

KKR Credit Income Fund

ARSN 634 082 107

Appendix 4D

Interim Report

For the half-year ended 31 December 2024

Details of Reporting Period

This interim report is for the half-year from 1 July 2024 to 31 December 2024. The previous corresponding half-year was from 1 July 2023 to 31 December 2023.

The Directors of The Trust Company (RE Services) Limited, the Responsible Entity of KKR Credit Income Fund (the "Fund") announced the reviewed results of the Fund for the half-year ended 31 December 2024 as follows:

Results for announcement to the market

	Half- year ended		Increase/(Decrease)	
	31 December 2024	31 December 2023	over corresponding period	
	\$'000	\$'000	\$'000	%
Net assets attributable to unitholders	797,182	788,255	8,927	1.13
Total investment income	39,572	63,644	(24,072)	(37.82)
Operating profit	34,235	58,705	(24,470)	(41.68)

Brief explanation of results

Total investment income for the half-year ended 31 December 2024 of \$39.57 million was comprised primarily of investment income of \$29.49 million, net unrealised losses on forward currency contracts of \$35.80 million, net unrealised gains on investments of \$53.46 million, net realised losses on forward currency contracts of \$11.57 million and realised gains on investments of \$3.99 million.

Distribution information

The distributions for the two periods were as follows:

	Cents per unit	Total Amount \$	Record Date	Date of Payment
July 2023	1.6700	5,386,317	31 July 2023	14 August 2023
August 2023	1.6700	5,386,317	31 August 2023	15 September 2023
September 2023	1.6700	5,386,317	29 September 2023	13 October 2023
October 2023	1.6700	5,386,317	31 October 2023	14 November 2023
November 2023	1.6700	5,386,317	30 November 2023	14 December 2023
December 2023	1.6700	5,386,317	29 December 2023	15 January 2024
July 2024	1.6700	5,386,317	31 July 2024	15 August 2024
August 2024	1.6700	5,386,317	30 August 2024	13 September 2024
September 2024	1.6700	5,386,317	30 September 2024	15 October 2024
October 2024	1.6700	5,386,317	31 October 2024	14 November 2024
November 2024	1.6700	5,386,317	29 November 2024	13 December 2024
December 2024	1.6700	5,386,317	31 December 2024	15 January 2025

Distribution Reinvestment Plan

The Responsible Entity has established a Distribution Reinvestment Plan ("DRP") in relation to distributions. The Responsible Entity has made distributions on a monthly basis through the half-year ended 31 December 2024. For such distributions, it is expected the record date will be the last Australian Securities Exchange ("ASX") trading day of each month.

Units under the DRP are issued at the net asset value of a unit as determined in accordance with the Fund's constitution on the record date.

The DRP was suspended for the distributions declared during the half-years ended 31 December 2024 and 2023 until further notice.

Net tangible assets

	As at	
	31 December 2024	31 December 2023
Net tangible assets per unit	\$2.4716	\$2.4439

Control gained or lost over entities during the period

There was no gain or loss of control over entities during the current period.

Details of associates and joint venture entities

The Fund did not have any interest in associates and joint venture entities during the current period.

Other Information

The Fund is not a foreign entity.

Independent review report

This Appendix 4D is based on the half-year end financial statements which have been reviewed by the Fund's Auditors – Deloitte Touche Tohmatsu.

KKR Credit Income Fund

ARSN 634 082 107

Interim report

For the half-year ended 31 December 2024

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This interim report does not include all the notes of the type normally included in an annual report. Accordingly, this interim report is to be read in conjunction with the annual report for the year ended 30 June, 2024 and any public announcements made in respect of KKR Credit Income Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim report covers KKR Credit Income Fund as an individual entity. The responsible entity of KKR Credit Income Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150). The responsible entity's registered office is:

Level 18 Angel Place
123 Pitt Street
Sydney NSW 2000.

Directors' report

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) is the responsible entity (the "Responsible Entity") of KKR Credit Income Fund (the "Fund"). The directors of the Responsible Entity (the "Directors") present their report together with the financial statements of the Fund for the half-year ended 31 December 2024.

