thereof; or

(2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item 4 thereof;

and, in each such case set forth in this subparagraph (C), an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Notes Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Security Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Legends.* The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) *Restricted Notes Legend.*

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

“THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF

- (1) REPRESENTS THAT EITHER (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)), OR (B) IT IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)); AND
- (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) WHICH IS ONE YEAR (OR SUCH OTHER DATE WHEN REALES OF SECURITIES BY NON-AFFILIATES ARE FIRST PERMITTED UNDER RULE 144(d)) AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR ANY PREDECESSOR OF THIS SECURITY) OR THE DATE OF ANY SUBSEQUENT REOPENING OF THE SECURITIES AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A) THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND THE SECURITIES LAWS OF ANY OTHER JURISDICTION, INCLUDING ANY STATE OF THE UNITED STATES, SUBJECT TO THE COMPANY’S AND THE TRUSTEE’S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL SATISFACTORY TO EACH OF THEM AND/OR A CERTIFICATE OF TRANSFER OR EXCHANGE IN THE FORM PRESCRIBED IN THE INDENTURE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.”

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subsections (b)(vi), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii) or (e)(iii) of this Section 1.02 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Restricted Notes Legend.

(ii) *Global Note Legend.* Each Global Note shall bear a legend in substantially the following form:

“This Security is a Global Note within the meaning of the Indenture hereinafter referred to and is registered in the name of The Depository Trust Company or a nominee thereof. This Security may not be exchanged in whole or in part for a Security registered, and no transfer of this Security in whole or in part may be registered, in the name of any Person other than The Depository Trust Company or a nominee thereof, except in the limited circumstances described in the Indenture.

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment and such certificate issued in exchange for this certificate is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company, any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful, as the registered owner hereof, Cede & Co., has an interest herein.”

(g) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 310 of the Base Indenture. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

**Section 1.03.** For purposes of this Sixth Supplemental Indenture, the following terms have the meanings set forth below:

“144A Global Note” means a global note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Restricted Notes Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

“Applicable Procedures” means, with respect to any transfer of or for beneficial interests in any Global Note, the rules and procedures of the Depositary.

“Definitive Note” means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 1.02 hereof, substantially in the form of Exhibit A hereto except that such Note shall not bear the Global Note Legend and shall not have the “Schedule of Exchanges of Interests in the Global Note” attached thereto.

“Downgrade Period” means the period during which (1) if the Notes have been rated by only two (2) Rating Agencies, at least one Rating Agency has rated the Notes below Investment Grade or (2) if the Notes have been rated by all of the Rating Agencies, at least two (2) Rating Agencies have rated the Notes below Investment Grade.

“Global Note Legend” means the legend set forth in Section 1.02(f)(ii), which is required to be placed on all Global Notes issued under this Indenture.

“Global Notes” means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, substantially in the form of Exhibit A hereto issued in accordance with Section 1.02(b) or 1.02(d) hereof.

“Indirect Participant” means a Person who holds a beneficial interest in a Global Note through a Participant.

“Non-U.S. Person” means a person other than a U.S. Person.

“Participant” means, with respect to the Depositary, a Person who has an account with the Depositary.

“QIB” means a “qualified institutional buyer” as defined in Rule 144A.

“Regulation S” means Regulation S promulgated under the Securities Act.

“Regulation S Global Note” means the Global Note representing the Notes offered and sold outside the United States in reliance on Regulation S.

“Restricted Definitive Note” means a definitive Note substantially in the form of Exhibit A attached hereto that does not bear the Global Note Legend nor the “Schedule of Exchanges of Interests in the Global Note” attached thereto, and that bears the Restricted Notes Legend.

“Restricted Global Note” means a permanent global Note substantially in the form of Exhibit A attached hereto that bears the Global Note Legend and that has the “Schedule of Exchanges of Interests in the Global Note” attached thereto, and that is deposited with or on behalf of and registered in the name of the Depository, representing a series of Notes that bear the Restricted Notes Legend.

“Restricted Notes Legend” means the legend set forth in Section 1.02(f)(i) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

“Restricted Period” with respect to any Restricted Global Note, means the 40 consecutive days beginning on and including the later of (i) the commencement of the offering of the Notes to persons other than distributors (as defined in Regulation S) in reliance on Regulation S and (ii) the date of the issuance of the Notes initially offered under this Indenture.

“Rule 144” means Rule 144 promulgated under the Securities Act.

“Rule 144A” means Rule 144A promulgated under the Securities Act.

“Securities Act” means the Securities Act of 1933, as amended.

“Unrestricted Definitive Note” means a definitive Note substantially in the form of Exhibit A attached hereto that does not bear the Global Note Legend nor the “Schedule of Exchanges of Interests in the Global Note” attached thereto, and that does not bear the Restricted Notes Legend.

“Unrestricted Global Note” means a permanent global Note substantially in the form of Exhibit A attached hereto that bears the Global Note Legend and that has the “Schedule of Exchanges of Interests in the Global Note” attached thereto, and that is deposited with or on behalf of and registered in the name of the Depository, representing a series of Notes that do not bear the Restricted Notes Legend.

“U.S. Person” means a U.S. Person as defined in Rule 902(k) of Regulation S under the Securities Act.

## **ARTICLE II**

### **DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION**

**Section 2.01.** Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article One of the Base Indenture shall be amended by adding the following defined terms to Section 101 in appropriate alphabetical sequence, as follows:

“Below Investment Grade Rating Event” means the Notes are downgraded below Investment Grade by all of the Rating Agencies on any date from the date of the public notice of an arrangement that results in a Change of Control until the end of the sixty (60) day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by either of the Rating Agencies); *provided* that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

“Change of Control” means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation) in one or a series of related transactions, of all or substantially all of the assets of the Company and its Controlled Subsidiaries taken as a whole to any “person” or “group” (as those terms are used in Section 13(d)(3) of the Exchange Act), other than to any Permitted Holders; *provided* that, for the avoidance of doubt, a pledge of assets pursuant to any secured debt instrument of the Company or its Controlled Subsidiaries shall not be deemed to be any such sale, lease, transfer, conveyance or disposition;

(2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” or “group” (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than any Permitted Holders) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 promulgated under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company, measured by voting power rather than number of shares; or

(3) the approval by the Company’s stockholders of any plan or proposal relating to the liquidation or dissolution of the Company.

“Change of Control Repurchase Event” means the occurrence of a Change of Control and a Below Investment Grade Rating Event.

“Controlled Subsidiary” means any Subsidiary of the Company, 50% or more of the outstanding equity interests of which are owned by the Company and its direct or indirect Subsidiaries and of which the Company possesses, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting equity interests, by agreement or otherwise.

“Fitch” means Fitch Ratings, Inc., also known as Fitch Ratings, or any successor thereto.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, the opinions and pronouncements of the Public Company Accounting Oversight Board and the statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession in the United States, which are in effect from time to time.

“Investment Company Act” means the Investment Company Act of 1940, as amended, and the rules, regulations and interpretations promulgated thereunder, to the extent applicable, and any statute successor thereto.

“Investment Grade” means a rating of BBB- or better by KBRA (or its equivalent under any successor rating categories of KBRA), BBB- or better by Fitch (or its equivalent under any successor rating categories of Fitch) and Baa3 or better by Moody’s (or its equivalent under any successor rating categories of Moody’s) (or, in each case, if such Rating Agency ceases to rate the Notes for reasons outside of the Company’s control, the equivalent investment grade credit rating from any Rating Agency selected by the Company as a replacement Rating Agency).

“KBRA” means Kroll Bond Rating Agency, Inc. or any successor thereto.

“Moody’s” means Moody’s Investors Service or any successor thereto.

“Permitted Holders” means (i) the Company, (ii) one or more of the Company’s Controlled Subsidiaries and (iii) FS/KKR Advisor, LLC, any Affiliate of FS KKR Advisor, LLC or any entity that is managed by FS/KKR Advisor, LLC that is organized under the laws of a jurisdiction located in the United States of America and in the business of managing or advising clients.

“Rating Agency” means (1) each of KBRA, Fitch and Moody’s; and (2) if any of KBRA, Fitch and Moody’s ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Company’s control, a “nationally recognized statistical rating organization” as defined in Section 3(a)(62) of the Exchange Act selected by the Company as a replacement agency for any of KBRA, Fitch or Moody’s, as the case may be.

“Significant Subsidiary” means any Subsidiary that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X under the Exchange Act, as such regulation is in effect on the date of this Indenture (but excluding any Subsidiary which is (a) a non-recourse or limited recourse Subsidiary, (b) a bankruptcy remote special purpose vehicle or (c) is not consolidated with the Company for purposes of GAAP).

“Voting Stock” as applied to stock of any Person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such Person having ordinary voting power for the election of a majority of the directors (or the equivalent) of such Person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

**Section 2.02.** Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article One of the Base Indenture shall be amended by amending and restating the definitions of “Business Day” and “Subsidiary” in Section 101 as follows:

“Business Day” means, with respect to any Note, any day other than a Saturday, Sunday or a day on which banking institutions in New York are authorized or obligated by law or executive order to close.

“Subsidiary” means (1) any corporation a majority of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries of the Company, (2) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person, or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has a majority ownership interest, or (3) a partnership in which such Person or Subsidiary of such Person is, at the time, a general partner and in which such Person, directly or indirectly, at the date of determination thereof has a majority ownership interest. For the purposes of this definition, “voting stock” mean stock having voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency. In addition, for purposes of this definition, “Subsidiary” shall exclude any investments held by the Company in the ordinary course of business which are not, under GAAP, consolidated on the financial statements of the Company and its Subsidiaries.

### ARTICLE III SECURITIES FORMS

**Section 3.01.** Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Two of the Base Indenture shall be amended by adding the following new Section 204 thereto, as set forth below:

“Section 204   Certificated Notes.

Notwithstanding anything to the contrary in the Indenture, Notes in physical, certificated form will be issued and delivered to each person that the Depositary identifies as a beneficial owner of the related Notes only if:

- (a) the Depositary notifies the Company at any time that it is unwilling or unable to continue as depositary for the Notes in global form and a successor depositary is not appointed within 90 days;

- (b) the Depository ceases to be registered as a clearing agency under the Exchange Act and a successor depository is not appointed within 90 days; or
- (c) an Event of Default with respect to the Notes has occurred and is continuing and such beneficial owner requests that its Notes be issued in physical, certificated form.”

#### **ARTICLE IV REMEDIES**

**Section 4.01.** Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Five of the Base Indenture shall be amended by replacing clause (2) of Section 501 thereof with the following:

“(2) default in the payment of the principal of (or premium, if any, on) any Note when it becomes due and payable at its Maturity including upon any Redemption Date or required repurchase date; or”

**Section 4.02.** Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Section 501 of the Base Indenture shall be amended by replacing clause (4) thereof with the following:

“(4) default in the performance, or breach, of any covenant or agreement of the Company in this Indenture or the Notes (other than a covenant or agreement a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of a series of securities other than the Notes), and continuance of such default or breach for a period of 60 consecutive days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 66 2/3% in principal amount of the Outstanding Notes a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or”

**Section 4.03.** Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Five of the Base Indenture shall be amended by adding as clause (9) of Section 501 thereof the following:

“(9) default by the Company or any of its Significant Subsidiaries, with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of \$100 million in the aggregate of the Company and/or any such Significant Subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal or interest of any such debt when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise, unless, in either case, such indebtedness is discharged, or such acceleration is rescinded, stayed or annulled, within a period of 30 calendar days after written notice of such failure is given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 66 2/3% in aggregate principal amount of the Notes then Outstanding.”

**Section 4.04.** Except as may be provided in a Future Supplemental Indenture, for the benefit of Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Section 501 of the Base Indenture shall be amended by replacing clause (7) thereof with the following:

“(7) if, pursuant to Section 18(a)(1)(C)(ii) and Section 61 of the Investment Company Act, on the last business day of each of 24 consecutive calendar months, any class of securities shall have an asset coverage (as such term is used in the Investment Company Act) of less than 100% giving effect to any exemptive relief granted to the Company by the Commission;”



**Section 4.05.** Except as may be provided in a Future Supplemental Indenture, for the benefit of Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Five of the Base Indenture shall be amended by amending clause (6) of Section 501 thereof as follows: the words “90 consecutive days” in the final clause thereof shall be replaced with the words “60 consecutive days”.

**Section 4.06.** Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Five of the Base Indenture shall be amended by replacing the first paragraph of Section 502 thereof with the following:

“If an Event of Default with respect to the Notes occurs and is continuing, then and in every such case (other than an Event of Default specified in Section 501(5) or 501(6)), the Trustee or the Holders of not less than 66 2/3% in principal amount of the Outstanding Notes may (and the Trustee shall at the request of such Holders) declare the principal of all the Outstanding Notes to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the Holders), and upon any such declaration such principal or specified portion thereof shall become immediately due and payable; provided that 100% of the principal of, and accrued and unpaid interest on, the Notes will automatically become due and payable in the case of an Event of Default specified in Section 501(5) or 501(6) hereof.”

**Section 4.07.** Except as may be provided in a Future Supplemental Indenture, for the benefit of Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Five of the Base Indenture shall be amended by replacing clause (3) of Section 512 thereof with the following:

“(3) the Trustee need not take any action that it determines in good faith may involve it in personal liability or be unjustly prejudicial to the Holders of the Notes not consenting; and”

## **ARTICLE V THE TRUSTEE**

**Section 5.01.** Except as may be provided in a Future Supplemental Indenture, for the benefit of Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Six of the Base Indenture shall be amended by replacing the final proviso of Section 601 thereof with the following:

“and provided further that in the case of any Default or breach of the character specified in Section 501(4) with respect to the Securities of such series, no such notice to Holders shall be given until at least 60 days after the occurrence thereof”

## **ARTICLE VI COVENANTS**

**Section 6.01.** Except as may be provided in a Future Supplemental Indenture, for the benefit of Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Ten of the Base Indenture shall be amended by replacing clause (1) of Section 1005 thereof with the following:

“(1) The Company will deliver to the Trustee within 120 days after the end of each fiscal year ending after the date hereof (which fiscal year ends on December 31), so long as any Notes are Outstanding hereunder, a brief Officers’ Certificate as to the knowledge of the signers of the Company’s compliance with all of the terms, provisions or conditions of this Indenture. For purposes of this Section 1005, such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.”

