



KKR CREDIT INCOME FUND (ASX: KKC)

The KKR Credit Income Fund aims to provide Australian and New Zealand investors with attractive, risk-adjusted returns and access to a diversified portfolio of income generating alternative credit investments

Video: Investment Update with Ian Anderson

26 November 2020

Today Ian Anderson, a Director within the European Direct Lending (EDL) Investment team provides a video investment update on the KKR Credit Income Fund (KKC).

The video is the second in a new series intended to provide unitholders with deeper insight into KKC's portfolio and KKR's Credit team. In the video, Ian provides a KKC performance update (0:42), a deep dive into KKR's EDL Platform (2:06), an EDL portfolio overview (6:58) and the opportunities for EDL in 2020 (11:23).



An update on KKC

Since the first video in this series with KKR Credit's partner and portfolio manager, Jeremiah Lane (view [here](#)), the KKC NTA has improved from ~\$2.36 [1] to ~\$2.42 [2]. While the Manager appreciates there is more work to be done to reduce the trading discount to NTA, KKC is focused on implementing the restructure of the investment in the Global Credit Opportunities Fund (GCOF). This will provide much wanted liquidity by allowing KKC to separately hold GCOF assets in its own account and to buy and sell investments directly.

KKR's EDL Fund

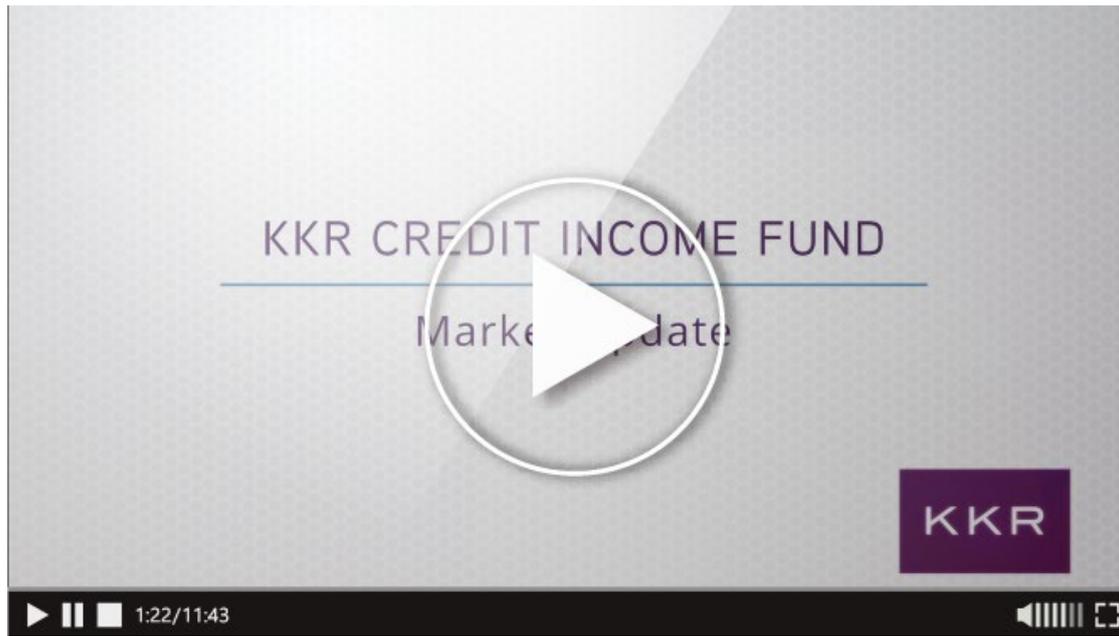
KKR's EDL Fund had its final close on 18th September. The fund has buying power of ~\$1.3bn (A\$1.8bn) and KKC represents ~21% of this figure. KKC will have the same pro-rata split of all assets in the EDL fund, alongside other investors and KKR's balance sheet.

The addition of the EDL fund to KKC's portfolio is expected to benefit KKC unitholders by providing greater diversification across global credit markets and providing access to privately originated debt. The EDL fund will primarily target upper-middle market borrowers based in Western Europe i.e. businesses based in the UK, France, Germany, the Benelux region, Spain and Ireland which tend to have €50m - €100m of EBITDA per annum. The Manager expects these businesses to have better overall credit profiles and therefore better risk-adjusted returns.

