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KKR Credit Income Fund Market Update

September 2020



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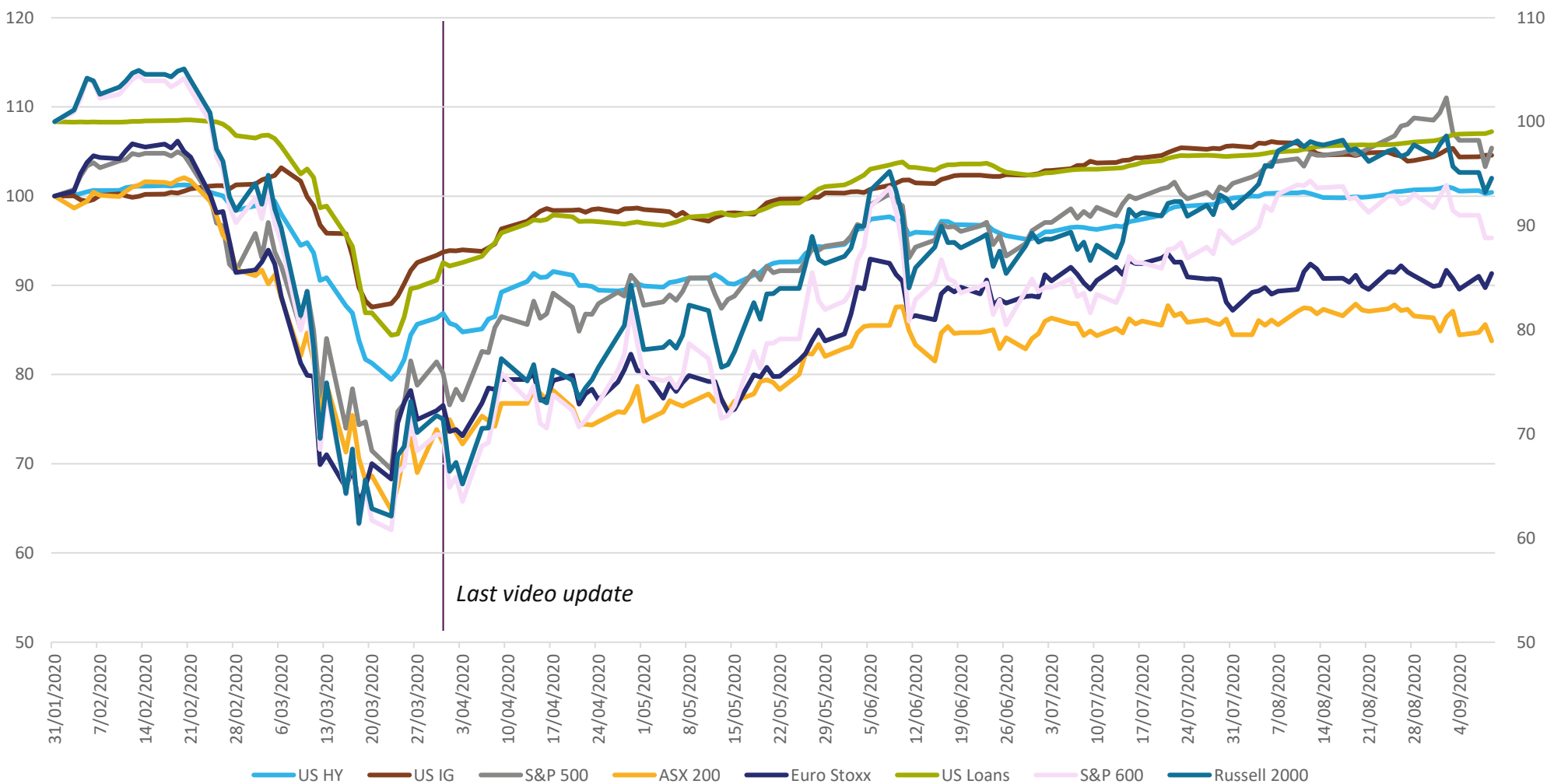
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Agenda