**Section 6.02.** Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Ten of the Base Indenture shall be amended by adding the following new Sections 1007, 1008 and 1009 thereto, each as set forth below:

“Section 1007 Section 18(a)(1)(A) of the Investment Company Act.

The Company hereby agrees that for the period of time during which the Notes are Outstanding, the Company will not violate, whether or not it is subject to, Section 18(a)(1)(A) of the Investment Company Act as modified by Section 61(a)(1) and (2) of the Investment Company Act or any successor provisions, as such obligations may be amended or superseded, giving effect to any exemptive or other relief granted to us by the Securities and Exchange Commission.”

“Section 1008 Commission Reports and Reports to Holders.

If, at any time, the Company is not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the Commission, the Company agrees to furnish to the Holders of the Notes and the Trustee for the period of time during which the Notes are Outstanding: (i) within 90 days after the end of each fiscal year of the Company, audited annual consolidated financial statements of the Company and (ii) within 45 days after the end of each fiscal quarter of the Company (other than the Company’s fourth fiscal quarter), unaudited interim consolidated financial statements of the Company. All such financial statements shall be prepared, in all material respects, in accordance with GAAP, as applicable.”

“Section 1009 Ratings.

The Company hereby agrees to use reasonable best efforts to obtain a rating of the Notes (but not obtain a specific rating) from two (2) or more Rating Agencies within two (2) months after the issuance of the Notes (it being understood and agreed that “reasonable best efforts” shall in any event include the payment by the Company of customary rating agency fees and cooperation with information and data requests by each Rating Agency in connection with their ratings process).”

## **ARTICLE VII CONSOLIDATION, MERGER, CONVEYANCE OR TRANSFER**

Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Eight of the Base Indenture shall be amended by replacing Section 801 with the following:

“Section 801 Merger, Consolidation or Sale of Assets.

The Company shall not merge or consolidate with or into any other Person (other than a merger of a wholly owned Subsidiary of the Company into the Company), or sell, transfer, lease, convey or otherwise dispose of all or substantially all of its property (provided that, for the avoidance of doubt, a pledge of assets pursuant to any secured debt instrument of the Company or its Controlled Subsidiaries shall not be deemed to be any such sale, transfer, lease, conveyance or disposition) in any one transaction or series of related transactions unless:

(1) the Company shall be the surviving Person (the “Surviving Person”) or the Surviving Person (if other than the Company) formed by such merger or consolidation or to which such sale, transfer, lease, conveyance or disposition is made shall be a corporation or limited liability company organized and existing under the laws of the United States of America or any state or territory thereof;

(2) the Surviving Person (if other than the Company) expressly assumes, by supplemental indenture in form reasonably satisfactory to the Trustee, executed and delivered to the Trustee by such Surviving Person, the due and punctual payment of the principal of, and premium, if any, and interest on, all the Notes Outstanding, and the due and punctual performance and observance of all the covenants and conditions of this Indenture to be performed by the Company;

(3) immediately before and immediately after giving effect to such transaction or series of related transactions, no Default or Event of Default shall have occurred and be continuing; and

(4) the Company shall deliver, or cause to be delivered, to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto, comply with this Section 801 and that all conditions precedent in this Indenture relating to such transaction have been complied with.

For the purposes of this Section 801, the sale, transfer, lease, conveyance or other disposition of all the property of one or more Subsidiaries of the Company, which property, if held by the Company instead of such Subsidiaries, would constitute all or substantially all the property of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all the property of the Company."

## **ARTICLE VIII**

### **OFFER TO REPURCHASE UPON A CHANGE OF CONTROL REPURCHASE EVENT**

Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding, Article Thirteen of the Base Indenture shall be amended by replacing Sections 1301 to 1305 with the following:

"Section 1301 Change of Control.

If a Change of Control Repurchase Event occurs, unless the Company shall have exercised its right to redeem the Notes in full, the Company shall make an offer to each Holder of the Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 principal amount in excess thereof) of that Holder's Notes at a repurchase price in cash equal to 100% of the aggregate principal amount of Notes repurchased plus any accrued and unpaid interest on the Notes repurchased to, but not including, the date of purchase. Within 30 days following any Change of Control Repurchase Event or, at the Company's option, prior to any Change of Control, but after the public announcement of the Change of Control, the Company shall mail a notice to each Holder describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. The Company shall comply with the requirements of Rule 14e-1 promulgated under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event.

To the extent that the provisions of any securities laws or regulations conflict with this Section 1301, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section 1301 by virtue of such conflict.

On the Change of Control Repurchase Event payment date, subject to extension if necessary to comply with the provisions of the Investment Company Act, the Company shall, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to its offer;
- (2) deposit with the Paying Agent an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the Notes properly accepted, together with an Officers' Certificate stating the aggregate principal amount of Notes being purchased by the Company.

The Paying Agent will promptly remit to each Holder of Notes properly tendered the purchase price for the Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered; *provided* that each new Note will be in a minimum principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

If any Repayment Date upon a Change of Control Repurchase Event falls on a day that is not a Business Day, then the required payment will be made on the next succeeding Business Day and no additional interest will accrue as a result of such delayed payment.

The Company will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes an offer in respect of the Notes in the manner, at the time and otherwise in compliance with the requirements for an offer made by the Company and such third party purchases all Notes properly tendered and not withdrawn under its offer."

## **ARTICLE IX MISCELLANEOUS**

**Section 9.01.** This Sixth Supplemental Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws that would cause the application of laws of another jurisdiction. This Sixth Supplemental Indenture is subject to the provisions of the Trust Indenture Act that are required to be part of the Indenture and shall, to the extent applicable, be governed by such provisions.

**Section 9.02.** In case any provision in this Sixth Supplemental Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 9.03.** This Sixth Supplemental Indenture may be executed in counterparts, each of which will be an original, but such counterparts will together constitute but one and the same Sixth Supplemental Indenture. The exchange of copies of this Sixth Supplemental Indenture and of signature pages by facsimile, .pdf transmission, email or other electronic means shall constitute effective execution and delivery of this Sixth Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile, .pdf transmission, email or other electronic means shall be deemed to be their original signatures for all purposes.

**Section 9.04.** All notices, approvals, consents, requests and any communications hereunder must be in writing (provided that any communication sent to the Trustee hereunder must be in the form of a document that is signed manually or by way of a digital signature provided by DocuSign (or such other digital signature provider as specified in writing to the Trustee by the authorized representative)), in English. The Company agrees to assume all risks arising out of the use of using digital signatures and electronic methods to submit communications to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

**Section 9.05.** The Base Indenture, as supplemented and amended by this Sixth Supplemental Indenture, is in all respects ratified and confirmed, and the Base Indenture and this Sixth Supplemental Indenture shall be read, taken and construed as one and the same instrument with respect to the Notes. All provisions included in this Sixth Supplemental Indenture supersede any conflicting provisions included in the Base Indenture with respect to the Notes, unless not permitted by law. The Trustee accepts the trusts created by the Base Indenture, as supplemented by this Sixth Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Base Indenture, as supplemented by this Sixth Supplemental Indenture.

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**Section 9.06.** The provisions of this Sixth Supplemental Indenture shall become effective as of the date hereof.

**Section 9.07.** Notwithstanding anything else to the contrary herein, the terms and provisions of this Sixth Supplemental Indenture shall apply only to the Notes and shall not apply to any other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto) and this Sixth Supplemental Indenture shall not and does not otherwise affect, modify, alter, supplement or change the terms and provisions of any other series of Securities under the Base Indenture (as supplemented or amended from time to time by one or more indentures supplemental thereto), whether now or hereafter issued and Outstanding.

**Section 9.08.** The recitals contained herein and in the Notes shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Sixth Supplemental Indenture, the Notes or any Additional Notes, except that the Trustee represents that it is duly authorized to execute and deliver this Sixth Supplemental Indenture, authenticate the Notes and any Additional Notes and perform its obligations hereunder. The Trustee shall not be accountable for the use or application by the Company of the Notes or any Additional Notes or the proceeds thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Sixth Supplemental Indenture to be duly executed as of the date first above written.

FS KKR CAPITAL CORP.

By: /s/ Steven C. Lilly  
Name: Steven C. Lilly  
Title: Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Karen R. Beard  
Name: Karen R. Beard  
Title: Vice President

*[Signature page to Sixth Supplemental Indenture]*

**Exhibit A – Form of Global Note**

This Security is a Global Note within the meaning of the Indenture hereinafter referred to and is registered in the name of The Depository Trust Company or a nominee thereof. This Security may not be exchanged in whole or in part for a Security registered, and no transfer of this Security in whole or in part may be registered, in the name of any Person other than The Depository Trust Company or a nominee thereof, except in the limited circumstances described in the Indenture.

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment and such certificate issued in exchange for this certificate is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company, any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful, as the registered owner hereof, Cede & Co., has an interest herein.

[Insert the Restricted Notes Legend if applicable pursuant to the provisions of the Indenture]

**FS KKR Capital Corp.**

No.

\$  
CUSIP No.  
ISIN No.

8.625% Notes due 2025

FS KKR Capital Corp., a corporation duly organized and existing under the laws of Maryland (herein called the “Company”, which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of (U.S. \$ ) on May 15, 2025, and to pay interest thereon from April 30, 2020 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on May 15 and November 15 of each year, commencing November 15, 2020, at the rate of 8.625% per annum, subject to adjustment in connection with any Downgrade Period, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security is registered at the close of business on the Regular Record Date for such interest, which shall be April 30 and October 31 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture. This Security may be issued as part of a series.

Payment of the principal of (and premium, if any, on) and any such interest on this Security will be made at the office of the Trustee located at One Federal Street, 10th Floor, Boston, MA 02110 and at such other address as designated by the Trustee, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register; *provided, further, however*, that so long as this Security is registered to Cede & Co., such payment will be made by wire transfer in accordance with the procedures established by The Depository Trust Company and the Trustee.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: [            ], 2020

FS KKR CAPITAL CORP.

By: \_\_\_\_\_  
Name:  
Title:

Attest

By: \_\_\_\_\_  
Name:  
Title:



This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: [            ], 2020

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

This Security is one of a duly authorized issue of Senior Securities of the Company (herein called the “Securities”), issued and to be issued in one or more series under an Indenture, dated as of July 14, 2014 (herein called the “Base Indenture”, which term shall have the meaning assigned to it in such instrument), between the Company and U.S. Bank National Association, as Trustee (herein called the “Trustee”, which term includes any successor trustee under the Base Indenture), and reference is hereby made to the Base Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered, as amended and supplemented by the First Supplemental Indenture, dated as of July 14, 2014, the Second Supplemental Indenture, dated as of December 3, 2014, the Third Supplemental Indenture, dated as of April 30, 2015, the Fourth Supplemental Indenture, dated as of July 15, 2019, the Fifth Supplemental Indenture, dated November 20, 2019 and this Sixth Supplemental Indenture, relating to the Securities, dated as of April 30, 2020, by and between the Company and the Trustee (herein called the “Sixth Supplemental Indenture”; and the Sixth Supplemental Indenture and the Base Indenture collectively are herein called the “Indenture”). In the event of any conflict between the Base Indenture and the Sixth Supplemental Indenture, the Sixth Supplemental Indenture shall govern and control.

This Security is one of the series designated on the face hereof, initially limited in aggregate principal amount to \$ . Under a Board Resolution, Officers’ Certificate pursuant to Board Resolutions or an indenture supplement, the Company may from time to time, without the consent of the Holders of Securities, issue additional Securities of this series (in any such case “Additional Securities”) having the same ranking and the same interest rate, maturity and other terms as the Securities, provided that, if such Additional Securities are not fungible with the Securities (or any other tranche of Additional Securities) for U.S. federal income tax purposes, then such Additional Securities will have different CUSIP numbers from the Securities represented hereby (and any such other tranche of Additional Securities). Any Additional Securities and the existing Securities will constitute a single series under the Indenture and all references to the relevant Securities herein shall include the Additional Securities unless the context otherwise requires. The aggregate amount of outstanding Securities represented hereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions.

The Securities of this series are subject to redemption in whole or in part at any time or from time to time, at the option of the Company, at a Redemption Price per security equal to the following amounts, plus, in each case, accrued and unpaid interest, if any, to, but excluding, the Redemption Date:

- (A) prior to April 30, 2022, the greater of (x) 100% of the principal amount of the Notes to be redeemed; or (y) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the Redemption Date) on the Notes to be redeemed through the Par Call Date, discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve (12) thirty (30) day months) using the applicable Treasury Rate plus 40 basis points;
- (B) commencing on April 30, 2022, 108.625% of the principal amount of the Notes to be redeemed;
- (C) commencing on April 30, 2023, 104.3125% of the principal amount of the Notes to be redeemed;
- (D) commencing on April 30, 2024, 102.15625% of the principal amount of the Notes to be redeemed; and

(E) commencing on March 16, 2025, 100% of the principal amount of the Notes to be redeemed.

Notwithstanding the foregoing, commencing on the first day of any Downgrade Period and lasting until the earlier of (i) the end of such Downgrade Period and (ii) the date that is one hundred and eighty (180) days after such Downgrade Period commenced, the Redemption Price shall equal to 100% of the principal amount of the Notes to be redeemed plus, in each case, accrued and unpaid interest, if any, to, but excluding, the Redemption Date.

For purposes of calculating the Redemption Price in connection with the redemption of the Notes, on any Redemption Date, the following terms have the meanings set forth below:

“Comparable Treasury Issue” means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining weighted average term of the Notes to be redeemed (assuming the notes matured on the applicable Par Call Date) that would be utilized, at the time of selection and in accordance with customary financing practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes being redeemed.

“Comparable Treasury Price” means (1) the average of the remaining Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Downgrade Period” means the period during which (1) if the Notes have been rated by only two (2) Rating Agencies, at least one Rating Agency has rated the Notes below Investment Grade or (2) if the Notes have been rated by all of the Rating Agencies, at least two (2) Rating Agencies have rated the Notes below Investment Grade.

“Par Call Date” means March 16, 2025, which is the date that is sixty (60) days prior to the maturity date of the Notes.

“Quotation Agent” means a Reference Treasury Dealer selected by the Company.