With this in mind, the Manager would like to re-iterate the investment philosophy of the EDL strategy:

"KKR seeks to be the Sole or Lead Lender by providing senior secured capital to established upper-middle market European borrowers in stable industries".

For better insight into the EDL strategy, watch the full video with Ian Anderson [here](#).



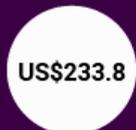
[1] KKC NTA released to ASX on 17 September 2020

[2] KKC NTA released to ASX on 23 November 2020

About KKR



years of
experience



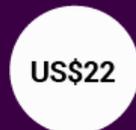
billion total assets
under management¹



billion credit assets
under management



KKR Investment
Professionals



billion invested
alongside our clients²

Figures as of 30 September, 2020. Represents assets managed by KKR or its strategic partners (on a proportionate basis) as to which KKR is entitled to receive a fee or carried interest (either currently or upon deployment of capital) and proprietary general partner capital. Includes investments/commitments made by KKR's balance sheet, KKR employees and other affiliates. Investments made by current and former KKR employees are retained by those individuals personally. Includes unfunded commitments made by individuals.



Important Information

General

This information has been prepared by KKR Australia Investment Management Pty Ltd ABN 42 146 164 454, AFSL 420 085 (the "Manager" or "KKR") and issued by Seed Partnerships Pty Ltd ABN 32 606 230 639 AFSL 492973 on behalf of the Manager and The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235150 (the "Responsible Entity" or "TTCRESL"). TTCRESL is the responsible entity and issuer of units in the KKR Credit Income Fund ARSN 634 082 107 ("KKC" or the "Trust"). TTCRESL has appointed KKR to act as the manager of the Trust. This update is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not indicative of future performance. This information is believed to be accurate at the time of compilation and is provided in good faith. This information may contain information contributed by third parties. KKR and TTCRESL do not warrant the accuracy or completeness of any information contributed by a third party.

Before making any investment decisions you should consider the Product Disclosure Statement (PDS) for the Trust issued by TTCRESL and the Trust's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.kkcaustralia.com.au or can be obtained by calling 1300-131-856 within Australia.

None of KKR, its affiliates or its related bodies corporate, or any company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of the Trust or the return of an investor's capital. This information does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of the Trust's units.

Information in this update

This information is only as current as the date indicated, and may be superseded by subsequent market events or for other reasons.

This information may contain projections or other forward-looking statements and comments regarding future events, including targets or expectations regarding the Trust's business, plans and strategies. Forward-looking statements also include prospective financial information for the Trust. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar words that involve risks and uncertainties. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is no assurance that such events or targets will be achieved. A number of important factors could cause the Trust's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, and many of these factors are beyond the control of TTCRESL and KKR. This information is not a promise or representation as to the future and past performance is not a guarantee of future performance. Statements or assumptions in this information as to future matters may prove to be incorrect and may be superseded by subsequent market events or for other reasons. You acknowledge that the circumstances may change and that this information may become outdated as a result.

You should make your own independent assessment of this information and seek your own independent professional advice in relation to the information and any action taken on the basis of the information.

You are receiving this email as you have opted to receive KKC updates. The Manager gathers and analyses non-personal data regarding the use of the KKC website (www.kkcaustralia.com.au) and advertisements, including domain names, number of hits, pages visited, length of user session, etc., to evaluate the usefulness of the site/advertisements. This data is collected for statistical purposes only and may be shared with TTCRESL and KKC's unit registry, Boardroom Pty Limited ABN 14 003 209 836. Your personal information is kept to provide you with this update. We may disclose your personal information to external parties who provide services to the Manager (for example, mail houses, and database management services) and, unless you tell us otherwise, your financial adviser. Otherwise, we will not disclose your personal information to any other external parties unless required by law.

You may be entitled to access information which the Manager holds about you. If you would like access or you do not want to receive other information, please contact the Manager.

The Manager's privacy policy is available on the KKC website www.kkcaustralia.com.au or by contacting the Manager as follows:

KKR Australia Investment Management Pty Ltd
Level 42, Gateway Building
1 Macquarie Place
Sydney NSW 2000
Kapil.Kirpalani@kkc.com
+852 36027376

If you do not want to receive further updates, please [unsubscribe](#) here.

Unit Registry - Boardroom Pty Ltd · Grosvenor Place · Level 12, 225 George Street · Sydney, NSW 2000 · Australia