Principal activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund's investment objective is to provide unitholders with an income stream as well as to achieve attractive long-term capital appreciation over a full market cycle by providing investors with exposure to underlying credit investments that are diversified (by number of investments and across geographies and asset classes). These assets will typically have a high income component. As set out in the Fund's product disclosure statement dated 19 September 2019 (as amended by the supplementary product disclosure statement dated 9 October 2019), the Fund seeks to achieve this objective by investing directly in KKR Lending Partners Europe II (Euro) Unlevered SCSp (the "EDL Euro Fund"), KKR Lending Partners Europe III (Euro) SCSp (the "EDL III Euro Fund") and in a profit participating note ("Access Fund PPN") issued by KKR Global Credit Opportunities Access Fund L.P. (the "Access Fund"). The Access Fund invests in loans and bonds through its ownership in KKR GCOF Access Fund Funding L.P., and invests in credit assets and certain other assets through its ownership in KKR GCOF Access Fund Holding L.P.

As at 31 December 2024, the Fund's investments are in the Access Fund PPN, the EDL Euro Fund and the EDL III Euro Fund. For more information on the Access Fund PPN, the EDL Euro Fund and the EDL III Euro Fund, refer to the most recent audited financial statements that have been lodged with the Australian Securities Exchange ("ASX") in accordance with ASX listing rules 4.8 and 4.9.

The Fund was constituted on 12 June 2019 and commenced operations on 15 November 2019.

There were no significant changes in the nature of the Fund's activities during the half-year.

The Fund is currently listed on the ASX under the ASX code KKC.

The Fund did not have any employees during the half-year.

Directors

The Directors of the Responsible Entity during the period and up to the date of this report are shown below. The Directors were in office for this entire period except where stated otherwise:

Name

Glenn Foster

Vicki Riggio

Phillip Blackmore Alternate Director for Vicki Riggio

Alexis Dodwell

Units on issue

Units on issue in the Fund at half-year end are set out below:

	As at	
	31 December	30 June
	2024	2024
	No.	No.
Units on issue	322,533,881	322,533,881

Directors' report (continued)

Review and results of operations

During the half-year, the Fund invested in accordance with investment objective and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's constitution.

Results

The performance of the Fund, as represented by the results of its operations, were as follows:

	Half-year ended	
	31 December 2024	31 December 2023
Operating profit (\$'000)	34,235	58,705
Distributions paid and payable (\$'000)	32,318	32,318
Distributions (cents per unit)	10.02	10.02

Financial Position

As at 31 December 2024, the Fund's total assets amounted to \$842.5 million (30 June 2024: \$819.9 million).

Net Tangible Assets ("NTA") per unit as disclosed to the ASX were as follows:

	As at	
	31 December 2024	30 June 2024
At reporting period *	2.4716	2.4657

* The above NTA per unit was the ex-price which excludes 1.6700 cents per unit distribution (2024: 1.6700 cents per unit).

Significant changes in state of affairs

The DRP was suspended for the distributions declared during the half-years ended 31 December 2024 and 2023 until further notice.

On 8 May 2024, Perpetual Limited announced it had entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") who will acquire 100% of the businesses and entities comprising Wealth Management and Corporate Trust from Perpetual Shareholders via a Scheme of Arrangement, for total cash consideration of A\$2.175 billion ("Scheme"). If the Scheme is implemented, The Trust Company (RE Services) Limited is the entity that will be acquired by KKR.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Fund that occurred during the half-year.

Matters subsequent to the end of the financial period

On 24 February 2025, Perpetual Limited announced that the Scheme Implementation Deed with KKR has been terminated. The recipient of this financial report is directed to the ASX announcement made by Perpetual Limited on 24 February 2025, the link to which can be found at <https://www.perpetual.com.au/shareholders/asx-announcements/>.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or could significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

Directors' report (continued)

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers and auditors

No insurance premiums were paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of the Responsible Entity or the auditors of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's constitution and the *Corporations Act, 2001*, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Fund's property during the half-year are disclosed in note 7 of the interim financial statements.

No fees were paid out of the Fund's property to the Directors of the Responsible Entity during the half-year.

The number of units in the Fund held by the Responsible Entity or its associates as at the end of the half-year are also disclosed in note 7 of the interim financial statements.

Units in the Fund

The movement in units on issue in the Fund during the half-year is disclosed in note 4 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the Condensed Statement of Financial Position at fair value.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with the ASIC Corporations Instrument, unless otherwise indicated.

Directors' report (continued)

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director _____

The Trust Company (RE Services) Limited

Sydney

26 February 2025

26 February 2025

The Board of Directors
The Trust Company (RE Services) Limited
As the Responsible Entity for KKR Credit Income Fund
Level 18, 123 Pitt Street
Sydney NSW 2000

Dear Directors of the Trustee,

Auditor's Independence Declaration to KKR Credit Income Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of The Trust Company (RE Services) Limited as the Responsible Entity of KKR Credit Income Fund (the "Fund").