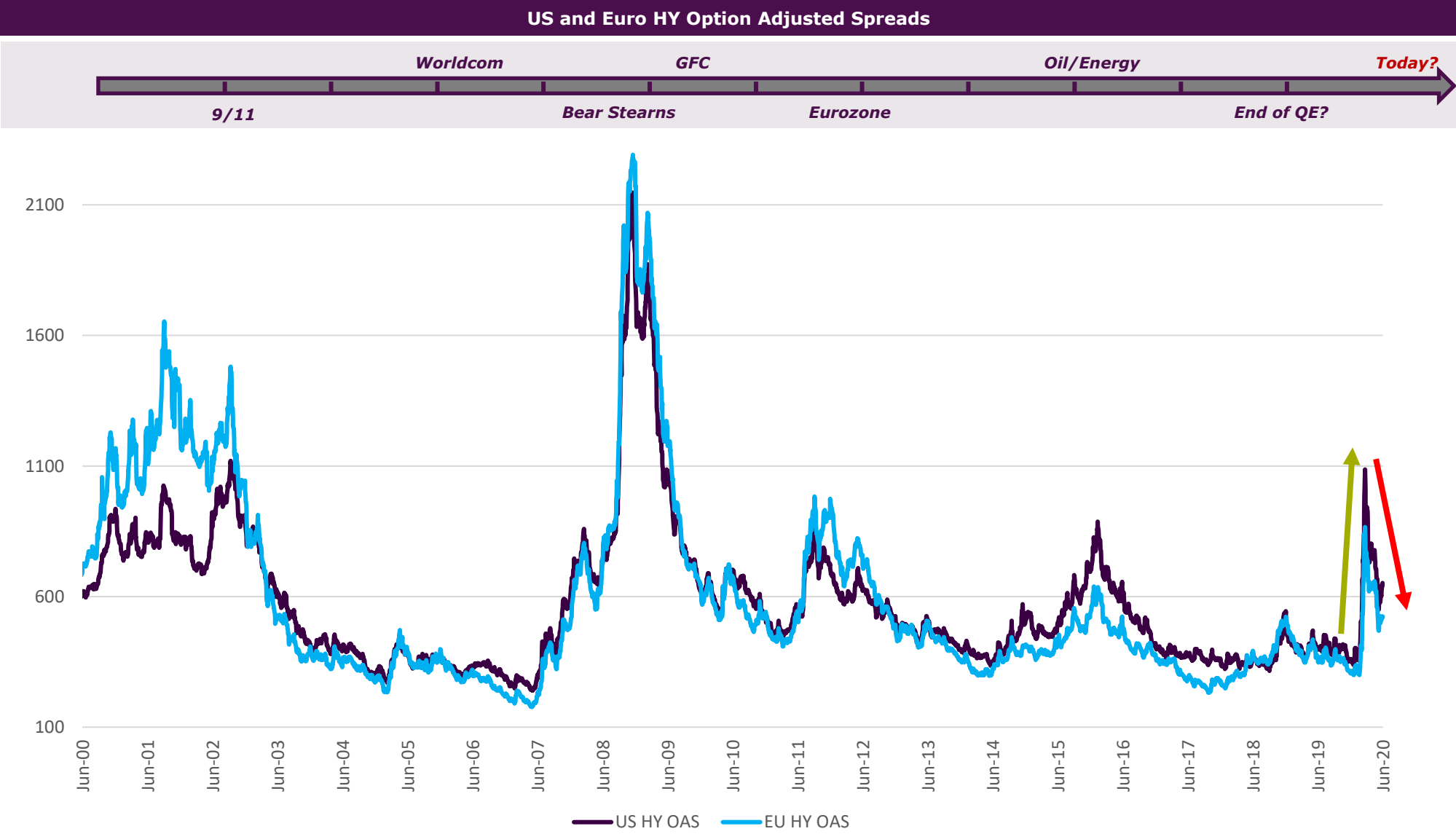
1. Market Update
2. Performance Attribution
3. Current portfolio positioning and outlook
4. KKC plans

Major Markets Have Rebounded since the Lows of late March 2020

Relative Performance of Major Indices (Rebased at 100%)