“Reference Treasury Dealer” means each of (1) BofA Securities, Inc., (2) Citigroup Global Markets Inc. and (3) a primary U.S. government securities dealer selected by the Company; provided, however, that if any of the foregoing or their affiliates shall cease to be a primary U.S. government securities dealer in the United States (a “Primary Treasury Dealer”), the Company shall select another Primary Treasury Dealer or such other dealers as the Company selects.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 3:30 p.m. New York City time on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue (computed as of the third Business Day immediately preceding the redemption), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Redemption Price and the Treasury Rate will be determined by the Company.

All determinations made by any Reference Treasury Dealer, including the Quotation Agent, with respect to determining the Redemption Price will be final and binding absent manifest error.

Notice of redemption shall be given in writing and mailed, first-class postage prepaid or by overnight courier guaranteeing next-day delivery, to each Holder of the Securities to be redeemed, not less than fifteen (15) nor more than sixty (60) days prior to the Redemption Date, at the Holder’s address appearing in the Security Register. All notices of redemption shall contain the information set forth in Section 1104 of the Base Indenture.

Any exercise of the Company's option to redeem the Securities will be done in compliance with the Investment Company Act, to the extent applicable.

If the Company elects to redeem only a portion of the Securities, the particular Securities to be redeemed will be selected in accordance with the applicable procedures of the Trustee and, so long as the Securities are registered to the Depositary or its nominee, the Depositary. In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Security not redeemed to less than \$2,000.

Unless the Company defaults in payment of the Redemption Price, on and after the Redemption Date, interest will cease to accrue on the Securities called for redemption.

Holders will have the right to require the Company to repurchase their Securities upon the occurrence of a Change of Control Repurchase Event as set forth in the Indenture.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Securities of this series shall occur and be continuing (other than Events of Default related to certain events of bankruptcy, insolvency or reorganization as set forth in the Indenture), the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. In the case of certain events of bankruptcy, insolvency or reorganization described in the Indenture, 100% of the principal of and accrued and unpaid interest on the Securities will automatically become due and payable.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 66 2/3% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity, security, or both, satisfactory to the Trustee, against the costs, expenses and liabilities to be incurred in compliance with such request, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for sixty (60) days after receipt of such notice, request and offer of indemnity and/or security. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of \$2,000 and any integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company or Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

To the extent any provision of this Security conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

The Indenture and this Security shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

<u>Date of Exchange</u>	<u>Amount of decrease in Principal Amount of this Global Note</u>	<u>Amount of increase in Principal Amount of this Global Note</u>	<u>Principal Amount of this Global Note following such decrease (or increase)</u>	<u>Signature of authorized officer of Trustee or Note Custodian</u>

**Exhibit B – Form of Certificate of Transfer**

FS KKR Capital Corp.  
201 Rouse Boulevard  
Philadelphia, Pennsylvania 19112  
Attention: Secretary

U.S. Bank National Association, as Trustee  
One Federal Street, 3rd Floor  
Boston, MA 02110  
Fax No.: (617) 603-6665  
Attention: Corporate Trust Services

Re: 8.625% Notes due 2025

Reference is hereby made to the Indenture, dated as of July 14, 2014, as supplemented by the Sixth Supplemental Indenture, dated as of April 30, 2020 (together, the “Indenture”), between FS KKR Capital Corp., as issuer (the “Company”), and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

, (the “Transferor”) owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of \$ \_\_\_\_\_ in such Note[s] or interests (the “Transfer”), to \_\_\_\_\_ (the “Transferee”), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE 144A GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the “Securities Act”), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Restricted Notes Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.
2. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE REGULATION S GLOBAL NOTE OR DEFINITIVE NOTE PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, and (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Restricted Notes Legend printed on the Regulation S Global Note and/or Definitive Note and in the Indenture and the Securities Act.

3. ☐ CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN A GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that such Transfer is being effected to the Company or a subsidiary thereof.
4. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OR OF AN UNRESTRICTED DEFINITIVE NOTE.
- (a) ☐ CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Restricted Notes Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.
- (b) ☐ CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Restricted Notes Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.
- (c) ☐ CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Restricted Notes Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.



This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

\_\_\_\_\_  
[Insert Name of Transferor]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE]

- (i) ☐ 144A Global Note (CUSIP \_\_\_\_\_), or
- (ii) ☐ Regulation S Global Note (CUSIP \_\_\_\_\_), or
- (iii) ☐ Unrestricted Global Note (CUSIP \_\_\_\_\_)

2. After the Transfer the Transferee will hold:

[CHECK ONE]

- (a) ☐ a beneficial interest in the:
  - (i) ☐ 144A Global Note (CUSIP \_\_\_\_\_), or
  - (ii) ☐ Regulation S Global Note (CUSIP \_\_\_\_\_), or
  - (iii) ☐ Unrestricted Global Note (CUSIP \_\_\_\_\_), or
- (b) ☐ a Restricted Definitive Note; or
- (c) ☐ an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

**Exhibit C – Form of Certificate of Exchange**

FS KKR Capital Corp.  
201 Rouse Boulevard  
Philadelphia, Pennsylvania 19112  
Attention: Secretary

U.S. Bank National Association, as Trustee  
One Federal Street, 3rd Floor  
Boston, MA 02110  
Telecopier No.: (617) 603-6665  
Attention: Corporate Trust Services

Re: 8.625% Senior Notes due 2025

Reference is hereby made to the Indenture, dated as of July 14, 2014, as supplemented by the Sixth Supplemental Indenture, dated April 30, 2020 (together, the “Indenture”), between FS KKR Capital Corp., as issuer (the “Company”), and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

amount of \$ \_\_\_\_\_, (the “Owner”) owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of \$ \_\_\_\_\_ in such Note[s] or interests (the “Exchange”). In connection with the Exchange, the Owner hereby certifies that:

1. EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR UNRESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE

- (a) ☐ CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE. In connection with the Exchange of the Owner’s beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner’s own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the “Securities Act”), (iii) the restrictions on transfer contained in the Indenture and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.
- (b) ☐ CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO UNRESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Owner’s beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner’s own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.
- (c) ☐ CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE. In connection with the Owner’s Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the

Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture, and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐ CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO UNRESTRICTED DEFINITIVE NOTE. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES FOR RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES

(a) ☐ CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO RESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Restricted Notes Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) ☐ CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in a Restricted Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Restricted Notes Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

\_\_\_\_\_  
[Insert Name of Transferor]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated:

## COMMITMENT INCREASE AGREEMENT

March 3, 2020

JPMorganChase Bank, N.A., as Administrative  
Agent for the Lenders party to the Credit  
Agreement referred to below (the  
“Administrative Agent”)  
500 Stanton Christiana Road, NCC5/Floor 1  
Newark, DE 19713

Ladies and Gentlemen:

We refer to the Amended and Restated Senior Secured Revolving Credit Agreement dated as of November 7, 2019 (as amended, modified or supplemented from time to time, the “Credit Agreement”; the terms defined therein being used herein as therein defined) among FS KKR Capital Corp. (“FSK”) and FS KKR Capital Corp. II (formerly known as FS Investment Corporation II and successor by merger to FS Investment Corporation III) (the “Relevant Borrower” and together with FSK, the “Borrowers”), the Lenders party thereto, ING Capital LLC, as Collateral Agent, and JPMorgan Chase Bank, N.A., as Administrative Agent for said Lenders. You have advised us that the Relevant Borrower has requested in two letters, each dated March 3, 2020 (the “Increase Requests”), from the Relevant Borrower to the Administrative Agent that the aggregate amount of the Commitments be increased on the terms and subject to the conditions set forth herein.

A. Commitment Increase. Pursuant to Section 2.07(e) of the Credit Agreement, BNP Paribas and ING Capital LLC (each, an “Increasing Lender” and together the “Increasing Lenders”), hereby severally agree to make Loans in the amount set forth opposite the name of such Increasing Lender listed in Schedule I hereto pursuant to the instruction of the Administrative Agent, such Loans to be effective as of the Increase Date (as defined in the Increase Requests); provided that (i) the Administrative Agent shall have received a duly executed officer’s certificate from the Relevant Borrower, dated the Increase Date, in substantially the form of Exhibit I and (ii) the Administrative Agent shall have received evidence of the payment by the Relevant Borrower of all fees due and payable to the Increasing Lenders on the Increase Date that the Relevant Borrower has agreed to pay in connection with this Agreement.

B. Confirmation of Each Increasing Lender. Each Increasing Lender (i) confirms that it has received a copy of the Credit Agreement and the other Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; and (iii) acknowledges and agrees that, from and after the Increase Date and subject to the conditions in Clause (A) above, the Commitment Increase set forth opposite the name of such Increasing Lender listed in Schedule I hereto shall be included in the Commitment, and the Commitment Increase shall be governed for all purposes by the Credit Agreement and the other Loan Documents.

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C. Counterparts, etc.. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or e-mail shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall be deemed to be a Loan Document.

D. Governing Law, etc. The provisions of Sections 9.09 and 9.10 of the Credit Agreement are incorporated herein by reference *mutatis mutandis*.

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Very truly yours,

INCREASING LENDER

**BNP PARIBAS**

By: /s/ Laurent Vanderzyppe

Name: Laurent Vanderzyppe

Title: Managing Director

By: /s/ Liza Shabetayer

Name: Liza Shabetayer

Title: Director



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**INCREASING LENDER**

**ING CAPITAL LLC**

By: /s/ Patrick Frisch  
Name: Patrick Frisch  
Title: Managing Director

By: /s/ Dominik Breuer  
Name: Dominik Breuer  
Title: Managing Director

Accepted and agreed:

**FS KKR CAPITAL CORP.**

By: /s/ William Goebel  
Name: William Goebel  
Title: Chief Accounting Officer

**FS KKR CAPITAL CORP. II**

By: /s/ William Goebel  
Name: William Goebel  
Title: Chief Accounting Officer

Acknowledged:  
**JPMORGAN CHASE BANK, N.A.,**  
as Administrative Agent

By: /s/ Diego E. Nunes  
Name: Diego E. Nunes  
Title: Executive Director

<u>Increasing Lender</u>	<u>Multicurrency Commitment</u>
BNP Paribas	\$ 70,000,000
ING Capital LLC	\$ 20,000,000

**AMENDMENT NO. 1 TO AMENDED AND RESTATED SENIOR SECURED  
REVOLVING CREDIT AGREEMENT**

AMENDMENT NO. 1 (this “Agreement”) dated as of May 5, 2020 by and among FS KKR CAPITAL CORP. (“FSK”), and FS KKR CAPITAL CORP. II (“FSK II” and together with FSK, each a “Borrower” and collectively the “Borrowers”), the lenders identified on the signature pages hereto (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a “Lender” and collectively as the “Lenders”), JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the “Administrative Agent”) and ING Capital LLC, as collateral agent (in such capacity, the “Collateral Agent”).

RECITALS

WHEREAS, each Borrower, the Lenders party thereto, the Administrative Agent and the Collateral Agent are party to that certain Amended and Restated Senior Secured Revolving Credit Agreement, dated as of November 7, 2019 (as amended, restated, supplemented, or otherwise modified from time to time prior to the date hereof, the “Credit Agreement”; the Credit Agreement as amended by this Agreement is hereinafter referred to as the “Amended Credit Agreement”); and

WHEREAS, each Borrower, the Administrative Agent, the Collateral Agent and the Lenders have agreed to amend the Credit Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing recital, mutual agreements contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Definitions. Except as otherwise defined in this Agreement, terms defined in the Amended Credit Agreement are used herein as defined therein. This Agreement shall constitute a Loan Document for all purposes of the Amended Credit Agreement and the other Loan Documents.

Section 2. Amendments. Effective as of the Amendment No. 1 Effective Date (as defined below), and subject to the terms and conditions set forth below, the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~ or stricken text) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text or double-underline text) as set forth in the Amended Credit Agreement attached hereto as “Exhibit A (Credit Agreement)” and “Exhibit B (Schedules and Exhibits to Credit Agreement)” respectively.

Section 3. Representations and Warranties.

(a) Each Borrower severally, not jointly, and individually as to itself only, represents and warrants to the Lenders, the Administrative Agent and the Collateral Agent that (i) this Agreement has been duly authorized, executed and delivered by such Borrower and constitutes a legal, valid and binding obligation of such Borrower, enforceable with respect to such Borrower

in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (ii) the Amended Credit Agreement constitutes a legal, valid and binding obligation of such Borrower enforceable with respect to such Borrower in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) Each Borrower severally, not jointly, and individually as to itself only, represents and warrants to the Lenders, the Administrative Agent and the Collateral Agent that, on the date hereof, the representations and warranties of such Borrower set forth in Article III of the Amended Credit Agreement and the representations and warranties in each other Loan Document are true and correct in all material respects on and as of the date hereof; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided, further that, any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects on such respective dates.

(c) Each Borrower severally, not jointly, and individually as to itself only, represents and warrants to the Lenders and the Administrative Agent and the Collateral Agent that No Default or Event of Default has occurred and is continuing under the Credit Agreement or would result from this Agreement.

Section 4. Conditions Precedent. The amendments set forth in Section 2 hereof shall become effective, as of the date hereof (the "Amendment No. 1 Effective Date"), upon satisfaction of the following conditions:

(a) Execution. The Administrative Agent shall have received either (i) counterparts of this Agreement executed by each Borrower and the Lenders constituting the Required Lenders under the Credit Agreement or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page to this Agreement) that such party has signed a counterpart of this Agreement; and

(b) Fees and Expenses. Each Borrower shall have paid all fees and expenses due and payable to the Lenders, the Administrative Agent and the Collateral Agent on the Amendment No. 1 Effective Date that such Borrower has agreed to pay in connection with this Agreement (including the legal fees of Milbank LLP, special New York counsel to the Administrative Agent) for which invoices have been presented prior to the Amendment No. 1 Effective Date.

Section 5. Effect. Except as expressly set forth herein, this Agreement shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or the Collateral Agent under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other provision of the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

Section 6. Confirmation of Loan Documents. As of the date hereof and after giving effect to this Agreement, each Borrower hereby confirms and ratifies all of its obligations under the Credit Agreement and each other Loan Document to which it is a party.

