

March 1, 2023

Dear CORFX Shareholders:

The Flat Rock Core Income Fund (“CORFX” or “the Fund”) finished fiscal year 2022 up 2.84%. Since inception in July of 2017, the Fund generated average annual returns of 6.81% with a standard deviation of 3.17%, more than double the returns of the Bloomberg US Aggregate Bond Index with less volatility. The Fund experienced only seven down months in its history. We believe our commitment to first lien investments while maintaining a highly selective investment approach creates the foundation for this performance.

Fund Performance (Net)

Fund Performance (NET) ^a	2022 Full Year	2021 Full Year	Annualized Return Since Inception on 7/2/2017	Standard Deviation Since Inception on 7/2/2017
Flat Rock Core Income Fund	2.84%	9.00%	6.81%	3.17%
Bloomberg US Aggregate Bond Index	-13.01%	-1.54%	0.25%	4.61%
Bloomberg US Corporate High Yield Index	-11.19%	5.28%	2.55%	5.84%
Morningstar Leveraged Loan Index	-0.60%	5.20%	3.40%	3.67%

(a) Performance data is per Bloomberg as of 12/31/22, and includes the reinvestment of distributions

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 related to Flat Rock Core Income Fund prior to 11/23/2020 is of the Predecessor Fund, Flat Rock Capital Corp.

CORFX generated 8.9%¹ returns from the net earnings of the Fund in 2022, with unrealized losses of 5.4%¹ offsetting the earnings yield. The accurate marking to market of investments is critical in less liquid investment vehicles to ensure investors of transparency of returns and portfolio performance. When marking assets to market, investment advisors can create models with numerous inputs that can be adjusted to reduce perceived market volatility or worse, mask under performance. CORFX engages third party valuation firms to independently value portfolio investments quarterly, which contributes greatly to accurate and independent investment valuations.

Despite the unrealized, mark to market losses on the portfolio in 2022, the fundamental performance of our underlying investments has been strong, with all of our portfolio investments rated 1 or 2 (i.e. performing above or at expectations) with the exception of two underperforming investments that comprise 0.24% of the portfolio's fair market value². We began 2022 with our portfolio companies experiencing strong revenue

growth and operating near all-time high operating margins, as a result of cost cutting during the pandemic. The Fed had its desired effect during the year as revenue growth generally slowed. However, on average our portfolio of investments continues to produce revenue growth, albeit at a lower level than previously, and strong earnings.

The loans in the Fund are almost exclusively floating rate and have benefitted from the increases in LIBOR and SOFR. As interest rates rose, average interest coverage on the portfolio dropped from unprecedented highs at the beginning of the year of 4.75x to a still comfortable level of 4.06x at year-end³.

During the year, we took advantage of the market sell-off by adding to existing loans and establishing new investments at attractive prices. We deployed \$134 million in new investments during the year. Today the portfolio consists of 53 positions, with an average loan to value of 44% for our direct loan investments.

The Fund finished 2022 with \$259 million of assets under management. We also completed the upsize of the Fund's credit facility from \$45 million to \$75 million. The Fund's leverage ratio (debt-to-total assets) finished 2022 at a modest 0.26x.

We continue to view CORFX as a potential core position in client's portfolios, delivering a consistent monthly dividend, with relatively low volatility and low interest rate risk given its floating rate exposure.

As always, if you have any questions, please feel free to reach out.

Sincerely,

A handwritten signature in dark ink, appearing to read 'RG', followed by a long horizontal line extending to the right.

Robert Grunewald
Chief Executive Officer and Founder

(1) Figures calculated based on average of net assets at beginning and end of year

(2) As of 12/31/22

(3) Reflects latest financial information reported by underlying portfolio companies as of 12/31/22

Glossary: Standard Deviation is measure that provides the dispersion around a mean. The S&P 500 Index or the Standard & Poor's 500 Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies. The 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. The Bloomberg US Corporate High Yield Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index excludes bonds from emerging markets. The Morningstar LSTA Leveraged Loan Index is a market value weighted index designed to capture the performance of the U.S. leveraged loan market.

Consider the investment risks, charges, and expenses of the Fund carefully before investing. Other information about the Fund may be obtained at <https://flatrockglobal.com/core-income-fund/>. This material must be preceded or accompanied by the prospectus. Please read it carefully.

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. Our shares have no history of public trading, nor is it intended that our shares will be listed on a national securities exchange at this time, if ever. No secondary market is expected to develop for our shares; liquidity for our shares will be provided only through quarterly repurchase offers for no less than 5% of and no more than 25% of our shares at net asset value, and there is no guarantee that an investor will be able to sell all the shares that the investor desires to sell in the repurchase offer. Due to these limited restrictions, an investor should consider an investment in the Fund to be of limited liquidity. Investing in our shares may be speculative and involves a high degree of risk, including the risks associated with leverage. Investing in the Fund involves risks, including the risk that shareholder may lose part or all of their investment. We may pay distributions in significant part from sources that may not be available in the future and that are unrelated to our performance, such as a returns of capital or borrowing. The amount of distributions that we may pay, if any, is uncertain. 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 to various conditions.

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