As lead audit partner for the review of the half year financial report of KKR Credit Income Fund for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Nicholas Rozario
Partner
Chartered Accountants

Sydney, 26 February 2025

KKR Credit Income Fund
Condensed Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2024

Condensed Statement of Profit or Loss and Other Comprehensive Income

	Notes	Half-year ended	
		31 December 2024 \$'000	31 December 2023 \$'000
Investment income			
Investment income from financial assets at FVTPL		29,487	33,004
Net unrealised/realised gains on financial assets and liabilities at FVTPL		<u>10,085</u>	<u>30,640</u>
Total investment income		<u>39,572</u>	<u>63,644</u>
Expenses			
Management fees	7	3,685	3,421
Remuneration to auditors		266	272
Insurance expense		252	342
Custody and administration fees		219	149
Registry expenses		215	158
Responsible Entity fees	7	104	109
Other expenses		<u>596</u>	<u>488</u>
Total expenses		<u>5,337</u>	<u>4,939</u>
Operating profit		<u>34,235</u>	<u>58,705</u>
Profit		34,235	58,705
Other comprehensive income		—	—
Total comprehensive income		<u>34,235</u>	<u>58,705</u>
Earnings per unit for profit attributable to unitholders of the Fund			
Basic and diluted earnings per unit in cents	6	10.61	18.20

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

KKR Credit Income Fund
Condensed Statement of Financial Position
As at 31 December 2024

Condensed Statement of Financial Position

		As at	
		31 December 2024	30 June 2024
		\$'000	\$'000
	Notes		
Assets			
Cash and cash equivalents		47,241	47,167
Other assets		693	395
Financial assets held at FVTPL	3	794,516	772,288
Total assets		<u>842,450</u>	<u>819,850</u>
Liabilities			
Distributions payable (net of withholding taxes)	5	5,386	5,359
Performance fees payable	7	–	5,629
Management fees payable	7	593	412
Responsible Entity fees payable	7	114	66
Other payables		424	396
Financial liabilities held at FVTPL	3	38,751	12,723
Total liabilities		<u>45,268</u>	<u>24,585</u>
Net assets attributable to unitholders - equity	4	<u>797,182</u>	<u>795,265</u>

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

KKR Credit Income Fund
Condensed Statement of Changes in Equity
For the half-year ended 31 December 2024

Condensed Statement of Changes in Equity

	Notes	Half-year ended	
		31 December 2024 \$'000	31 December 2023 \$'000
Total equity at the beginning of the half-year		795,265	761,868
Comprehensive income			
Profit for the half-year		<u>34,235</u>	58,705
Total comprehensive income		<u>34,235</u>	58,705
Transactions with unitholders			
Distributions paid and payable	5	<u>(32,318)</u>	(32,318)
Total transactions with unitholders		<u>(32,318)</u>	(32,318)
Total equity at the end of the half-year		<u><u>797,182</u></u>	<u><u>788,255</u></u>

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

KKR Credit Income Fund
Condensed Statement of Cash Flows
For the half-year ended 31 December 2024

Condensed Statement of Cash Flows

	Notes	Half-year ended	
		31 December 2024 \$'000	31 December 2023 \$'000
Cash flows from operating activities			
Proceeds from return of capital from financial instruments held at FVTPL		56,011	10,989
Purchases of financial instruments held at FVTPL		(48,330)	(48,585)
Investment income received		29,487	33,004
Performance fees paid		(5,629)	(1,143)
Proceeds from sale of financial instruments at FVTPL		4,833	46,846
Management fees paid		(3,504)	(3,390)
Other expenses paid		(1,874)	(1,846)
Net cash inflow from operating activities		<u>30,994</u>	<u>35,875</u>
Cash flows from financing activities			
Distributions paid	5	(32,291)	(30,480)
Net cash outflow from financing activities		<u>(32,291)</u>	<u>(30,480)</u>
Net (decrease)/increase in cash and cash equivalents		(1,297)	5,395
Cash and cash equivalents at the beginning of the half-year		47,167	6,769
Effects of foreign currency exchange rate changes on cash and cash equivalents		1,371	(116)
Cash and cash equivalents at the end of the half-year		<u>47,241</u>	<u>12,048</u>

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the interim financial statements

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1 General information

These interim financial statements cover KKR Credit Income Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme, which was constituted on 12 June 2019, registered with the Australian Securities and Investments Commission on 19 September 2019 and commenced operation on 15 November 2019. The Fund will terminate in accordance with the provisions of the Fund's constitution or by law.