Section 7. Miscellaneous. Except as herein provided, the Credit Agreement shall remain unchanged and in full force and effect. This Agreement may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or e-mail shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of electronic records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

Section 8. Submission to Jurisdiction. Each party to this Agreement hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 9. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.



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[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

**BORROWERS:**

FS KKR CAPITAL CORP.

By: /s/ William Goebel  
Name: William Goebel  
Title: Chief Accounting Officer

FS KKR CAPITAL CORP. II

By: /s/ William Goebel  
Name: William Goebel  
Title: Chief Accounting Officer

[Signature Page to Amendment No. 1]

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent, an Issuing Bank and a Lender

By: /s/ Alfred Chi

Name: Alfred Chi

Title: Vice President

[Signature Page to Amendment No. 1]

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ING CAPITAL LLC, as Collateral Agent, an  
Issuing Bank and a Lender

By: /s/ Patrick Frisch

Name: Patrick Frisch

Title: Managing Director

By: /s/ Dominik Breuer

Name: Dominik Breuer

Title: Director

[Signature Page to Amendment No. 1]

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BANK OF MONTREAL, as an Issuing Bank and a  
Lender

By: /s/ Sue Blazis

Name: Sue Blazis

Title: Managing Director

[Signature Page to Amendment No. 1]

TRUIST BANK (AS SUCCESSOR BY MERGER  
TO SUNTRUST BANK), as an Issuing Bank and a  
Lender

By: /s/ Vinay Desai

Name: Vinay Desai

Title: Managing Director

[Signature Page to Amendment No. 1]

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Sumitomo Mitsui Banking Corporation, as a Lender

By: /s/ Glenn Autorino

Name: Glenn Autorino

Title: Managing Director

By: /s/ Shane Klein

Name: Shane Klein

Title: Managing Director

[Signature Page to Amendment No. 1]

MIZUHO BANK, LTD., as a Lender

By: /s/ Donna DeMagistris

Name: Donna DeMagistris

Title: Authorized Signatory

[Signature Page to Amendment No. 1]



HSBC Bank USA N.A., as a Lender

By: /s/ Shubhendu Kudaisya

Name: Shubhendu Kudaisya

Title: SVP, Structured Finance

[Signature Page to Amendment No. 1]

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Citibank, N.A., as a Lender

By: /s/ Erik Andersen

Name: Erik Andersen

Title: Vice President

[Signature Page to Amendment No. 1]

CREDIT SUISSE AG, CAYMAN ISLANDS  
BRANCH, as a Lender

By: /s/ Doreen Barr

Name: Doreen Barr

Title: Authorized Signatory

By: /s/ Komal Shah

Name: Komal Shah

Title: Authorized Signatory

[Signature Page to Amendment No. 1]

Industrial and Commercial Bank of China Limited,  
New York Branch, as a Lender

By: /s/ Weiming Zhou

Name: Weiming Zhou

Title: Vice President

By: /s/ Jeffrey Roth

Name: Jeffrey Roth

Title: Executive Director

[Signature Page to Amendment No. 1]

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Goldman Sachs Bank USA, as a Lender

By: /s/ Jamie Minieri

Name: Jamie Minieri

Title: Authorized Signatory

[Signature Page to Amendment No. 1]

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STATE STREET BANK AND TRUST  
COMPANY, as a Lender

By: /s/ Pallo Blum-Tucker

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Name: Pallo Blum-Tucker

Title: Managing Director

[Signature Page to Amendment No. 1]

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BARCLAYS BANK PLC, as a Lender

By: /s/ Jake Lam

Name: Jake Lam

Title: Assistant Vice President

[Signature Page to Amendment No. 1]

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Morgan Stanley Senior Funding, Inc., as a Lender

By: /s/ David White

Name: David White

Title: Authorized Signatory

[Signature Page to Amendment No. 1]



DEUTSCHE BANK AG NEW YORK BRANCH,  
as a Lender

By: /s/ Michael Strobel

Name: Michael Strobel

Title: Vice President

michael-p.strobel@db.com

212-250-0939

By: /s/ Jennifer Culbert

Name: Jennifer Culbert

Title: Vice President

jennifer-a.culbert@db.com

212 250 0738

[Signature Page to Amendment No. 1]

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Cadence Bank, N.A., as a Lender

By: /s/ Teresa Stinson

Name: Teresa Stinson

Title: EVP / Florida C&I Banking

[Signature Page to Amendment No. 1]

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BNP Paribas, as a Lender

By: /s/ Warren Eckstein

Name: Warren Eckstein

Title: Managing Director

By: /s/ Marguerite L. Lebon

Name: Marguerite L. Lebon

Title: Vice President

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MUFG UNION BANK, N.A., as a Lender

By: /s/ Jacob Ulevich

Name: Jacob Ulevich

Title: Director

[Signature Page to Amendment No. 1]

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ROYAL BANK OF CANADA, as a Lender

By: /s/ Glenn Van Allen

Name: Glenn Van Allen

Title: Authorized Signatory

[Senior Secured Revolving Credit Agreement]

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CIT Bank, N.A., as a Lender

By: /s/ Robert L. Klein

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Name: Robert L. Klein

Title: Director

[Signature Page to Amendment No. 1]

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Jenny Maloney

Name: Jenny Maloney

Title: Vice President

[Signature Page to Amendment No. 1]

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Stifel Bank & Trust, as a Lender

By: /s/ Joseph L. Sooter, Jr.

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Name: Joseph L. Sooter, Jr.

Title: Senior Vice President

[Signature Page to Amendment No. 1]



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Seaside National Bank & Trust, as a Lender

By: /s/ Lee Wright

Name: Lee Wright

Title: Senior Credit Officer

[Signature Page to Amendment No. 1]

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Liberty Bank, as a Lender

By: /s/ Donald S. Peruta

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Name: Donald S. Peruta

Title: Senior Vice President

[Signature Page to Amendment No. 1]

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SOCIETE GENERALE, as a Lender

By: /s/ Julien Thinat

Name: Julien Thinat

Title: Authorized Signatory

[Signature Page to Amendment No. 1]

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EXHIBIT A  
(Credit Agreement)

AMENDED AND RESTATED SENIOR SECURED  
REVOLVING CREDIT AGREEMENT

dated as of

November 7, 2019

among

FS KKR CAPITAL CORP., and  
~~FS INVESTMENT CORPORATION II, and~~  
~~FS INVESTMENT CORPORATION III~~ KKR CAPITAL CORP. II,  
as Borrowers,

The LENDERS Party Hereto

and

JPMORGAN CHASE BANK, N.A.  
as Administrative Agent

ING CAPITAL LLC,  
as Collateral Agent

\$3,890,000,000

ING CAPITAL LLC,  
as Syndication Agent

BANK OF MONTREAL  
SUNTRUST BANK,  
MUFG UNION BANK, N.A., and  
SUMITOMO MITSUI BANKING CORPORATION  
as Documentation Agents

JPMORGAN CHASE BANK, N.A.,  
ING CAPITAL LLC,  
BMO CAPITAL MARKETS CORP.,  
MUFG UNION BANK, N.A.,  
SUMITOMO MITSUI BANKING CORPORATION and  
SUNTRUST ROBINSON HUMPHREY INC.,  
as Joint Bookrunners and Joint Lead Arrangers

AMENDED AND RESTATED SENIOR SECURED REVOLVING CREDIT AGREEMENT dated as of November 7, 2019 (this “Agreement”), among FS KKR CAPITAL CORP., FS ~~INVESTMENT CORPORATION II~~, FS ~~INVESTMENT CORPORATION III~~ KKR CAPITAL CORP. II, each other Person designated as a “Borrower” hereunder pursuant to Section 9.19, the LENDERS party hereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, and ING CAPITAL LLC, as Collateral Agent.

FS KKR Capital Corp., FS ~~Investment Corporation II~~ and FS ~~Investment Corporation III~~ KKR Capital Corp. II, the “Lenders” party thereto, the Administrative Agent and the Collateral Agent are parties to a Senior Secured Revolving Credit Agreement dated as of August 9, 2018 (the “Existing Credit Facility”).

Each Borrower has requested that the Lenders provide the credit facilities described herein under this Agreement to extend credit to such Borrower in Dollars or an Agreed Foreign Currency (each as defined below) during the Availability Period (as defined below) and to amend and restate the Existing Credit Facility in its entirety on the terms specified herein. The Lenders are prepared to amend and restate the Existing Credit Facility in its entirety upon the terms and conditions hereof, and, accordingly, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan is, or the Loans constituting such Borrowing are, denominated in Dollars and bearing interest at a rate determined by reference to the Alternate Base Rate.

“Additional FSK 2024 Notes” means any 4.625% senior unsecured notes due July 15, 2024 issued by FSK after the Restatement Effective Date.

“Additional Debt Amount” means, with respect to a Borrower, as of any date, the greater of (a) \$50,000,000 and (b) an amount equal to 5% of Shareholders’ Equity of such Borrower.

“Adjusted Debt to Equity Ratio” means for any Borrower, as of any date, (a) one (1) *divided* by (b) the Asset Coverage Ratio *minus* one (1), provided that, for purposes of calculating the Asset Coverage Ratio to determine the Adjusted Debt to Equity Ratio only, MergerCo Preferred Shares shall be treated as equity and not as a liability.

“Adjusted LIBO Rate” means, for the Interest Period for any Eurocurrency Borrowing, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the Eurocurrency Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate for such Interest Period.

“Administrative Agent” means JPMCB, in its capacity as administrative agent for the Lenders hereunder.

“Administrative Agent’s Account” means, for each Currency and each Borrower, an account in respect of such Currency and such Borrower designated by the Administrative Agent in a notice to such Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Advance Rate” has the meaning assigned to such term in Section 5.13.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. Anything herein to the contrary notwithstanding, the term “Affiliate” shall not include any Person that constitutes an Investment held by any Obligor or any Designated Subsidiary in the ordinary course of business. For the avoidance of doubt, in respect of each Borrower, the term “Affiliate” shall include FS/KKR Advisor.

“Affiliate Agreements” means (a) with respect to FSK, (i) the Investment Advisory Agreement dated as of December 20, 2018, by and between FSK and FS/KKR Advisor and (ii) the Administrative Services Agreement dated as of April 9, 2018, by and between FSK and FS/KKR Advisor, ~~and~~ (b) with respect to ~~FSIC~~FSK II, (i) the Amended and Restated Investment Advisory and Administrative Services Agreement dated as of ~~April 9~~December 18, 2018~~2019~~, by and between ~~FSIC~~FSK II and FS/KKR Advisor and (e) ~~with respect to FSIC III, the Investment Advisory and Administrative Services~~ ii) the Administration Agreement dated as of ~~April 9~~December 18, 2018~~2019~~, by and between ~~FSIC III~~FSK II and FS/KKR Advisor.

“Aggregator” means, with respect to a Borrower, any corporation, limited liability company, partnership, association, trust or other entity or series of any of the foregoing (a) that is owned in part by such Borrower (and/or any other member of its Obligor Group) and other entities that are managed by FS/KKR Advisor (and such Borrower, collectively with such other entities that are managed by FS/KKR Advisor, controls such Aggregator), (b) that is formed for the sole purpose of holding investments issued by an issuer or its affiliates, which investments would constitute Portfolio Investments in the Collateral Pool of such Borrower if they were acquired directly by such Borrower or any other member of its Obligor Group, (c) of which the portfolio investment referred to in the immediately preceding clause (b) is listed on the schedule of investments in the financial statements of such Borrower most recently delivered pursuant to Section 5.01(a) or (b) (or, for any investment made during a given quarter and before a schedule of investments is required to be delivered pursuant to Section 5.01(a) or (b), as applicable, with respect to such quarter, is intended to be included on the schedule of investments when such investment is made and is in fact included on the schedule of investments delivered pursuant to Section 5.01(a) or (b), as applicable, with respect to such quarter), (d) for which the Collateral Agent holds a first priority, perfected security interest in the Equity Interests of such Aggregator held by such Borrower or other Obligor, (e) which has no Indebtedness and no Liens on its assets, provided such Aggregator may grant a purchase option on its assets in favor of a designated third party for, if the Participation Interest with respect to such Aggregator is

the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, as the case may be. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.12, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Amendment No. 1 Effective Date” means May 5, 2020.

“Anti-Corruption Laws” means, with respect to each Borrower, all laws, rules and regulations of any jurisdiction applicable to such Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

“Applicable Dollar Percentage” means, with respect to any Dollar Lender and any Borrower, the percentage of the total Dollar Subcommitments with respect to such Borrower represented by such Dollar Lender’s Dollar Subcommitments with respect to such Borrower. If the Dollar Subcommitments with respect to any Borrower have terminated or expired, the Applicable Dollar Percentages shall be determined based upon the Dollar Subcommitments with respect to such Borrower most recently in effect, giving effect to any assignments pursuant to Section 9.04(b).

“Applicable Margin” means, (a) with respect to any Listed Borrower, for any day, (i) if the Borrowing Base of such Listed Borrower (as of the most recently delivered Borrowing Base Certificate of such Listed Borrower) is equal to or greater than 1.85 times the Combined Debt Amount of such Listed Borrower (as of the most recently delivered Borrowing Base Certificate of such Listed Borrower), (x) with respect to any ABR Loan made to such Listed Borrower, 0.75% per annum and (y) in the case of any Eurocurrency Loan made to such Listed Borrower, 1.75% per annum, and (ii) if the Borrowing Base of such Listed Borrower (as of the most recently delivered Borrowing Base Certificate of such Listed Borrower) is less than 1.85 times the Combined Debt Amount of such Listed Borrower (as of the most recently delivered Borrowing Base Certificate of such Listed Borrower), (x) with respect to any ABR Loan made to such Listed Borrower, 1.00% per annum, and (y) in the case of any Eurocurrency Loan made to such Listed Borrower, 2.00% per annum and (b) with respect to any Unlisted Borrower, for any day, (i) if the Borrowing Base of such Unlisted Borrower (as of the most recently delivered Borrowing Base Certificate of such Unlisted Borrower) is equal to or greater than 1.85 times the Combined Debt Amount of such Unlisted Borrower (as of the most recently delivered Borrowing Base Certificate of such Unlisted Borrower), (x) with respect to any ABR Loan made to such Unlisted Borrower, 1.00% per annum and (y) in the case of any Eurocurrency Loan made to such Unlisted Borrower, 2.00% per annum, and (ii) if the Borrowing Base of such Unlisted Borrower (as of the most recently delivered Borrowing Base Certificate of such Unlisted Borrower) is less than 1.85 times the Combined Debt Amount of such Unlisted Borrower (as of the most recently delivered Borrowing Base Certificate of such Unlisted Borrower), (x) with respect to any ABR Loan made to such Unlisted Borrower, 1.25% per annum, and (y) in the case of any Eurocurrency Loan made to such Unlisted Borrower, 2.25% per annum. Any change in



Marsal, and any other third party appraiser selected by the applicable Borrower in its reasonable discretion.