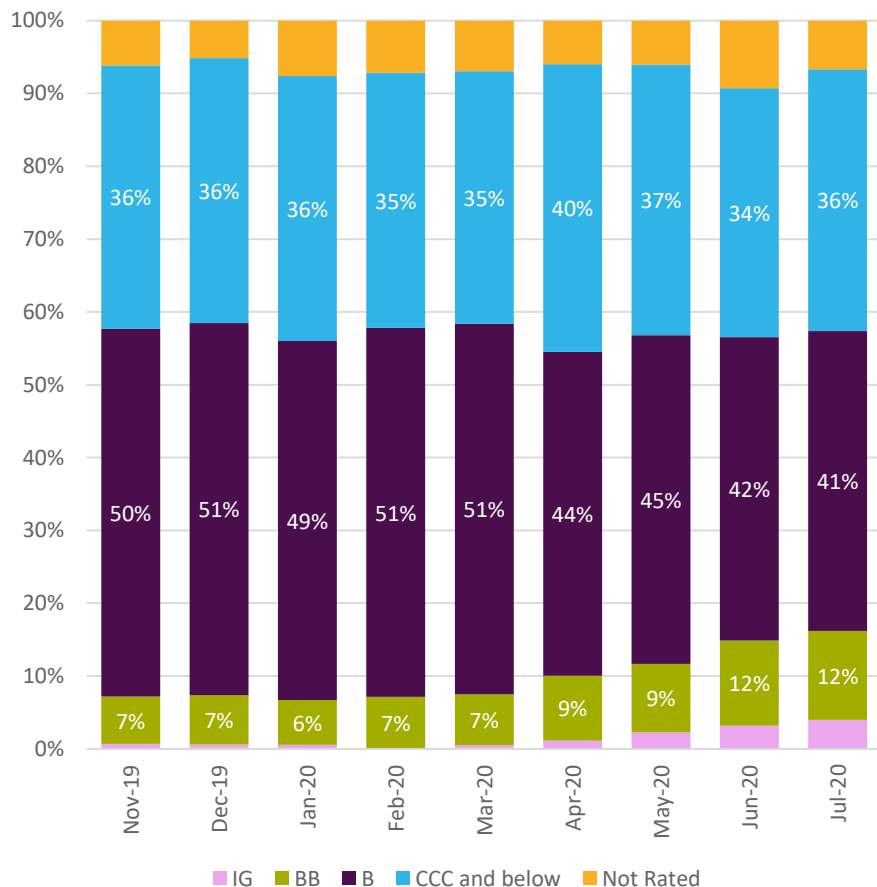


Where Are We In The Market – Credit Spreads



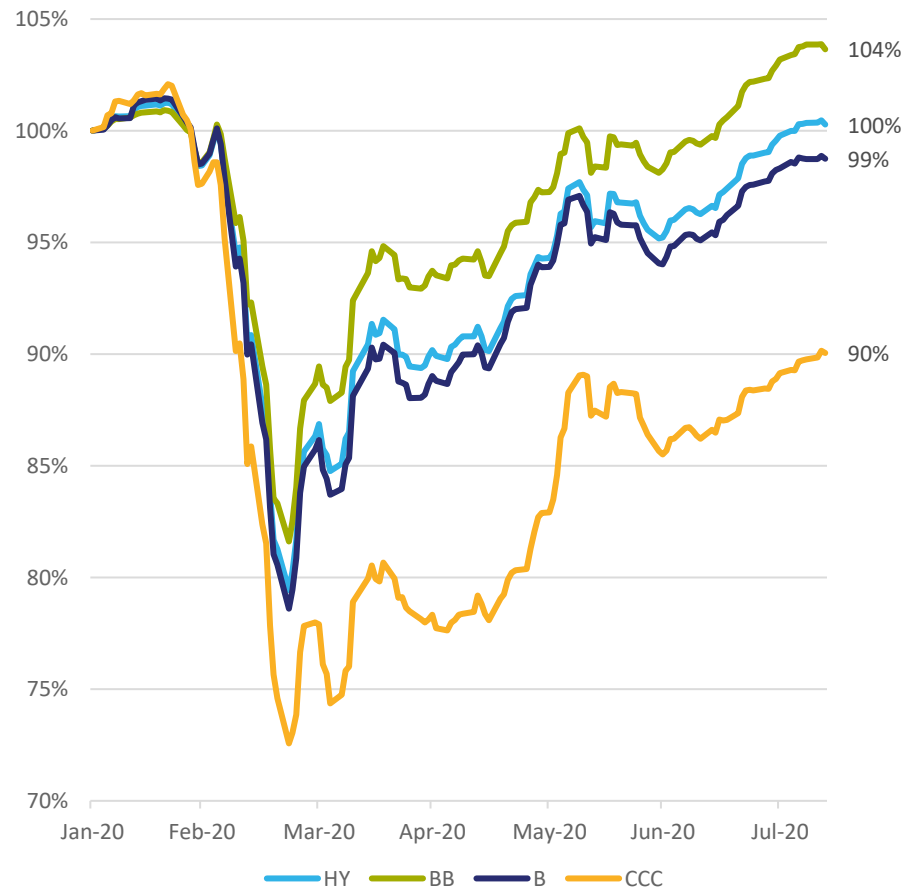
Deeper Dive into High Yield Performance by Rating⁽¹⁾

Ratings Evolution of GCOF



Source: KKR as at 31 July 2020. Exposures are shown ex-cash.