The Fund was listed on the Australian Securities Exchange on 19 November 2019 and is quoted under ticker code: KKC.

The Trust Company (RE Services) Limited (ABN 45 003 278 831) is the responsible entity of the Fund (the "Responsible Entity"). The Responsible Entity has contracted services to KKR Australia Investment Management Pty Ltd (ABN 42 146 164 454) (the "Investment Manager"). The Investment Manager is an affiliate of KKR & Co., a global alternative asset manager (together with its affiliates as applicable, "KKR"). The contracts are on normal commercial terms and conditions.

The investment objective is to provide unitholders with an income stream as well as to achieve attractive long term capital appreciation over a full market cycle by providing investors with exposure to underlying credit investments that are diversified by a number of investments and across geographies and asset classes.

The Fund invests in income generating alternative credit investments managed by KKR's credit investment teams in accordance with the product disclosure statement and the provisions of the Fund's constitution. The Fund has invested in a profit participating note (the "Access Fund PPN") issued by the KKR Global Credit Opportunities Access Fund L.P. (the "Access Fund"). The Access Fund invests in loans and bonds through its ownership in KKR GCOF Access Fund Funding L.P. ("Funding L.P."), and invests in credit assets and certain other assets through its ownership in KKR GCOF Access Fund Holding L.P. ("Holding L.P."). Funding L.P. and Holding L.P. are collectively referred to as the "Access Fund SPVs."

The Fund also has invested €190.1 million of its total commitment to invest €234.0 million into KKR Lending Partners Europe II (Euro) Unlevered SCSp (the "EDL Euro Fund") and has invested €60.0 million of its total commitment to invest €200.0 million in KKR Lending Partners Europe III (Euro) SCSp (the "EDL III Euro Fund"). Together, the Access Fund, the EDL Euro Fund and the EDL III Euro Fund are referred to as the KKR Managed Funds.

The interim financial statements were authorised for issue by the directors of the Responsible Entity (the "Directors of the Responsible Entity") on 26 February 2025. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Basis of preparation and accounting policies

(a) Basis of preparation

These interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* in Australia. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Fund's annual financial report for the financial year ended 30 June 2024.

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission, and in accordance with that Corporations Instrument, amounts in the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Investment entity

The Fund is considered to meet the definition of an 'Investment Entity' as described in AASB 10 *Consolidated Financial Statements*. Under AASB 10, an Investment Entity is required to hold its subsidiaries at fair value through profit or loss ("FVTPL") rather than consolidation. Subsidiaries are entities over which control is exercised. Control exists when the entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Fund has determined that it exercises control over the Access Fund, however the Fund applies the investment entity exception available under AASB 10 and measures its subsidiaries at FVTPL.

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial half-year beginning 1 July 2024 that would be expected to have a material impact on the Fund.

3 Fair value measurement

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Access Fund PPN
- EDL Euro Fund
- EDL III Euro Fund
- Derivative financial instruments

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This may be the case for certain unlisted shares, certain corporate debt securities and unlisted unit trusts with suspended applications and withdrawals.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The determination of what constitutes 'observable' requires significant judgement by the Investment Manager. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The Fund's investments in the Access Fund PPN, the EDL Euro Fund and EDL III Euro Fund are recorded at fair value as provided by the investment managers of the respective funds.

The Fund has economic exposure to the Access Fund via its investment in the Access Fund PPN. The Access Fund used funds received from the issuance of the Access Fund PPN to make investments in the Access Fund SPVs and distributes income to the Fund as interest on the Access Fund PPN. The value of the Access Fund PPN will equal the fair value of the Access Fund's investment in the Access Fund SPVs, less any liabilities of the Access Fund. The Access Fund carries its investment in the Access Fund SPVs at fair value based on the Access Fund's proportionate interest in the partners' capital of the Access Fund SPVs. The Access Fund SPVs' portfolios are comprised primarily of bank loans and high yield bonds, the majority of which are classified as Level 2 investments and are valued daily using independent pricing services. For the remaining assets which are classified as Level 3, such assets are valued using independent valuation firms, who apply the appropriate valuation model depending on whether the asset is debt (generally, synthetic credit or re-underwriting analysis) or equity (generally, waterfall). As at 31 December 2024, approximately 90.0% of the Access Fund SPVs' investment portfolio consisted of bank loans and high yield bonds.