“Asset Coverage Ratio” means, with respect to a Borrower, on a consolidated basis for such Borrower and its Subsidiaries, the ratio which the value of total assets, less all liabilities and indebtedness not represented by Senior Securities, bears to the aggregate amount of Senior Securities representing indebtedness (including MergerCo Preferred Shares), in each case, of such Borrower and its Subsidiaries (all as determined pursuant to the Investment Company Act ~~in effect on the Restatement Effective Date~~ and any orders of the SEC issued to such Borrower, in each case, as in effect on the Amendment No. 1 Effective Date but excluding the effects of SEC Release No. 33837/April 8, 2020). The calculation of the Asset Coverage Ratio with respect to a Borrower shall be made in accordance with any exemptive order issued by the SEC under Section 6(c) of the Investment Company Act relating to the exclusion of any Indebtedness of any SBIC Subsidiary of such Borrower from the definition of Senior Securities of such Borrower only so long as (a) such order is in effect, and (b) no obligations have become due and owing pursuant to the terms of any Permitted SBIC Guarantee to which such Borrower or any other member of its Obligor Group is a party. The outstanding utilized notional amount of any total return swap and the notional amount of any Credit Default Swap where an Obligor is a protection seller, in each case less the value of the margin posted by such Borrower or any of its Subsidiaries thereunder at such time shall be treated as a Senior Security of such Borrower for the purposes of calculating the Asset Coverage Ratio with respect to such Borrower.

“Asset Sale” means a sale, lease or sub lease (as lessor or sublessor), sale and leaseback, assignment, conveyance, transfer or other disposition to, or any exchange of property with, any Person, in one transaction or a series of transactions, of all or any part of any assets or properties of any Borrower or any other member of its Obligor Group of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired; provided, however, the term “Asset Sale” as used in this Agreement shall not include the disposition of Portfolio Investments originated by any Borrower and promptly transferred to a Subsidiary of such Borrower pursuant to the terms of Section 6.03(d) hereof.

“Assignment and Assumption” means an Assignment and Assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent as provided in Section 9.04, in the form of Exhibit A or any other form reasonably approved by the Administrative Agent.

“Assuming Lender” has the meaning assigned to such term in Section 2.07(e).

“AUD” and “A\$” denote the lawful currency of The Commonwealth of Australia.

“AUD Rate” means for any Loans in AUD, the (a) AUD Screen Rate plus (b) 0.20%.

“AUD Screen Rate” means, with respect to any Interest Period, (a) the average bid reference rate administered by the Australian Financial Markets Association (or any other Person that takes over the administration of such rate) for AUD bills of exchange with a tenor

**“Borrower”** means each of FSK, ~~FSIC FSK II, FSIC III~~ and each other Person designated as a “Borrower” hereunder pursuant to Section 9.19, other than any such Person that has been released as a Borrower as provided herein or is a Non-Surviving Borrower.

**“Borrower Asset Coverage Ratio”** means, as of any date, with respect to any Borrower, the ratio of such Borrower’s (a) consolidated total assets calculated excluding assets in any Excluded Asset, but including the Equity Interests in such Excluded Asset to the extent such Equity Interests do not exceed 15% of such Borrower’s consolidated assets (excluding assets in or comprised of Excluded Assets) to (b) Total Secured Debt.

**“Borrower LC Sublimit”** means, with respect to a Borrower, at any time, the product of (x) the aggregate amount of all LC Commitments and (y) the ratio (expressed as a percentage) of such Borrower’s Subcommitments to total Commitments. As of the ~~Restatement~~Amendment No. 1 Effective Date, the Borrower LC Sublimit with respect to (i) FSK is \$99,646,529.56, ~~and~~ (ii) ~~FSIC FSK II~~ is ~~\$37,676,735.22~~ and (iii) ~~FSIC III~~ is ~~\$37,676,735.22~~ 75,353,470.44.

**“Borrower Merger”** means any transaction or a series of related transactions for the direct or indirect acquisition by a Borrower or any other member of its Obligor Group (such Person, the **“Surviving Obligor”** and, the Borrower that either is the Surviving Obligor (including the ultimate Surviving Obligor as a result of a second-step merger) or is the direct or indirect parent of the Surviving Obligor, as applicable, the **“Surviving Borrower”**) of another Borrower (such other Borrower, a **“Non-Surviving Borrower”**, and together with any other member of its Obligor Group that will not survive such transaction, each a **“Non-Surviving Obligor”**); provided that such transaction or series of related transactions (w) is permitted under Section 6.03, (x) results in substantially all assets of each Non-Surviving Obligor being assumed or acquired by a Surviving Obligor, (y) does not result in a Change in Control of the Surviving Borrower and (z) as a matter of law or pursuant to the express terms of the agreement or certificate effectuating such merger or consolidation, the obligations of each Non-Surviving Obligor under this Agreement and each of the other Loan Documents (other than the Security Documents) to which such Non-Surviving Obligor (and, to the extent applicable, the other members of its Obligor Group) is a party are assumed by the applicable Surviving Obligor (it being the understanding that in connection with any merger or consolidation effectuated in reliance on Section 6.03(e), the obligations of each Non-Surviving Obligor under this Agreement and each of the other Loan Documents (other than the Security Documents) to which such Non-Surviving Obligor is a party shall be deemed automatically assumed hereunder by the applicable Surviving Obligor pursuant to Section 9.20). A “Borrower Merger” will also include any “cash election” merger, any “second-step” merger whereby a Surviving Obligor that is not a Borrower merges or consolidates with and into the Surviving Borrower and any cash paid on account of fractional shares in connection with any such transaction.

**“Borrower Sublimit”** means, with respect to a Borrower, the aggregate amount of all Lenders’ Subcommitments allocated to such Borrower, as such sublimit may be reduced or increased from time to time pursuant to Section 2.07, reduced from time to time pursuant to Section 2.09 or as otherwise provided in this Agreement. The amount of each Borrower’s Borrower Sublimit is set forth on Schedule I. As of the ~~Restatement~~Amendment No. 1

Effective Date, the Borrower Sublimit with respect to (i) FSK is \$2,215,000,000, ~~and (ii) FSICFSK II is \$837,500,000 and (iii) FSIC III is \$837,500,000~~ 1,675,000,000.

“Borrowing” means, with respect to a Borrower, (a) all ABR Loans of the same Class made to, or converted or continued on behalf of, such Borrower on the same date and/or (b) all Eurocurrency Loans of the same Class made to such Borrower denominated in the same Currency that have the same Interest Period, as applicable.

“Borrowing Base” has the meaning assigned to such term in Section 5.13. “Borrowing Base Certificate” means a certificate of a Financial Officer of the applicable Borrower, substantially in the form of Exhibit D and appropriately completed.

“Borrowing Base Deficiency” means, with respect to a Borrower, at any date on which the same is determined, the amount, if any, that (a) the aggregate Covered Debt Amount of such Borrower as of such date exceeds (b) the Borrowing Base of such Borrower as of such date.

“Borrowing Request” means a request by a Borrower for a Borrowing in accordance with Section 2.03 substantially in the form of Exhibit E or such other form as is approved by the Administrative Agent.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; and when used in connection with a Eurocurrency Loan for a LIBOR Quoted Currency, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in such LIBOR Quoted Currency; and in addition, with respect to any date for the payment or purchase of, or the fixing of an interest rate in relation to, any Non-LIBOR Quoted Currency, the term “Business Day” shall also exclude any day on which banks are not open for general business in the Principal Financial Center of the country of such Non-LIBOR Quoted Currency and, if the Borrowings or LC Disbursements which are the subject of a borrowing, drawing, payment, reimbursement or rate selection are denominated in Euros, the term “Business Day” shall also exclude any day on which the TARGET2 payment system is not open for the settlement of payments in Euros.

“Canadian Dollar” means the lawful money of Canada.

“Canadian Prime Rate” means, on any day, the rate determined by the Administrative Agent to be the higher of (i) the rate equal to the PRIMCAN index rate that appears on the Bloomberg screen at 10:15 a.m. Toronto time on such day (or, in the event that the PRIMCAN index is not published by Bloomberg, any other information services that publishes such index from time to time, as selected by the Administrative Agent in its reasonable discretion) and (ii) the CDOR Rate for thirty (30) days, plus 1% per annum. Any change in the Canadian Prime Rate due to a change in the PRIMCAN index or the CDOR Rate shall be effective from and including the effective date of such change in the PRIMCAN Index or CDOR Rate, respectively.

Agent has a first-priority perfected (other than, for a period of up to 7 days (or ~~such longer, until April 15, 2021, a period of up to thirty (30) days, or anytime, such longer period up to sixty (60) days~~ as the Administrative Agent and the Collateral Agent may agree in their respective sole discretion), customary rights of setoff, banker's lien, security interest or other like right upon deposit accounts and securities accounts of such Obligor in which such Portfolio Investments are held) security interest pursuant to a valid Uniform Commercial Code filing, such Portfolio Investment may be included in the Borrowing Base of the applicable Borrower so long as all remaining actions to complete "Delivery" are satisfied in full within 7 days of such inclusion (or ~~such longer, until April 15, 2021, a period of up to thirty (30) days, or anytime, such longer period up to sixty (60) days~~ as the Administrative Agent and the Collateral Agent may agree in their respective sole discretion).

"Combined Debt Amount" means, with respect to a Borrower, as of any date, (i) the aggregate amount of Subcommitments with respect to such Borrower as of such date (or, if greater the Revolving Credit Exposures of all Lenders with respect to such Borrower as of such date) plus (ii) the aggregate amount of outstanding Designated Indebtedness of such Borrower and, without duplication, the aggregate amount of unused and available commitments of the holders of Designated Indebtedness of such Borrower to extend credit to such Borrower that will give rise to Designated Indebtedness under the Guarantee and Security Agreement to which such Borrower is a party.

"Commitment" means, collectively, the Dollar Commitments and the Multicurrency Commitments.

"Commitment Increase" has the meaning assigned to such term in Section 2.07(e).

"Commitment Increase Date" has the meaning assigned to such term in Section 2.07(e).

"Commitment Termination Date" means November 7, 2023.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Controlled Foreign Corporation" means, with respect to any Person, (i) any Subsidiary which is a "controlled foreign corporation" of such Person (within the meaning of Section 957 of the Code) or any direct or indirect subsidiary of such a corporation, (ii) a directly or indirectly owned subsidiary of such Person substantially all the assets of which consist of equity in Subsidiaries described in clause (i) of this definition, or (iii) an entity treated as a partnership or as a disregarded entity for U.S. federal income tax purposes that owns more than 65% of the voting stock of a Subsidiary described in clause (i) or (ii) of this definition.

"Covered Debt Amount" means, with respect to a Borrower, on any date, (a) all of the Revolving Credit Exposures of all Lenders to such Borrower on such date plus (b) the aggregate amount of outstanding Other Secured Indebtedness of such Borrower and the other

members of FSK's Obligor Group from time to time party thereto and other parties from time to time party thereto, (b) with respect to ~~FSICFSK II~~ and the other members of its Obligor Group, the Custodian Agreement dated as of February 8, 2012, by and among ~~FSICFSK II~~, the Custodian, the other members of ~~FSICFSK II's Obligor Group from time to time party thereto and other parties from time to time party thereto~~, (c) with respect to ~~FSIC III~~ and the other members of its Obligor Group, the Custodian Agreement dated as of January 6, 2014, by and among ~~FSIC III~~, the Custodian, the other members of ~~FSIC III's Obligor Group from time to time party thereto and other parties from time to time party thereto~~ and (d) with respect to any Borrower, any other custodian agreement by and among such Borrower, the Custodian, the other members of such Borrower's Obligor Group from time to time party thereto and other parties from time to time party thereto in form and substance substantially similar to a Custodian Agreement described in clauses (a) ~~through~~ and (e) or otherwise reasonably acceptable to the Collateral Agent.

"Default" means, with respect to a Borrower, any event or condition which constitutes an Event of Default with respect to such Borrower or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default with respect to such Borrower.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" means any Lender that has, as determined by the Administrative Agent, (a) failed to fund any portion of its Loans or participations in Letters of Credit within two (2) Business Days of the date required to be funded by it hereunder, unless, in the case of any Loan, such Lender notifies the Administrative Agent and the applicable Borrower in writing that such Lender's failure is based on such Lender's reasonable determination that the conditions precedent to funding such Loan under this Agreement have not been met, such conditions have not otherwise been waived in accordance with the terms of this Agreement and such Lender has advised the Administrative Agent and the applicable Borrower in writing (with reasonable detail of those conditions that have not been satisfied) prior to the time at which such funding was to have been made, (b) notified any Borrower, the Administrative Agent, any Issuing Bank or any Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's commercially reasonable determination that one or more conditions precedent to funding (which conditions precedent, together with any applicable default shall be specifically identified in such writing or such public statement) cannot be satisfied), (c) failed, within three (3) Business Days after request by the Administrative Agent or any Borrower, to confirm in writing to the Administrative Agent and such Borrower that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and such Borrower), (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, unless the subject of a good faith dispute, (e) other than via an Undisclosed Administration, (i) become or is insolvent

or has a parent company that has become or is insolvent, (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment, (f) become the subject of a Bail-In Action or has a parent company that has become the subject of a Bail-In Action (unless in the case of any Lender referred to in this clause (f) the Borrowers, the Administrative Agent and the Issuing Banks shall be satisfied in the exercise of their respective reasonable discretion that such Lender intends, and has all approvals required to enable it, to continue to perform its obligations as a Lender hereunder) or (g) a Lender is a GBSA Lender with respect to which a GBSA Initial Notice has been given; provided that, for the avoidance of doubt, a Lender shall not be a Defaulting Lender solely by virtue of (i) the ownership or acquisition of any equity interest in such Lender or any direct or indirect parent company thereof by a Governmental Authority or (ii) in the case of a solvent Person, the precautionary appointment of an administrator, guardian, custodian or other similar official by a Governmental Authority under or based on the law of the country where such Person is subject to home jurisdiction supervision if applicable law requires that such appointment not be publicly disclosed, in each case of clauses (i) and (ii), where such action does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

“Designated Indebtedness” means, with respect to a Borrower, any Other Secured Indebtedness of such Borrower or any other member of its Obligor Group (including, without limitation, any prepayment penalty, premium, make-whole fee or similar amounts owed in connection with such indebtedness) that has been designated by such Borrower at the time of the incurrence thereof as, or is deemed to be by the Surviving Borrower upon the consummation of a Borrower Merger, “Designated Indebtedness” pursuant to and for purposes of the Guarantee and Security Agreement to which such Borrower is a party in accordance with the requirements of Section 6.01 thereof (regardless of whether such Designated Indebtedness shall continue to constitute Other Secured Indebtedness).