US HY Performance: Rebased on 31 Jan'20



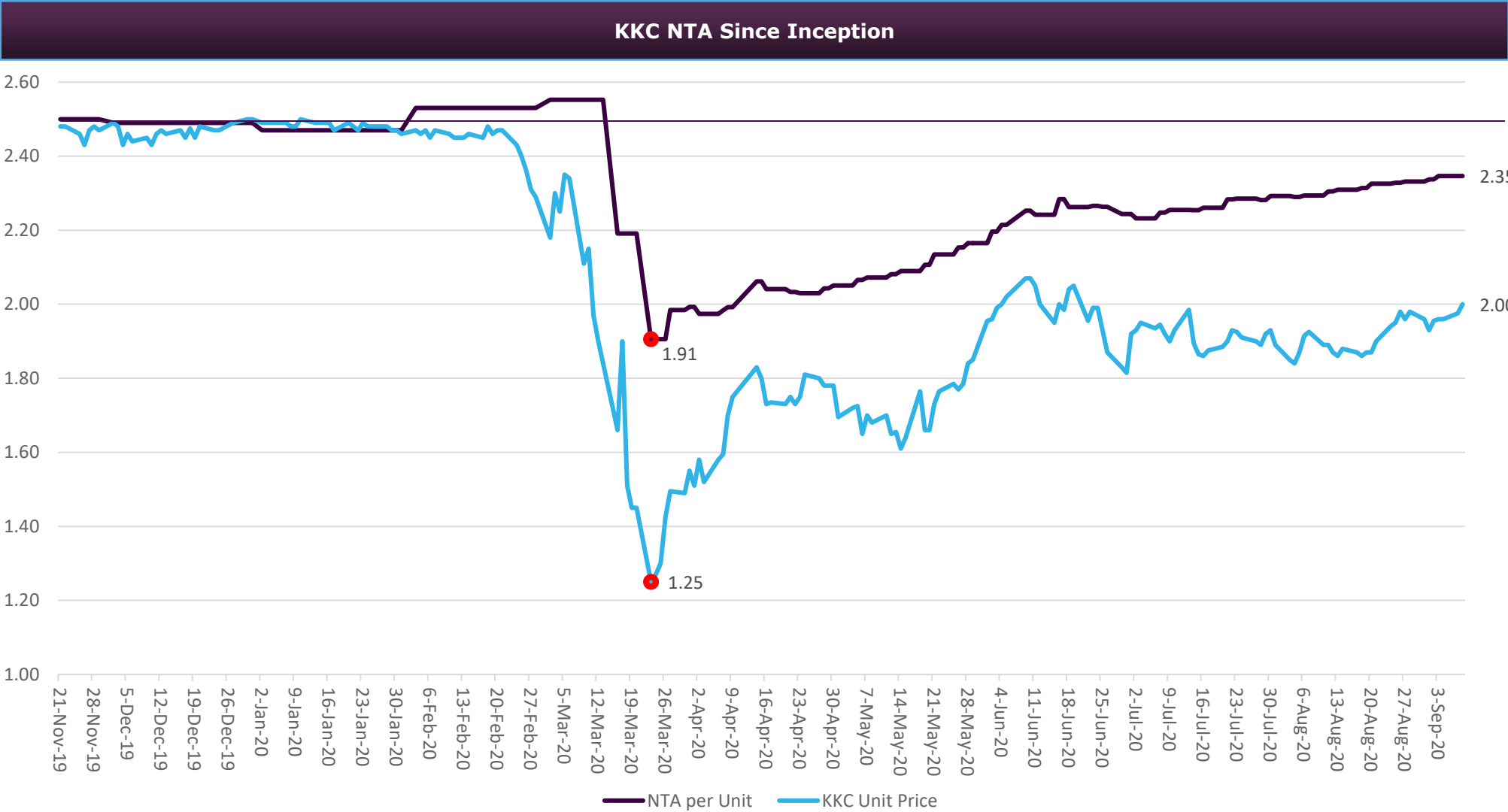
Source: Bloomberg as at 31 July 2020. Bloomberg has not provided its consent to the inclusion of this data in this presentation

