

ASIC Benchmarks and Disclosure Principles

ASIC Regulatory Guide 240 Hedge Funds: Improving disclosure (“**RG 240**”), issued by ASIC, includes benchmarks and disclosure principles to help investors better understand the characteristics of hedge funds and the risks associated with them. The Trust may technically be a hedge fund under ASIC’s regulatory guidance.

The table below summarises the disclosure principles information in the PDS and refers investors to Sections of the PDS where this information is dealt with in more detail. The information in this table is current as at the date of the PDS.

The disclosure principles and benchmark information will be reviewed annually and will be updated where material changes are identified. The disclosure principles and benchmark information will be available to investors online at www.kkcaustralia.com.au, and can also be obtained free of charge, on request.

Benchmark	Is the benchmark satisfied?	Details	Further Information
Benchmark 1 – Valuation of assets			
This benchmark addresses whether valuations of the Trust’s non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	Yes	<p>The Responsible Entity has engaged the independent administrator JPMorgan to provide independent valuation services for the Trust.</p> <p>NAV per Unit and the NTA of the Trust will be determined by JPMorgan monthly based on the most recent information made available from each KKR Managed Fund and valuation frameworks consistent with current practice and regulatory requirements.</p> <p>The managers of the KKR Funds intend to engage independent administrators to provide independent valuation and other administrative services to each KKR Fund.</p>	Section 5.7 of the PDS
Benchmark 2 – Periodic reporting			
This benchmark addresses whether the Responsible Entity will provide periodic disclosure of certain key information on an annual and monthly basis.	Yes	<p>The Responsible Entity will implement a policy to provide periodic reports on certain key information, and will provide periodic disclosure of this information on an annual and monthly basis on the Trust’s website (at www.kkcaustralia.com.au).</p> <p>The Trust will receive periodic disclosure of certain key information from the KKR Funds on an annual and quarterly basis in respect of the Trust’s investment in the KKR Funds.</p>	Section 5.8 of the PDS

Disclosure principle 1	Investment Strategy	Further information
<p>Please refer to the Investment Overview (“<i>What is the Trust’s investment objective?</i>” and “<i>How are the Trust’s investments structured?</i>”), Section 4 and Section 5 of the PDS.</p> <p>Please refer to Section 8 “Risk Factors” of the PDS for more information in relation to specific risks associated with the investment strategy.</p>		<p>Sections 4, 5 and 8 of the PDS</p>
Disclosure principle 2	Investment Manager	Further information
<p>The Manager is the manager of the Trust.</p> <p>The Investment Management Agreement will continue until terminated by the Responsible Entity or the Manager. During the first 10 years, the Responsible Entity may only terminate the Investment Management Agreement for cause. After the first 10 years, the Responsible Entity must terminate the Investment Management Agreement if an ordinary resolution terminating the appointment of the Manager is passed by Unitholders. The Manager may terminate the Investment Management Agreement without cause at any time, subject to providing three months’ notice. The terms of the Trust’s investment in each KKR Managed Fund will be established by the KKR manager managing the KKR Managed Fund and are expected to be generally consistent with standard KKR terms, save that no management fees are borne by the Trust. These terms are not expected to permit the removal of the relevant KKR manager of the KKR Managed Fund as manager in the absence of significant misconduct by the manager.</p> <p>Please refer to Section 11.1 of the PDS for a summary of the Investment Management Agreement under which the Manager will be appointed, including termination rights of each of the Manager and Responsible Entity. Please also refer to Section 9 of the PDS for a summary of the fees that may be payable to the Manager.</p>		<p>Sections 9 and 11.1 of the PDS</p>
Disclosure principle 3	Fund Structure	Further information
<p>The Trust is an Australian registered managed investment scheme structured as a unit trust and the Units are expected to trade on the ASX.</p> <p>For a diagram depicting the structure of the Trust and the KKR Funds, as well as the names of the key service providers involved in the operation of the Trust, and a description of their services, see Section 5.1 of the PDS. Also see Section 5.1 of the PDS for an overview of the jurisdictions of the entities involved in the structure of the Trust.</p> <p>The Responsible Entity has entered into agreements with and has procedures in place to monitor key service providers to ensure compliance with their obligations.</p> <p>The Responsible Entity in its personal capacity, or companies related to the Responsible Entity, may invest in the Trust or provide services to the Trust. The managers of the KKR Managed Funds and certain other service providers to the KKR Managed Funds are affiliates of KKR and KKR Credit.</p> <p>The risks associated with the Trust’s structure are described in Section 8 of the PDS. The related party relationships within the structure and the management of conflicts of interest are described in Section 13.5 of the PDS.</p>		<p>Sections 5, 8 and 13.5 of the PDS</p>