“Designated Subsidiary” means:

(a) (1) (i) with respect to FSK, CCT Tokyo Funding LLC, Locust Street Funding LLC and FS KKR MM CLO 1 LLC, ~~and~~ (ii) with respect to ~~FSIC I, FSIC II, Cooper River LLC, Darby Creek LLC, Juniata River LLC and Green Creek LLC and~~ (iii) ~~with respect to FSIC III, Center City Funding LLC, Burholme Funding LLC, Dunlap Funding LLC, Jefferson Square Funding LLC and, Germantown Funding LLC and, Meadowbrook Run LLC, Cheltenham Funding LLC, Broomall Funding LLC and Ambler Funding LLC and~~ (2) with respect to any Borrower, any other direct or indirect Subsidiary of such Borrower or any other member of

other modification to the list of Persons identified as Disqualified Lenders shall be e-mailed to the Administrative Agent at JPMDQcontact@JPMorgan.com.

“Documentation Agent” means each of Bank of Montreal, SunTrust Bank, MUFG and SMBC.

“Dollar Commitment” means, with respect to each Dollar Lender, the sum of all of such Dollar Lender’s Dollar Subcommitments. The aggregate amount of each Lender’s Dollar Commitment is set forth on Schedule I or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Dollar Commitment, as applicable. The aggregate amount of the Lenders’ Dollar Commitments as of the Restatement Effective Date is \$950,000,000.

“Dollar Equivalent” means, for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, and (b) if such amount is expressed in a Foreign Currency, the equivalent of such amount in Dollars determined at such time on the basis of the Exchange Rate for the purchase of Dollars with such Foreign Currency at such time.

“Dollar Issuing Bank” means any Issuing Bank identified in Schedule I (as amended from time to time pursuant to Section 2.07), and its successors in such ~~capacity~~capacity as provided in Section 2.04(j), that has agreed to issue Letters of Credit to any Borrower under its respective Dollar Commitments.

“Dollar LC Exposure” means a Dollar Lender’s LC Exposure under its Dollar Subcommitments.

“Dollar Lender” means the Persons listed on Schedule I as having Dollar Subcommitments and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption that provides for it to assume Dollar Subcommitments or to acquire Revolving Dollar Credit Exposure, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise in accordance with the terms hereof.

“Dollar Loan” means, with respect to a Borrower, a Loan denominated in Dollars made to such Borrower by a Dollar Lender.

“Dollars” or “\$” refers to lawful money of the United States of America.

“Dollar Subcommitment” means, with respect to each Dollar Lender and each Borrower, the commitment of such Dollar Lender to make Loans to such Borrower denominated in Dollars, and to acquire participations in Letters of Credit issued on behalf of such Borrower denominated in Dollars hereunder, in each case, under its Dollar Commitments, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Dollar Credit Exposure permitted hereunder with respect to such Borrower, as such commitment may be (a) reduced, increased or reallocated from time to time pursuant to Section 2.07 or reduced from time to time pursuant to Section 2.09 or as otherwise provided in this Agreement and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to

Code. “Foreign Lender” means any Lender or Issuing Bank that is not a “United States person” as defined under Section 7701(a)(30) of the

“FSIC II” means ~~FS Investment Corporation II, a Maryland corporation.~~

“FSIC III” means ~~FS Investment Corporation III, a Maryland corporation.~~

“FS/KKR Advisor” means FS/KKR Advisor, LLC, a Delaware limited liability company, or any of its Affiliates.

“FSK” means FS KKR Capital Corp., a Maryland corporation. “FSK

II” means FS KKR Capital Corp. II, a Maryland corporation.

“FSK 2020 Notes” means FSK’s 4.250% senior unsecured notes due January 15, 2020 outstanding as of the Restatement Effective Date.

“FSK 2022 Notes” means FSK’s 4.750% senior unsecured notes due May 15, 2022 outstanding as of the Restatement Effective Date.

“FSK 2022-2 Notes” means FSK’s 5.000% senior unsecured notes due June 28, 2022 outstanding as of the Restatement Effective Date.

“FSK 2024 Notes” means FSK’s 4.625% senior unsecured notes due July 15, 2024 outstanding as of the Restatement Effective Date.

Date. “FSK 2025 Notes” means FSK’s 8.625% senior unsecured notes due May 15, 2025 outstanding as of the Amendment No. 1 Effective

“FSK Notes” means, collectively, the FSK 2020 Notes, the FSK 2022 Notes, the FSK 2022-2 Notes and the FSK 2024 Notes.

“Funded Debt Amount” means, for any Borrower, as of any date, all Indebtedness of such Borrower on a consolidated basis excluding Indebtedness of any Designated Subsidiaries of such Borrower plus all MergerCo Preferred Shares of such Borrower.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means the government of the United States of America, or of any other nation, or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of



guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business or customary indemnification agreements entered into in the ordinary course of business in connection with obligations that do not constitute Indebtedness. The amount of any Guarantee at any time shall be deemed to be an amount equal to the maximum stated or determinable amount of the primary obligation in respect of which such Guarantee is incurred, unless the terms of such Guarantee expressly provide that the maximum amount for which such Person may be liable thereunder is a lesser amount (in which case the amount of such Guarantee shall be deemed to be an amount equal to such lesser amount).

“Guarantee and Security Agreement” means, (i) with respect to FSK, that certain Guarantee and Security Agreement dated as of the Original Effective Date, among FSK, the other members of its Obligor Group, the Administrative Agent, each holder (or a representative or trustee therefor) from time to time of any Designated Indebtedness of FSK, and the Collateral Agent, (ii) with respect to ~~FSIC~~FSK II, that certain Guarantee and Security Agreement dated as of the Original Effective Date, among ~~FSIC~~FSK II, the other members of its Obligor Group, the Administrative Agent, each holder (or a representative or trustee therefor) from time to time of any Designated Indebtedness of ~~FSIC~~FSK II, and the Collateral Agent, and (iii) with respect to ~~FSIC III, that certain Guarantee and Security Agreement dated as of the Original Effective Date, among FSIC III, the other members of its Obligor Group, the Administrative Agent, each holder (or a representative or trustee therefor) from time to time of any Designated Indebtedness of FSIC III, and the Collateral Agent, in each case, as the same shall be amended, restated, modified and supplemented from time to time and~~ (iv) with respect to any “Borrower” designated hereunder pursuant to Section 9.19, a guarantee and security agreement by and among such Borrower, the other members of its Obligor Group, the Administrative Agent, each holder (or a representative or trustee therefor) from time to time of any Designated Indebtedness of such Borrower, and the Collateral Agent, in form and substance substantially similar to a Guarantee and Security Agreement described in clauses ~~(ai) through~~ (dii) or otherwise reasonably acceptable to the Administrative Agent and the Collateral Agent.

“Guarantee and Security Agreement Confirmation” means each Guarantee and Security Agreement Confirmation between the parties to the related Guarantee and Security Agreement substantially in the form of Exhibit J.

“Guarantee Assumption Agreement” means, with respect to a Borrower, a Guarantee Assumption Agreement substantially in the form of Exhibit B to the Guarantee and Security Agreement (or such other form as is approved by the Collateral Agent) to which such Borrower is a party, between the Collateral Agent and an entity that, pursuant to Section 5.08 is

“Performing Principal Finance Debt Assets” has the meaning assigned to such term in Section 5.13.

“Performing Principal Finance Preferred Stock Assets” has the meaning assigned to such term in Section 5.13.

“Performing Second Lien Bank Loans” has the meaning assigned to such term in Section 5.13.

“Permitted Advisor Loan” means, with respect to any Borrower, any Indebtedness of such Borrower or another member of its Obligor Group that (a) is owed to FS/KKR Advisor, (b) has no mandatory amortization prior to, and a final maturity date not earlier than, six months after the Maturity Date, (c) is permitted by the Investment Company Act, (d) is not secured by any property or assets (whether of such Borrower, any Obligor or any other Person), (e) is on terms and conditions no less favorable to such Borrower or such other Obligor than could be obtained on an arm’s-length basis from unrelated third parties and (f) is on terms and conditions that are no more restrictive upon such Borrower and its Subsidiaries, while any Subcommitments or Loans are outstanding with respect to such Borrower, than those set forth in this Agreement with respect to such Borrower and its Subsidiaries; provided that, such Borrower or such other Obligor may incur any Permitted Advisor Loan that otherwise would not meet the requirements set forth in this clause (f) if it has duly made a Modification Offer (whether or not it is accepted by the Required Lenders).

“Permitted Equity Interests” means, with respect to a Borrower, stock of such Borrower that after its issuance is not subject to any agreement between the holder of such stock and such Borrower where such Borrower is required to purchase, redeem, retire, acquire, cancel or terminate any such stock unless such Permitted Equity Interests satisfies the applicable requirements set forth in the definition of “Unsecured Longer-Term Indebtedness”.

“Permitted Indebtedness” means, with respect to a Borrower, collectively, Other Secured Indebtedness and Unsecured Longer-Term Indebtedness, in each case, of such Borrower or any other member of its Obligor Group.

“Permitted Liens” means, with respect to a Borrower: (a) Liens imposed by any Governmental Authority for taxes, assessments or charges not yet due or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of such Borrower or any other member of its Obligor Group in accordance with GAAP; (b) Liens of clearing agencies, broker-dealers and similar Liens incurred in the ordinary course of business; provided that such Liens (i) attach only to the securities (or proceeds) being purchased or sold and (ii) secure only obligations incurred in connection with such purchase or sale, and not any obligation in connection with margin financing; (c) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmens’, landlord, storage and repairmen’s Liens and other similar Liens arising in the ordinary course of business and securing obligations (other than Indebtedness for borrowed money); (d) Liens incurred or pledges or deposits made to secure obligations incurred in the ordinary course of business under workers’ compensation laws, unemployment insurance or other similar social

regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction supervision, if applicable law requires that such appointment not be publicly disclosed and such appointment has not been publicly disclosed.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“Unlisted Borrower” means each Borrower that is not a Listed Borrower. As of the ~~Restatement~~Amendment No. 1 Effective Date, ~~FSIC FSK II and FSIC III are~~is the only Unlisted ~~Borrowers~~Borrower.

“Unquoted Investments” has the meaning set forth in Section 5.12(b)(ii)(B).

“Unsecured Longer-Term Indebtedness” means, with respect to a Borrower, (1) any Permitted Advisor Loan of such Borrower or any other member of its Obligor Group (which may be Guaranteed by one or more other members of such Obligor Group) and (2) any Indebtedness of such Borrower or any other member of its Obligor Group (which may be Guaranteed by one or more other members of such Obligor Group) that:

(a) has no amortization prior to, and a final maturity date not earlier than, six months after the Maturity Date (it being understood that (i) the conversion features into Permitted Equity Interests under convertible notes (as well as the triggering of such conversion and/or settlement thereof solely with Permitted Equity Interests, except in the case of interest or expenses or fractional shares (which may be payable in cash)) shall not constitute “amortization” for the purposes of this definition and (ii) any mandatory amortization that is contingent upon the happening of an event that is not certain to occur (including, without limitation, a change of control or bankruptcy) shall not in and of itself be deemed to disqualify such Indebtedness under this clause (a); provided, with respect to this clause (ii), such Borrower acknowledges that any payment prior to the earlier to occur of the Release Date with respect to such Borrower and the Facility Termination Date in respect of any such obligation or right shall only be made to the extent permitted by Section 6.12 and immediately upon such contingent event occurring the amount of such mandatory amortization shall be included in the Covered Debt Amount of such Borrower);

(b) is incurred pursuant to terms that are substantially comparable to (or more favorable than) market terms for substantially similar debt of other similarly situated borrowers as reasonably determined in good faith by such Borrower or, if such transaction is not one in which there are market terms for substantially similar debt of other similarly situated borrowers, on terms that are negotiated in good faith on an arm’s length basis (except, in each case, other than financial covenants and events of default (other than events of default customary in indentures or similar instruments that have no analogous provisions in this Agreement or credit agreements generally), which shall be no more restrictive upon such Borrower and its Subsidiaries, while any Subcommitments or Loans are outstanding with respect to such Borrower, than those set forth in this Agreement with respect to such Borrower and its Subsidiaries; provided that, such Borrower or such other Obligor may incur any Unsecured Longer-Term Indebtedness

“Multicurrency Borrowing”), by Type (*e.g.*, an “ABR Borrowing” or a “Eurocurrency Borrowing”) or by Class and Type (*e.g.*, a “Multicurrency Eurocurrency Borrowing”). Loans and Borrowings may also be identified by Currency.

SECTION 1.03. Terms Generally.

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented, renewed or otherwise modified (subject to any restrictions on such amendments, supplements, renewals or modifications set forth herein or therein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. For the avoidance of doubt, any cash payment (other than any cash payment on account of interest) made by any Borrower in respect of any conversion features in any convertible securities that may be issued by such Borrower shall constitute a “regularly scheduled payment, prepayment or redemption of principal and interest” within the meaning of clause (a) of Section 6.12. Solely for purposes of this Agreement, any references to “obligations” owed by any Person under any Hedging Agreement shall refer to the amount that would be required to be paid by such Person if such Hedging Agreement were terminated at such time (after giving effect to any netting agreement).