CCC Exposure has remained broadly consistent since the inception of KKR

For context, CCCs comprise just 8.6% and 12.9% of the US loan and HYB markets

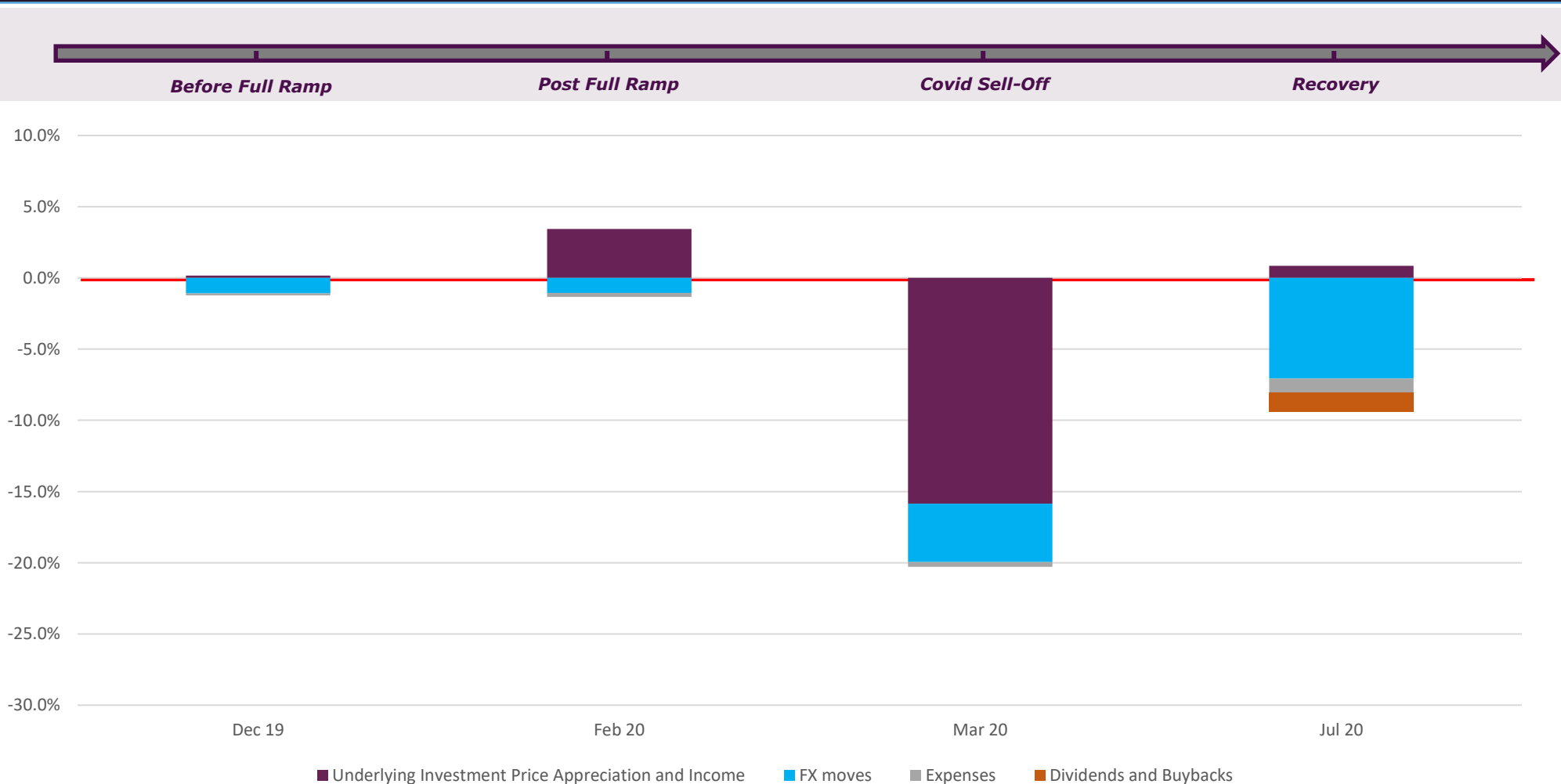
CCC Assets in the market have lagged other rating cohorts

NTA has been Recovering since lows of late March 2020⁽¹⁾



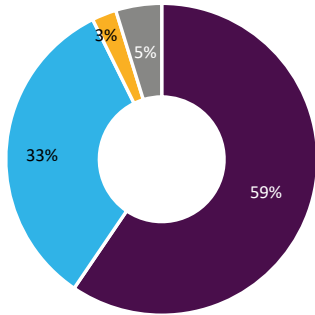
NTA Attribution⁽¹⁾

% Change in Original A\$925m NTA since Inception At Different Times



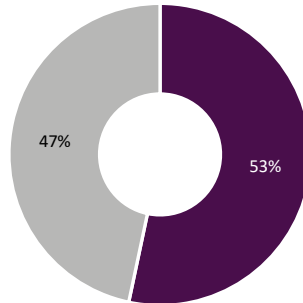
KKC - Current Portfolio Positioning*

SENIOR vs. SUBORDINATED



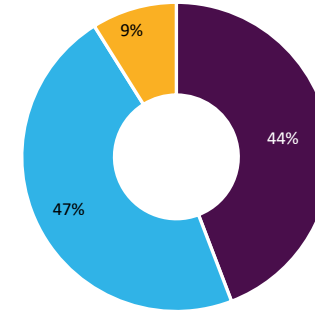
- Senior Secured
- Senior Unsecured
- Subordinated
- Other

