

# Flat Rock Core Income Fund - CORFX

FLAT ROCK  
— GLOBAL —

Advisor: Flat Rock Global, LLC

2<sup>nd</sup> Quarter 2023

Flat Rock Global LLC is a specialist asset manager focused on capacity constrained, income-oriented and private credit strategies. The Flat Rock Core Income Fund (CORFX) provides exposure to investments focused on first lien, floating rate loans, to middle market companies. The Fund's objective is the preservation of capital while generating current income from its debt investments and seeking to maximize the portfolio's total return.

*This material must be preceded or accompanied by the prospectus.*

## The Fund provides exposure to over 1,100 first lien secured loans <sup>1</sup>

**7.34%**

*Returns since inception <sup>1</sup>*

**9.68%**

*Earnings Yield <sup>2</sup>*

**44%**

*Average loan to value <sup>3</sup>*

Fund Performance	Year to Date Through 6/30/2023	2022 Full Year	Annualized Return Since Inception on 7/2/2017	Standard Deviation Since Inception on 7/2/2017
Flat Rock Core Income Fund	6.42%	2.83%	7.34%	3.17%
Bloomberg US Aggregate Bond Index	2.09%	-13.01%	0.57%	4.89%
Bloomberg US Corporate High Yield Index	5.38%	-11.19%	3.23%	5.80%
Morningstar Leveraged Loan Index	6.48%	-0.77%	4.17%	3.55%

1) As of 06/30/23; Number of first lien loans based on individual loan holdings as well as underlying loans held in CLO and partnership investments

2) Net Investment Income / Average Net Assets for the twelve months ending 06/30/2023

3) For Direct Loan Investments

**Note: Past performance is not indicative of future results. The performance data quoted here represents past performance. Current performance may be lower or higher than the performance quoted above. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Past Performance is no guarantee of future results. A Fund's performance, especially for very short periods of time, should not be the sole factor in making your investment decisions. All historical performance prior to 11/23/2020 is of the Predecessor Fund, Flat Rock Capital Corp. Flat Rock Core Income Fund is a newly launched fund with the same assets, Advisor, and investment strategy as the Predecessor Fund. One cannot invest in an index. ALPS Control Number: FRC000220**

## Why CORFX?

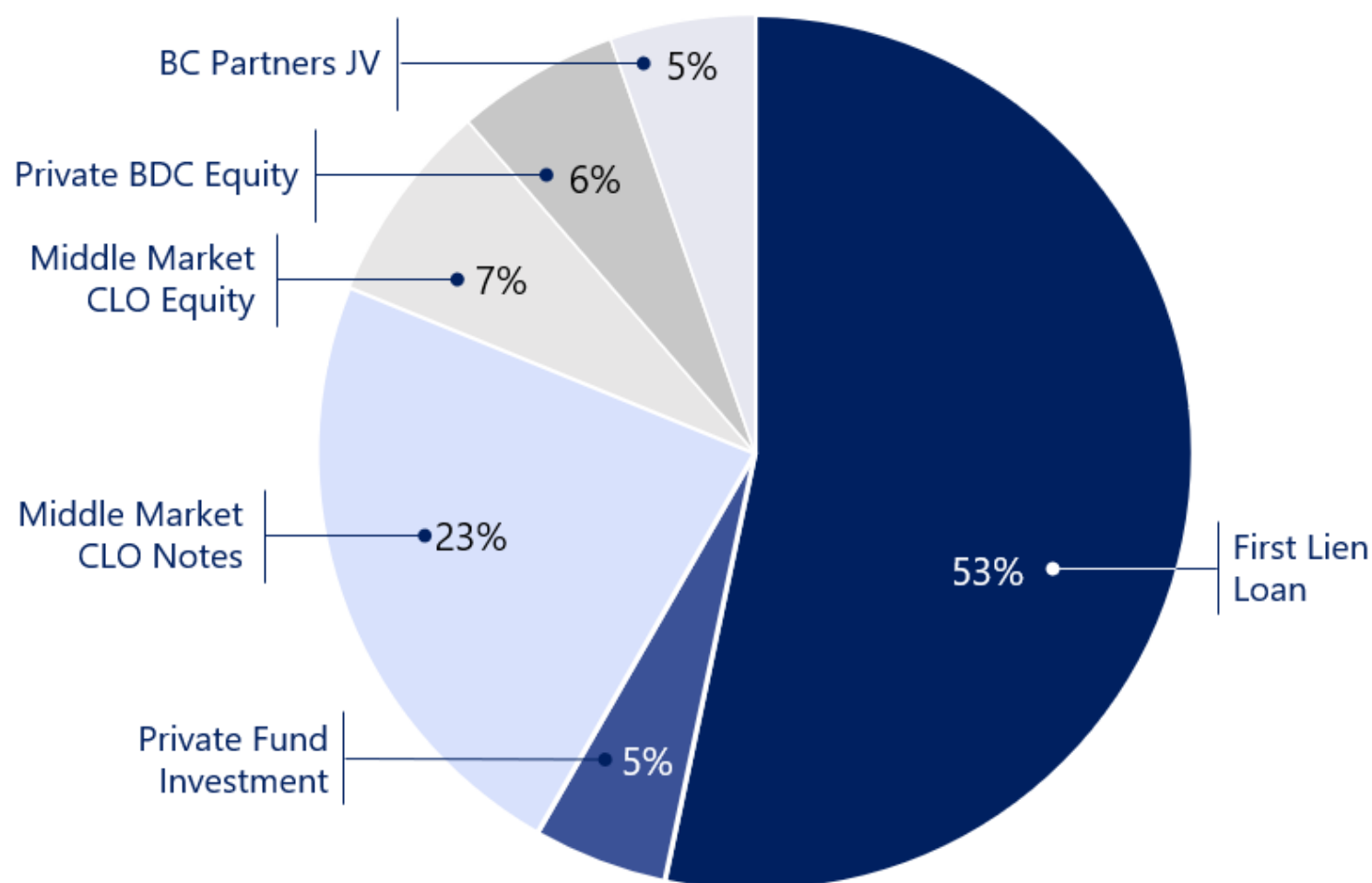
*First Lien Senior  
Secured Loan Focus*