SECTION 1.04. Accounting Terms; GAAP.

Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if a Borrower notifies the Administrative Agent that such Borrower requests an amendment to any provision hereof with respect to such Borrower to eliminate the effect of any change occurring after the Restatement Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies a Borrower that the Required Lenders request an amendment to any provision hereof with respect to such Borrower for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such Borrower, Administrative Agent and Lenders agree to enter into negotiations in good faith in order to amend such provisions of this Agreement with respect to such Borrower so as to equitably reflect such change to comply with GAAP with the desired result that the criteria for evaluating such Borrower’s financial condition shall be the same after such change to comply with GAAP as if such change had not been made; provided, however, until such amendments to equitably reflect such changes are effective and

reallocation). Notwithstanding the foregoing, no Voluntary Reallocation may be effected if such Voluntary Reallocation would result in an increase of the aggregate Subcommitments with respect to any Borrower of more than \$100,000,000 in the aggregate in any rolling twelve-month period (after giving effect to each Voluntary Reallocation during such period).

(ii) Notice of Voluntary Reallocation. The Reallocating Borrowers (as defined below) shall jointly notify the Administrative Agent of any election to reallocate the Subcommitments with respect to such Borrowers under paragraph (g)(i) of this Section at least ten (10) Business Days (or such lesser period as the Administrative Agent may reasonably agree) prior to the effective date of such reallocation, specifying (A) each Borrower that shall have agreed to reduce its Subcommitments (each a “Reducing Borrower”), (B) each Borrower that shall have agreed to increase its Subcommitments (each an “Increasing Borrower” and together with the Reducing Borrowers, the “Reallocating Borrowers”), (C) the amounts of the reduction being made by each Reducing Borrower, (D) the amounts of the increase being made by each Increasing Borrower and (E) the date on which such reallocation is to be effective (the “Reallocation Date”). Promptly following receipt of any election, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each notice delivered by the Reallocating Borrowers pursuant to this Section shall be irrevocable; provided that a notice of Voluntary Reallocation may state that such notice is conditioned upon the effectiveness of other events, in which case such notice may be revoked by any Reallocating Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(iii) Effectiveness of Voluntary Reallocation. On the Reallocation Date for any Voluntary Reallocation and in each case in the amounts set forth in the notice referred to in paragraph (g)(ii) of this Section, (A) the Subcommitments, Loans and LC Exposure of the respective Class with respect to each Reducing Borrower part of such Voluntary Reallocation shall be reduced ratably among the Lenders in accordance with their respective aggregate Commitments of such Class, (B) the Borrower Sublimit with respect to each Reducing Borrower part of such Voluntary Reallocation shall be reduced as of such Reallocation Date, (C) the Subcommitments, Loans and LC Exposure of the respective Class with respect to each Increasing Borrower part of the Voluntary Reallocation shall be increased ratably among the Lenders in accordance with their respective aggregate Commitments of such Class and (D) the Borrower Sublimit with respect to each Increasing Borrower part of such Voluntary Reallocation shall be increased as of such Reallocation Date. Each Lender authorizes and instructs the Administrative Agent to, concurrently with and immediately after the effectiveness of any Voluntary Reallocation, amend Schedule I to reflect the aggregate amount of each Lender’s aggregate Commitments and such Lender’s Subcommitments with respect to each Borrower. ~~Neither FSICFSK II nor FSIC III~~ may not at any time as a result of a reallocation under this clause (iii) hold Subcommitments in excess of 65% of the total Commitments hereunder unless such Borrower is the Surviving Borrower in a Borrower Merger.

limitation, the delivery of financial statements or valuations required under ASC 820 or the Investment Company Act.

(vi) The Independent Valuation Provider shall be instructed to conduct its tests in a manner not disruptive in any material respect to the business of any Borrower. The Collateral Agent shall notify the applicable Borrower of its receipt of the final results of any valuation performed by the Independent Valuation Provider promptly upon its receipt thereof and shall provide a copy of such results and the related report to such Borrower promptly upon such Borrower's request.

(c) Investment Company Diversification Requirements. Such Borrower will, and will cause its Subsidiaries (other than Subsidiaries that are exempt from the Investment Company Act) at all times to comply in all material respects with the portfolio diversification and similar requirements set forth in the Investment Company Act applicable to business development companies. Such Borrower will at all times, subject to applicable grace periods set forth in the Code, comply with the portfolio diversification and similar requirements set forth in the Code applicable to RICs.

(d) Participation Interests. The Value attributable to any Participation Interest shall be the Value determined with respect to the underlying portfolio investment related to such Participation Interest in accordance with this Section 5.12, provided any participation interest that does not satisfy the definition of Participation Interest shall have a Value of zero for purposes of this Agreement.

#### SECTION 5.13. Calculation of Borrowing Base.

For purposes of this Agreement, the "Borrowing Base" with respect to a Borrower shall be determined, as at any date of determination, as the sum of the products obtained by multiplying (x) the Value of each Portfolio Investment of such Borrower in the Collateral Pool of such Borrower by (y) the applicable Advance Rate ~~by (z) solely with respect to an Unlisted Borrower, 0.9091~~, provided that:

(a) if, as of such date, the Adjusted Debt to Equity Ratio is (i) less than 1.0:1.0, the Advance Rate applicable to that portion of the aggregate Value of such Portfolio Investments of such Borrower of all issuers in a consolidated group of corporations or other entities in accordance with GAAP exceeding 6% of the aggregate Value of all such Portfolio Investments in the Collateral Pool of such Borrower, shall be 50% of the otherwise applicable Advance Rate, (ii) greater than or equal to 1.0:1.0 and less than 1.20:1.0, the Advance Rate applicable to that portion of the aggregate Value of such Portfolio Investments of such Borrower of all issuers in a consolidated group of corporations or other entities in accordance with GAAP exceeding 5% of the aggregate Value of all such Portfolio Investments in the Collateral Pool of such Borrower, shall be 50% of the otherwise applicable Advance Rate or (iii) greater than or equal to 1.20:1.0, the Advance Rate applicable to that portion of the aggregate Value of such Portfolio Investments of such Borrower of all issuers in a consolidated group of corporations or other entities in accordance with GAAP exceeding 4% of the aggregate

perfected security interest pursuant to a valid Uniform Commercial Code filing, such Portfolio Investment may be included in the Borrowing Base of such Borrower so long as all remaining actions to complete "Delivery" are satisfied within 7 days of such inclusion (or, until April 15, 2021, within thirty (30) days of such inclusion, or anytime, such longer period up to ~~thirtysixty (360)~~ thirtysixty (360) days as the Administrative Agent and the Collateral Agent may agree in their respective sole discretion); provided further that voting stock of any Controlled Foreign Corporation of such Borrower or such other Obligor in excess of 65% of the issued and outstanding voting stock of such Controlled Foreign Corporation shall not be included as a Portfolio Investment for purposes of calculating the Borrowing Base of such Borrower;

(i) no Participation Interest (other than any Participation Interest sold to such Borrower or other Obligor by an Aggregator) may be included in the Borrowing Base of such Borrower for more than 90 days; and

(j) if, as of such date, with respect to any Borrower, (i) the Borrowing Base (without giving effect to any adjustment required pursuant to this paragraph (j), the "Gross Borrowing Base") is greater than or equal to 1.5 times the Senior Debt Amount and either (A) the Adjusted Debt to Equity Ratio is greater than or equal to 1.0:1.0 and less than 1.20:1.0, then such Borrower's Borrowing Base shall be reduced to the extent necessary such that the contribution of Senior Investments to such Borrower's Borrowing Base may not be less than 20% of the Borrowing Base or (B) the Adjusted Debt to Equity Ratio is greater than or equal to 1.20:1.0, then such Borrower's Borrowing Base shall be reduced to the extent necessary such that the contribution of Senior Investments to such Borrower's Borrowing Base may not be less than 35% of the Borrowing Base, (ii) the Gross Borrowing Base is greater than or equal to 1.25 times and less than 1.5 times the Senior Debt Amount and either (A) the Adjusted Debt to Equity Ratio is greater than or equal to 1.0:1.0 and less than 1.20:1.0, then such Borrower's Borrowing Base shall be reduced to the extent necessary such that the contribution of Senior Investments to such Borrower's Borrowing Base may not be less than 30% of the Borrowing Base or (B) the Adjusted Debt to Equity Ratio is greater than or equal to 1.20:1.0, then such Borrower's Borrowing Base shall be reduced to the extent necessary such that the contribution of Senior Investments to such Borrower's Borrowing Base may not be less than 40% of the Borrowing Base, (iii) the Gross Borrowing Base is less than 1.25 times the Senior Debt Amount and either (A) the Adjusted Debt to Equity Ratio is greater than or equal to 1.0:1.0 and less than 1.20:1.0, then such Borrower's Borrowing Base shall be reduced to the extent necessary such that the contribution of Senior Investments to such Borrower's Borrowing Base may not be less than 45% of the Borrowing Base or (B) the Adjusted Debt to Equity Ratio is greater than or equal to 1.20:1.0, then such Borrower's Borrowing Base shall be reduced to the extent necessary such that the contribution of Senior Investments to such Borrower's Borrowing Base may not be less than 60% of the Borrowing Base.

For the avoidance of doubt, (a) to avoid double-counting of excess concentrations, any Advance Rate reductions set forth under this Section 5.13 shall be without duplication of any other such Advance Rate reductions and (b) to the extent the Borrowing Base of a Borrower is required to be reduced to comply with this Section 5.13, such Borrower shall be

Such Borrower will not, nor will it permit any other member of its Obligor Group to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except that such Borrower or such other Obligor may declare and pay:

- (a) dividends with respect to the capital stock of such Borrower to the extent payable in additional shares of such Borrower's common stock;
- (b) dividends and distributions in either case in cash or other property (excluding for this purpose such Borrower's common stock) in or with respect to any taxable year of such Borrower (or any calendar year of such Borrower, as relevant) in amounts not to exceed 110% of the minimum amounts required to be distributed to allow such Borrower to (i) satisfy the minimum distribution requirements imposed by Section 852(a) of the Code (or any successor thereto) to maintain such Borrower's eligibility to be taxed as a RIC for any such taxable year, (ii) reduce to zero for any such taxable year such Borrower's liability for federal income taxes imposed on (x) such Borrower's investment company taxable income pursuant to Section 852(b)(1) of the Code (or any successor thereto), and (y) such Borrower's net capital gain pursuant to Section 852(b)(3) of the Code (or any successor thereto), and (iii) reduce to zero such Borrower's liability for federal excise taxes for any such calendar year imposed pursuant to Section 4982 of the Code (or any successor thereto);
- (c) any settlement in respect of a conversion feature in any convertible security that may be issued by such Borrower to the extent made through the delivery of common stock (except in the case of interest (which may be payable in cash));
- (d) Restricted Payments to repurchase Equity Interests of such Borrower from managers, partners, members, directors, officers, employees or consultants of FS/KKR Advisor, such Borrower or such other Obligor or their respective authorized representatives upon the death, disability or termination of employment of such employees or termination of their seat on the board of directors of FS/KKR Advisor, such Borrower or such other Obligor, in an aggregate amount not to exceed \$2,500,000 in any calendar year with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum of \$5,000,000 in any calendar year;
- (e) other Restricted Payments so long as (i) on the date of such other Restricted Payment and after giving effect thereto (x) the Borrowing Base of such Borrower is at least 110% of the Covered Debt Amount of such Borrower ~~Borrower does not exceed 90% of the Borrowing Base of such Borrower~~ and (y) no Default shall have occurred and be continuing with respect to such Borrower and (ii) on the date of such other Restricted Payment such Borrower delivers to the Administrative Agent and each Lender a Borrowing Base Certificate with respect to such Borrower as at such date demonstrating compliance with subclause (x) after giving effect to such Restricted Payment. For purposes of preparing such Borrowing Base Certificate, (A) the Value of any Quoted Investment shall be the most recent quotation available for such Portfolio Investment and (B) the Value of any Unquoted Investment shall be the Value set forth in the Borrowing Base Certificate with respect to such Borrower most recently delivered by such Borrower to the Administrative Agent and the Lenders pursuant to Section 5.01(d);



the extent any such indenture, agreement, instrument or other arrangement does not prohibit, in each case in any material respect, or impose materially adverse conditions upon, the requirements applicable to such Borrower and its Subsidiaries under the Loan Documents or (iii) any agreement, instrument or other arrangement pertaining to any lease, sale or other disposition of any asset permitted by this Agreement so long as the applicable restrictions (x) only apply to such assets and (y) do not restrict prior to the consummation of such sale or disposition the creation or existence of the Liens in favor of the Collateral Agent pursuant to the Security Documents or otherwise required by this Agreement, or the incurrence of payment of Indebtedness under this Agreement or the ability of such Borrower and its Subsidiaries to perform any other obligation under any of the Loan Documents) that prohibits, in each case in any material respect, or imposes materially adverse conditions upon, the incurrence or payment of Indebtedness of such Borrower, the granting of Liens by such Borrower, the declaration or payment of dividends by such Borrower, the making of loans, advances, guarantees or Investments or the sale, assignment, transfer or other disposition of property, in each case of such Borrower.

SECTION 6.07. Certain Financial Covenants.