FLOATING vs. FIXED



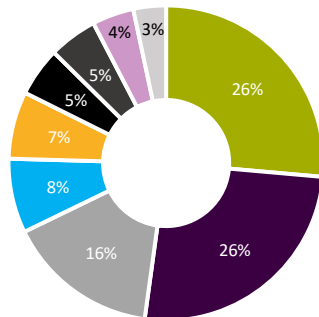
- % Floating Rate
- % Fixed Rate

ASSET TYPE DIVERSIFICATION



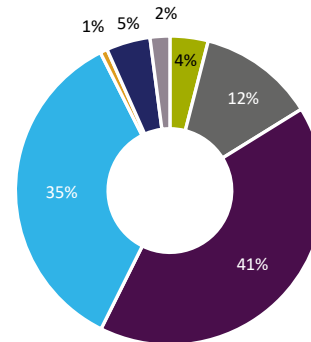
- High Yield Bonds
- Bank Loans
- Other

SECTOR DIVERSIFICATION



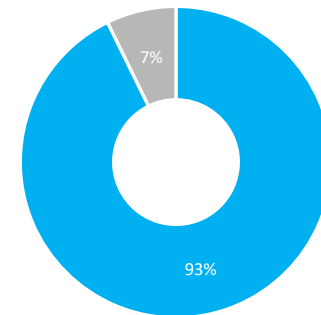
- Industrials
- Information Technology
- Health Care
- Materials
- Other
- Consumer Discretionary
- Consumer Staples
- Financials
- Energy