Disclosure principle 4	Valuation, Location and Custody	Further information
<p>The assets of the Trust will be valued using the information most recently available from each KKR Managed Fund and a framework for the valuation of financial instruments that is consistent with current practice and regulatory requirements and will represent the Responsible Entity's assessment of current market value. The KKR Funds are valued monthly (except for the European Direct Lending Fund which is valued quarterly) in line with KKR Credit's valuation policies.</p> <p>The Trust's target asset allocation upon the full deployment of capital will be across the KKR Funds, which comprise of investments across underlying portfolios of primarily senior secured loans, bonds, notes and other debt securities and related financial instruments. The target allocation ranges for the KKR Funds are shown in Section 4.7 of the PDS. The investments of the Trust and the KKR Funds are global and the assets of the Trust and the KKR Funds will be held by an external custodian.</p>	<p>Sections 4.6 and 5.7 of the PDS</p>	
Disclosure principle 5	Liquidity	Further information
<p>While the Trust is listed, Units are not able to be redeemed except under a withdrawal offer or a buy back of Units which satisfies the requirements of the Corporations Act and the Listing Rules.</p> <p>The Responsible Entity will apply within seven days of the date of this PDS for admission of the Trust to the official list of the ASX and for quotation of the Units on the ASX. Accordingly, Unitholders' liquidity is expected to be achieved by way of the ability to sell Units on the ASX after the Units are quoted on the ASX.</p> <p>Please refer to Section 8.3 of the PDS for a description of liquidity risk which arises because certain of the KKR Funds will invest in private illiquid and long-term investments and the KKR Funds may otherwise be prohibited from selling investments for a period of time or restricted from disposing of them.</p>	<p>Sections 5.6 and 8.3 of the PDS</p>	
Disclosure principle 6	Leverage	Further information
<p>Please refer to the Investment Overview ("<i>Will the Trust be leveraged (i.e. will the Trust borrow money?)</i>") and Section 4.11 of the PDS.</p>	<p>Sections 1.2 and 4.11 of the PDS</p>	
Disclosure principle 7	Derivatives	Further information
<p>Please refer to the Investment Overview ("<i>Will the Trust use hedging and/or Derivatives?</i>") and Section 4.12 of the PDS.</p> <p>Derivatives used by the Trust may be traded on exchanges or over-the-counter via a broker-dealer. Factors considered by the Manager in a typical review of derivative counterparties include counterparty risk metrics including credit default swaps, financial information, background checks and searches of public registers.</p>	<p>Sections 1.2 and 4.12 of the PDS</p>	
Disclosure principle 8	Short Selling	Further information
<p>The Trust does not use short selling and short selling is not permitted under the Trust's Investment Strategy. The KKR Managed Funds do not currently use short selling and have no intention to do so.</p>	<p>Section 4.13 of the PDS</p>	

Disclosure principle 9	Withdrawals	Further information
<p>Subject to the Corporations Act and the Listing Rules, the Responsible Entity may at its discretion, elect to buy back Units, which will then be cancelled in accordance with the Corporations Act.</p> <p>Please refer to Section 5.6 of the PDS for a summary of the circumstances in which the Responsible Entity may be permitted to buy back Units.</p>		<p>Sections 5.6 and 11.4.4 of the PDS</p>