(a) Minimum Shareholders' Equity. Such Borrower will not permit its Shareholders' Equity at the last day of any fiscal quarter of such Borrower to be less than the greater of (1) 30% of the total assets of such Borrower and its Subsidiaries as at the last day of such fiscal quarter (determined on a consolidated basis in accordance with GAAP) and (2) the sum of (A) ~~65% of (x) the Shareholders' Equity of such Borrower as of the Restatement Effective Date less (y) in case the case of any Unlisted Borrower, the lesser of (i) the amount paid or distributed by such Unlisted Borrower to purchase its shares of common stock in connection with a Tender Offer consummated after the Restatement Effective Date and (ii) the product of (I) \$250,000,000 multiplied by (II) the sum of one plus the number of Borrower Mergers effected by such Obligor Group on or after the Restatement Effective Date plus (B) 65% of (x) the Shareholders' Equity as of the Restatement Effective Date of any other Borrower merged or consolidated into such Borrower by way of a Borrower Merger less (y) in the case of any Unlisted Borrower that is a Non-Surviving Borrower of such Borrower Merger, the lesser of (i) the amount paid or distributed by such Unlisted Borrower to purchase its shares of common stock in connection with a Tender Offer consummated after the Restatement Effective Date and (ii) the product of (I) \$250,000,000 multiplied by (II) the sum of one plus the number of Borrower Mergers effected by such Obligor Group on or after the Restatement Effective Date, plus (C) \$1,968,200,000.00 (in the case of FSK), or \$2,720,900,000.00 (in the case of FSK II), or \$4,689,100,000.00 (upon a Borrower Merger of FSK and FSK II), plus (B) 37.5% of the net cash proceeds of the sale of Equity Interests by such Borrower after the Restatement Effective Date~~ April 15, 2021 (other than proceeds of any distribution or dividend reinvestment plan), ~~plus (D) without duplication of any amount added in subclause (B) above, 37.5% of the net cash proceeds of the sale of Equity Interests received after the Restatement Effective Date by any Non-Surviving Obligor that was a Borrower and was a party to a Borrower Merger with such Borrower (other than proceeds of any distribution or dividend reinvestment plan), plus (E) 65% of the increase in Shareholders' Equity of such Borrower solely resulting from a merger with~~

any Person other than a Borrower measured as of the date of the consummation of such merger.

(b) Asset Coverage Ratio. ~~Such~~

(i) In the case of any Listed Borrower, such Borrower will not permit its Asset Coverage Ratio to be, at any time, less than the greater of (x) 1.50 to 1.00 and (y) the statutory requirements then applicable to such Borrower.

(ii) In the case of any Unlisted Borrower, such Borrower will not permit (A) its Asset Coverage Ratio to be, at any time, less than 1.75 to 1.00 or (B) its Asset Coverage Ratio (calculated including the effects of SEC Release No. 33837/April 8, 2020) to be, at any time, less than the statutory requirements then applicable to such Borrower.

SECTION 6.08. Transactions with Affiliates

. Such Borrower will not, and will not permit any other member of its Obligor Group to enter into any transactions with any of its Affiliates, even if otherwise permitted under this Agreement, except (a) transactions in the ordinary course of business at prices and on terms and conditions not less favorable to such Borrower or such other Obligor, as applicable, than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among such Borrower and any other member of its Obligor Group not involving any other Affiliate of such Obligor Group, (c) transactions and documents governing transactions permitted under Section 6.03 (including, for the avoidance of doubt, any Borrower Merger or any other merger or consolidation of one or more Borrowers and/or other Obligors), 6.04(e) and 6.05, (d) the Affiliate Agreements and the transactions provided in the Affiliate Agreements (in each case, as such agreements are amended, modified or supplemented from time to time in a manner not materially adverse to the Lenders), (e) transactions described or referenced on Schedule IV, (f) any Investment that results in the creation of an Affiliate, (g) transactions with one or more Affiliates (including co-investments) as permitted by any SEC exemptive order (as may be amended from time to time), any no-action letter or as otherwise permitted by applicable law, rule or regulation and SEC staff interpretations thereof, (h) the payment of compensation and reimbursement of expenses and indemnification to officers and directors in the ordinary course of business, (i) this Agreement and the other Loan Documents, and the transactions contemplated herein and therein ~~or~~, (j) agreements among the Borrowers, the other Obligors and/or their respective Affiliates entered into in connection with the administration of this Agreement and/or the other Loan Documents, and the transactions contemplated therein ~~or~~ (k) any Permitted Advisor Loan.

SECTION 6.09. Lines of Business

. Such Borrower will not, nor will it permit any other member of its Obligor Group to, engage in any business in a manner that would violate its Investment Policies in any material respect.

SECTION 6.10. No Further Negative Pledge

. Such Borrower will not, and will not permit any other member of its Obligor Group to, enter into any agreement, instrument, deed or lease which prohibits or limits in any material respect the ability of such Borrower or any other member of its Obligor Group to create, incur, assume or suffer to exist any Lien upon any of its properties, assets or revenues, whether now owned or hereafter acquired, or which requires the grant of any security for an obligation if security is granted for another obligation, except the following: (a) this Agreement and the other Loan Documents to which such Obligor is a party; (b) covenants in documents creating Liens permitted by Section 6.02 (including covenants with respect to Designated Indebtedness Obligations or Designated Indebtedness Holders under (and in each case, as defined in) the Guarantee and Security Agreement to which such Obligor is a party) prohibiting further Liens on the assets encumbered thereby; (c) customary restrictions contained in leases not subject to a waiver; (d) any agreement that imposes such restrictions only on Equity Interests in Excluded Assets of such Borrower; and (e) any other agreement that does not restrict in any manner (directly or indirectly) Liens created pursuant to the Loan Documents to which such Obligor is a party on any Collateral securing the “Secured Obligations” under and as defined in the Guarantee and Security Agreement to which such Obligor is a party and does not require (other than pursuant to a grant of a Lien under the Loan Documents to which such Obligor is a party) the direct or indirect granting of any Lien securing any Indebtedness or other obligation by virtue of the granting of Liens on or pledge of property of such Borrower or such other Obligor to secure the Loans made to such Borrower, or any Hedging Agreement of such Borrower or such other Obligor.

#### SECTION 6.11. Modifications of Certain Documents

. Such Borrower will not consent to any modification, supplement or waiver of (a) any of the provisions of any agreement, instrument or other document evidencing or relating to any Permitted Indebtedness, any Special Longer-Term Unsecured Indebtedness, or the FSK Notes that would result in such Permitted Indebtedness not meeting the requirements of the definition of “Permitted Indebtedness”, such Special Longer-Term Unsecured Indebtedness not meeting the requirements of the definition of “Special Longer-Term Unsecured Indebtedness”, or the FSK Notes, as applicable, not meeting the requirements of the definition of “Unsecured Longer-Term Indebtedness” (other than clause (2)(a) thereof), set forth in Section 1.01 of this Agreement, unless following such amendment, modification or waiver, such Permitted Indebtedness, such Special Longer-Term Unsecured Indebtedness, the FSK Notes would otherwise be permitted under Section 6.01, or (b) any of the Affiliate Agreements to which such Borrower is a party (i) other than in connection with a Borrower Merger or (ii) unless such modification, supplement or waiver is not materially less favorable to such Borrower than could be obtained on an arm’s-length basis from unrelated third parties, in each case, without the prior consent of the Administrative Agent (with the approval of the Required Lenders).

Without limiting the foregoing, such Borrower may, at any time and from time to time, without the consent of the Administrative Agent or the Required Lenders, freely amend, restate, terminate, or otherwise modify any documents, instruments and agreements evidencing, securing or relating to Indebtedness of such Borrower permitted pursuant to Section 6.01(d), including increases in the principal amount thereof, modifications to the advance rates and/or

modifications to the interest rate, fees or other pricing terms so long as following any such action such Indebtedness continues to be permitted under Section 6.01(d).

#### SECTION 6.12. Payments of Other Indebtedness

. Such Borrower will not, nor will it permit any other member of its Obligor Group to, purchase, redeem, retire or otherwise acquire for value, or set apart any money for a sinking, defeasance or other analogous fund for the purchase, redemption, retirement or other acquisition of, or make any voluntary payment or prepayment of the principal of or interest on, or any other amount owing in respect of, any Permitted Indebtedness or any Indebtedness of such Borrower that is not then included in the Covered Debt Amount of such Borrower, except for:

(a) ~~(other than the refinancing of such Indebtedness (other than any Permitted Advisor Loan or the FSK 2025 Notes, which are addressed in clauses (e) and (f) below, respectively), with Indebtedness permitted under Section 6.01(b) or with the proceeds of any issuance of Equity Interests), except for;~~

(b) ~~(a)~~ regularly scheduled payments, prepayments or redemptions of principal and interest in respect thereof required pursuant to the instruments evidencing such Indebtedness and the payment when due of the types of fees and expenses that are customarily paid in connection with such Indebtedness (it being understood that: (w) the conversion features into Permitted Equity Interests under convertible notes; (x) the triggering of such conversion and/or settlement thereof solely with Permitted Equity Interests; and (y) any cash payment on account of interest or expenses or fractional shares on such convertible notes made by such Borrower in respect of such triggering and/or settlement thereof, shall be permitted under this clause ~~(a)~~); ~~and~~

(c) ~~(b)~~ payments and prepayments thereof required to comply with requirements of Section 2.09(c); ~~and~~

(d) ~~(c)~~ other payments and prepayments, which may, for the avoidance of doubt, be made with proceeds of the Loans (including, without limitation, with respect to FSK (or any successor), payments and prepayments of the FSK Notes), but excluding, with respect to FSK (or any successor), payments and prepayments of the FSK 2025 Notes or, with respect to any Obligor, any Permitted Advisor Loan, which are addressed in clauses (e) and (f) below, respectively), so long as at the time of and immediately after giving effect to such payment or prepayment, as applicable, (i) no Default or Event of Default shall have occurred and be continuing with respect to such Borrower and (ii) if such payment or prepayment, as applicable, were treated as a "Restricted Payment" for the purposes of determining compliance with Section 6.05(e), such payment or prepayment, as applicable, would be permitted to be made under Section 6.05(e);

(e) with respect to FSK (or any successor), any payments and prepayments with respect to the FSK 2025 Notes so long as, (i) at the time of and immediately after giving effect to such payment or prepayment, as applicable, no

Default or Event of Default shall have occurred and be continuing with respect to FSK and (ii) the Borrowing Base of FSK immediately after giving effect to such payment or prepayment, as applicable, is at least 115% of the Covered Debt Amount of FSK; and

(f) any payments and prepayments with respect to any Permitted Advisor Loan so long as, (i) at the time of and immediately after giving effect to such payment or prepayment, as applicable, no Default or Event of Default shall have occurred and be continuing with respect to the applicable Borrower and (ii) the Borrowing Base of such Borrower immediately after giving effect to such payment or prepayment, as applicable, is at least 115% of the Covered Debt Amount of such Borrower;

~~provided that, in the case of clauses (a) through (c) above,~~ in no event shall such Borrower or any other member of its Obligor Group be permitted to prepay or settle (whether as a result of a mandatory redemption, conversion or otherwise) any such Indebtedness, if after giving effect thereto, the Covered Debt Amount of such Borrower would exceed the Borrowing Base of such Borrower; ~~provided further that,~~ no Borrower shall be permitted to give any notice of prepayment or redemption to any holders of Indebtedness not included in the Covered Debt Amount of such Borrower, if, at the time of the giving of such notice, the inclusion of such Indebtedness in the Covered Debt Amount of such Borrower would result in a Borrowing Base Deficiency with respect to such Borrower.

## ARTICLE VII

### EVENTS OF DEFAULT

With respect to a Borrower, until the earlier to occur of the Release Date with respect to such Borrower and the Facility Termination Date, if any of the following events ("Events of Default") shall occur and be continuing with respect to such Borrower (but only with respect to such Borrower and not with respect to any other Borrower):

(a) such Borrower shall (i) fail to pay any principal of any Loan made to such Borrower or any reimbursement obligation in respect of any LC Disbursement with respect to such Borrower when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise or (ii) fail to deposit any amount into the Letter of Credit Collateral Account of such Borrower as required by Section 2.08(a) on the Commitment Termination Date;

(b) such Borrower shall fail to pay any interest on any Loan made to such Borrower or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable by such Borrower under this Agreement or under any other Loan Document to which such Borrower or any other member of its Obligor Group is a party, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five or more Business Days;

(i) if to a Borrower, to such Borrower at 201 Rouse Boulevard, Philadelphia, Pennsylvania 19112, Attention: William Goebel (telecopy: (215) 339-1931), e-mail: Credit.notices@fsinvestments.com and kkrcreditlegal@kkcr.com; and, if to FSK, with a copy to FSIC\_Team@fsinvestments.com, ~~and if to FSIC FSK II, with a copy to FSICII\_Team@fsinvestments.com, and if to FSIC III, with a copy to FSICIII\_Team@fsinvestments.com,~~ and, in each case, with an additional copy (which shall not constitute notice) to Dechert LLP, 1095 Avenue of the Americas, New York, New York 10036, Attention: Jay R. Alicandri (telecopy: (212) 698-3599);

(ii) if to the Administrative Agent, to JPMorgan Loan Services, 500 Stanton Christiana Road, Ops 2, 3rd Floor Newark, Delaware 19713, Attention of Loan and Agency Services Group (telecopy: 1 (302) 634-4733), e-mail: michelle.keesee@chase.com;

(iii) if to the Collateral Agent, to ING Capital LLC, 1133 Avenue of the Americas, New York, New York 10036, Attention: Dominik Breuer, e-mail: Dominik.Breuer@ing.com; and

(iv) if to any Issuing Bank or other Lender, to it at its address (or telecopy number or e-mail) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number or e-mail address for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt. Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender or any Issuing Bank pursuant to Article II if such Lender or such Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or any Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless otherwise notified by the Administrative Agent to the Borrowers, the Borrowers may satisfy their respective obligations to deliver documents or notices to the Administrative Agent or the Lenders under Sections 5.01 and 5.02 by delivering an electronic copy to: michelle.keesee@chase.com, or such other e-mail address(es) as provided to the Borrowers in a notice from the Administrative Agent, (and the Administrative Agent shall promptly provide notice thereof to the Lenders).

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested")

# CERTIFICATION

I, Michael C. Forman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FS KKR Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2020

/s/ Michael C. Forman

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Michael C. Forman  
Chief Executive Officer

# CERTIFICATION

I, Steven Lilly certify that:

1. I have reviewed this quarterly report on Form 10-Q of FS KKR Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2020

/s/ Steven Lilly

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Steven Lilly  
Chief Financial Officer



**CERTIFICATION of CEO and CFO PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of FS KKR Capital Corp. (the “Company”) for the three months ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), Michael C. Forman, as Chief Executive Officer of the Company, and Steven Lilly, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Form 10-Q of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 6, 2020

\_\_\_\_\_  
/s/ Michael C. Forman

Michael C. Forman  
Chief Executive Officer

\_\_\_\_\_  
/s/ Steven Lilly

Steven Lilly  
Chief Financial Officer