RATING DIVERSIFICATION



- Investment Grade
- B
- Below CCC
- Other
- BB
- CCC
- Not Rated

GEOGRAPHIC DIVERSIFICATION

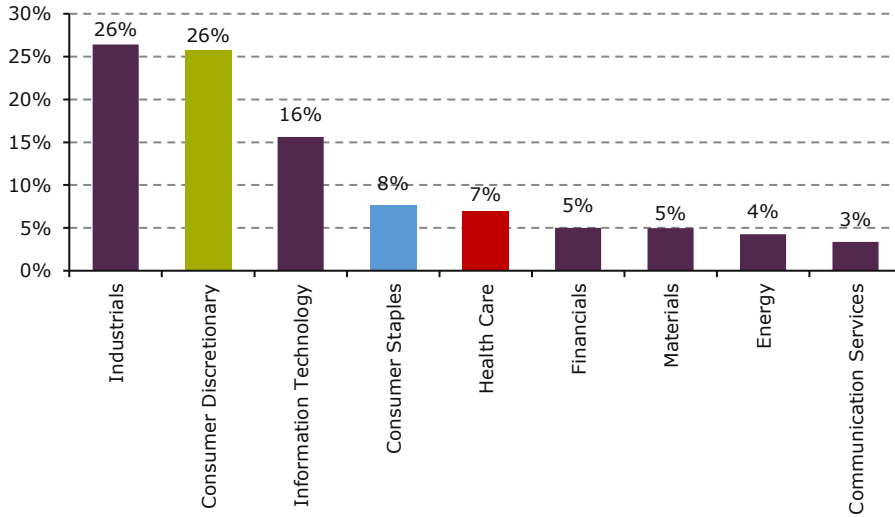


- North America
- EMEA

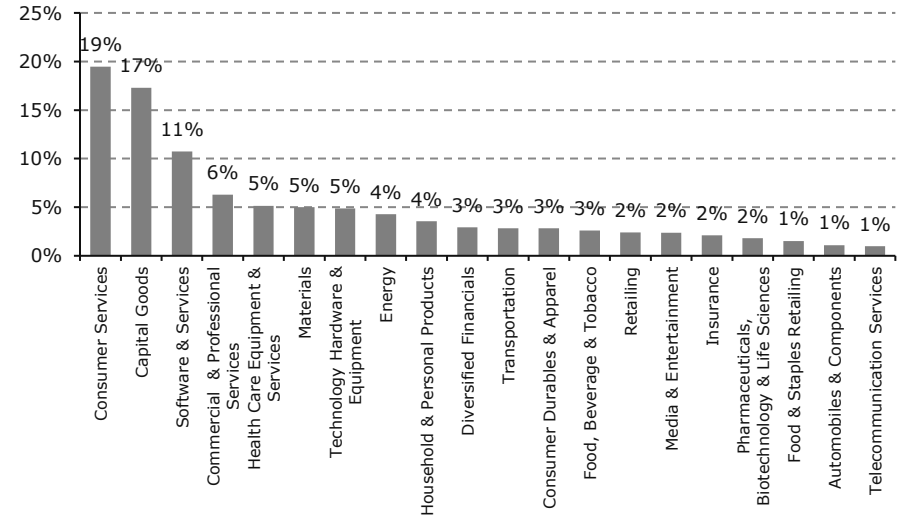
Note: For illustrative purposes only. Investments by the Fund are not limited to the types described. The specific investments identified are not representative of all of the investments in which the Fund will directly or indirectly have an interest and it should not be assumed that the investments in the companies identified was or will be profitable. All opinions and estimates constitute judgments of KKR and are subject to change without notice. These statements should therefore not be relied upon as an accurate representation or prediction as to any future matters.*Based on look through to KKC's underlying funds. Represents GCOF assets as of 31 July 2020

KKR GCOF Portfolio Snapshot

Sector Exposure⁽¹⁾

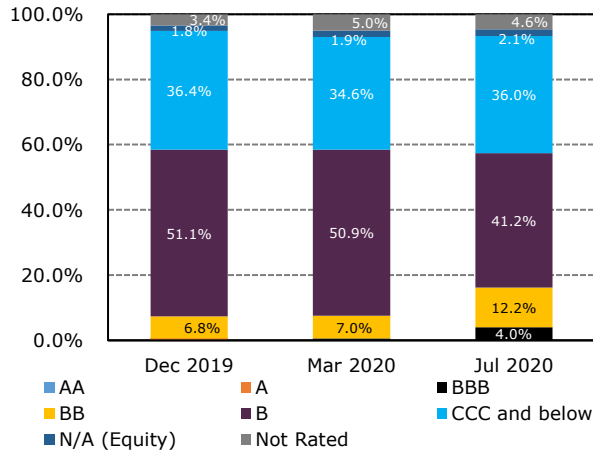


Sub-Sector Exposure⁽¹⁾

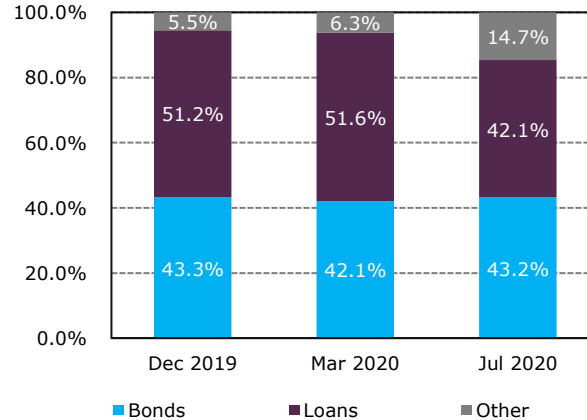


Portfolio Evolution Over Time⁽¹⁾

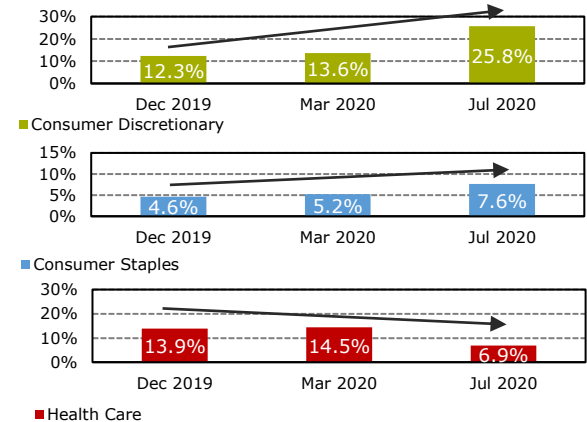
Migration to Higher Quality...



Growth in Bond Exposure...