*Monthly Income  
Generation*

*Floating Rate  
Assets*

*Source of Asset  
Diversification*

## Diversified Sourcing of Investments <sup>4</sup>



## Key Portfolio Stats <sup>4</sup>

**56 Investments**

**4.11x Leverage of  
Owned Loan Portfolio**

**96% Floating Rate  
Investments**

**2.15x Interest  
Coverage of Owned  
Loan Portfolio**

## Recent Commentary

- The Fund returned 6.42% through June 30<sup>th</sup>, driven by stable performance on the underlying loans combined with higher base rates for LIBOR and SOFR
- In March of 2023, our Board of Directors declared an increase in monthly distribution from \$0.114 to \$0.133 per share, which became effective with the April distribution
- Based on the Fund's closing share price of \$20.40 on 6/30/2023, the distribution rate is 7.82%
- The Fund's leverage ratio (debt and preferred shares / total assets) finished the fourth quarter at 23%

## Key Terms <sup>5</sup>

Fund Structure	Closed-End Interval Fund
Distributions	7.82% distribution rate <sup>6</sup> on the closing price of \$20.40 on 6/30/2023
Management Fees <sup>7</sup>	1.375% of the gross assets of the Fund
Incentive Fees <sup>7</sup>	15% of the net investment income subject to a hurdle of 6% and a catch-up
Liquidity	5% of outstanding shares are tendered quarterly (20% per year)
AUM	\$270 million

5) Key Term data as of 6/30/2023

6) We intend to make a distribution each month to our shareholders of the net investment income of the Fund after payment of Fund operating expenses. The distribution rate may be modified from time to time. The distribution rate is calculated as next monthly declared distribution \* 12 divided by the share price. In 2019, 2020, and 2021 the distribution did not include return of principal.

7) Additional fees may apply. Please see the prospectus ([https://flatrockglobal.com/wp-content/uploads/CORFX-Prospectus-2022\\_Website.pdf](https://flatrockglobal.com/wp-content/uploads/CORFX-Prospectus-2022_Website.pdf)) for more information on fees associated with the Fund

## Important Disclosure Information and Risk Factors

The Fund is suitable for investors who can bear the risks associated with the Fund's limited liquidity and should be viewed as a long-term investment. There is no secondary market for the Fund's shares, and it is not anticipated that a secondary market will develop. Thus, an investment in the Fund may not be suitable for investors who may need the money they invest in a specified timeframe. The shares of the Fund are not redeemable. Although the Fund will offer to repurchase at least 5% of outstanding shares on a quarterly basis in accordance with the Fund's repurchase policy, the Fund will not be required to repurchase shares at a shareholder's option nor will shares be exchangeable for units, interests or shares of any security. The Fund is not required to extend, and shareholders should not expect the Fund's Board of Trustees to authorize, repurchase offers in excess of 5% of outstanding shares. Regardless of how the Fund performs, an investor may not be able to sell or otherwise liquidate his or her shares whenever such investor would prefer. The Fund's distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to the Fund for investment. Any capital returned to shareholders through distributions will be distributed after payment of fees and expenses. The amounts and timing of distributions that the Fund may pay, if any, is uncertain. A return of capital to shareholders is a return of a portion of their original investment in the Fund, thereby reducing the tax basis of their investment. As a result of such reduction in tax basis, shareholders may be subject to tax in connection with the sale of Shares, even if such Shares are sold at a loss relative to the shareholder's original investment. Shares are speculative and involve a high degree of risk, including the risk associated with below-investment grade securities and leverage. ALPS Distributors Inc. serves as our principal underwriter, within the meaning of the 1940 Act, and will act as the distributor of our shares on a best efforts' basis, subject various conditions.

**Bloomberg US Aggregate Bond Index**, or the Agg, is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States.

**Floating Rate** refers to debt instruments such as loans or bonds, that do not have a fixed rate of interest over the life of the instrument.

**LIBOR** is London Interbank Offering Rate. Sharpe Ratio measures the performance of an investment (e.g., a security or portfolio) compared to a risk-free asset, after adjusting for its risk.

**Morningstar Loan Index** is a market value weighted index designed to measure the performance of the U.S. leveraged loan market.

**Standard Deviation** is a measure that provides the dispersion around a mean for the value of a security.

**Loan to value** is a ratio that measures the value of a loan outstanding relative to the total value of the asset against which the loan is made

**Bloomberg US Corporate HY Index** is an Index which measures the USD-denominated, high yield, fixed-rate corporate bond market.