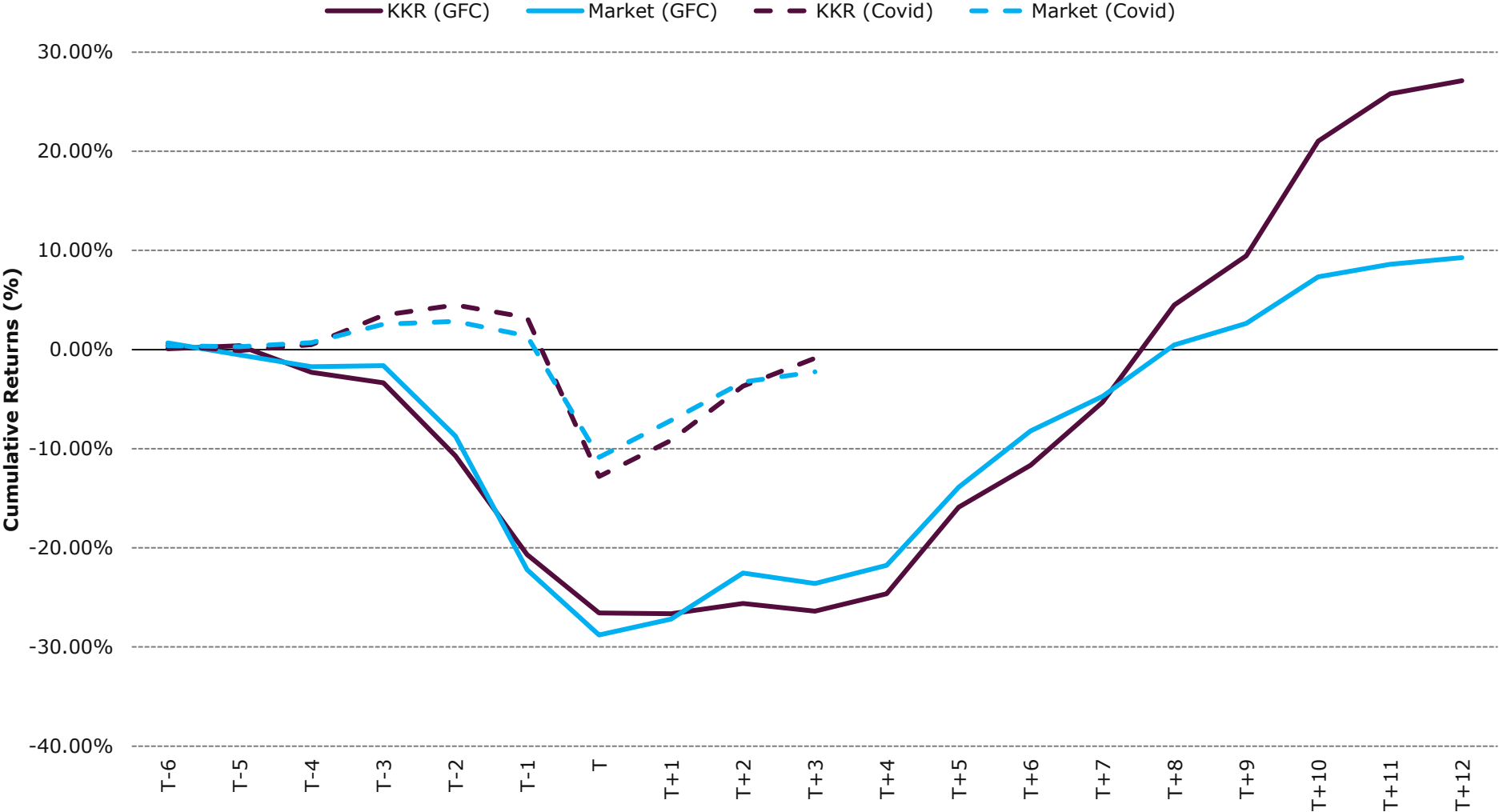


And Taking Advantage of Sector Specific Opportunities...



Scenario Analysis: GFC vs. COVID

Returns During Periods of Volatility⁽¹⁾



KKR (1). Represents rolling monthly gross returns beginning T-6 of the KKR Opportunistic Credit Composite for periods from May 2008 – November 2009 (“GFC”) and September 2009 – June 2020 (“Covid”). T-1 refers to one month before max drawdown. Market here refers to the GCOF benchmark (50% S&P LSTA Loan Index and 50% BAML HY Index). Source: S&P LCD and BAML as at 30 June 2020. S&P LCD and BAML have not provided its consent to the inclusion of this data in this presentation.

Changes Made to Date and Next Steps

1. Bi-weekly NTA estimates
2. More regular investment updates
3. New resources on the ground
4. More flexibility planned within the KKC structure

Key Takeaways

1. Strong market recovery, but KKC well positioned
2. Upside potential with downside protection
3. Focus on higher cash yields on the assets
4. Steps taken to improve transparency for unitholders and more structural changes planned to build in more flexibility