The Fund's fair value of the EDL Euro Fund as at 31 December 2024 is based on the Fund's proportionate interest in the net asset value of the EDL Euro Fund. The Fund's fair value of the EDL III Euro Fund as at 31 December 2024 is based on the Fund's proportionate interest in the net asset value of the EDL III Euro Fund. The EDL Euro Fund and the EDL III Euro Fund invest primarily in originated senior loans to European corporate entities. The majority of these investments are classified as Level 3 investments and are valued using independent valuation firms, who apply the appropriate valuation model depending on whether the asset is debt (generally, synthetic credit or re-underwriting analysis) or equity (generally, waterfall).

The carrying value of other receivables and payables are assumed to approximate their fair values due to the short term nature of these financial instruments.

The fair value of the forward contracts is determined using quoted forward exchange rates at the end of the period.

3 Fair value measurement (continued)

Recognised fair value measurement

The following table presents the Fund's financial assets and liabilities measured and recognised at fair value as at 31 December 2024 and 30 June 2024.

As at 31 December 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at FVTPL				
Forward currency contracts	–	21	–	21
Access Fund PPN	–	–	500,120	500,120
EDL Euro Fund	–	–	188,033	188,033
EDL III Euro Fund	–	–	106,342	106,342
Total financial assets at FVTPL	–	21	794,495	794,516
Financial liabilities at FVTPL				
Forward currency contracts	–	38,751	–	38,751
Total financial liabilities at FVTPL	–	38,751	–	38,751
As at 30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at FVTPL				
Forward currency contracts	–	9,790	–	9,790
Access Fund PPN	–	–	474,124	474,124
EDL Euro Fund	–	–	235,610	235,610
EDL III Euro Fund	–	–	52,764	52,764
Total financial assets at FVTPL	–	9,790	762,498	772,288
Financial liabilities at FVTPL				
Forward currency contracts	–	12,723	–	12,723
Total financial liabilities at FVTPL	–	12,723	–	12,723

(i) Transfers between levels

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the half-year ended 31 December 2024 and the year ended 30 June 2024.

3 Fair value measurement (continued)

(ii) Fair value measurement using significant unobservable inputs (level 3)

The following table presents the movement in level 3 financial instruments for the half-year ended 31 December 2024 and the year ended 30 June 2024. The significant unobservable inputs used to measure the fair value of the KKR Managed Funds are the underlying fund's respective net asset values. The higher the net asset value, the higher the value of the investment.

	Access Fund PPN \$'000	EDL Euro Fund \$'000	EDL III Euro Fund \$'000
31 December 2024			
Opening balance	474,124	235,610	52,764
Purchases	–	–	48,330
Sales	(16,423)	–	–
Return of capital*	–	(56,011)	–
Realised Gains	201	–	–
Net unrealised gains	42,218	8,434	5,248
Closing balance	500,120	188,033	106,342
Cumulative unrealised gains on investments held as at 31 December 2024	53,339	27,095	9,427
	Access Fund PPN \$'000	EDL Euro Fund \$'000	EDL III Euro Fund \$'000
30 June 2024			
Opening balance	454,742	320,786	–
Purchases	40,573	–	48,585
Sales	(49,733)	–	–
Return of capital**	–	(79,760)	–
Realised Gains	524	–	–
Net unrealised gains/(losses)	28,018	(5,416)	4,179
Closing balance	474,124	235,610	52,764
Cumulative unrealised gains on investments held as at 30 June 2024	11,121	18,661	4,179

* During the half-year ended 31 December 2024, the EDL Euro Fund made return of capital distributions of \$56.0 million (€33.9 million) to the Fund. The amount decreased the cost basis of the investment but did not reduce the total capital commitment.

** During the year ended 30 June 2024, the EDL Euro Fund made return of capital distributions of \$79.8 million (€48.5 million) to the Fund. The amount decreased the cost basis of the investment but did not reduce the total capital commitment.

4 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the half-years were as follows:

	Half-year ended			
	31 December 2024		31 December 2023	
	No.'000	\$'000	No.'000	\$'000
Opening balance	322,534	795,265	322,534	761,868
Distributions paid and payable	–	(32,318)	–	(32,318)
Profit for the half-year	–	34,235	–	58,705
Closing balance	322,534	797,182	322,534	788,255

5 Distributions to unitholders

The distributions during the half-years were as follows:

	Half-year ended			
	31 December 2024		31 December 2023	
	\$	CPU*	\$	CPU*
Distributions paid - July	5,386,317	1.6700	5,386,317	1.6700
Distributions paid - August	5,386,317	1.6700	5,386,317	1.6700
Distributions paid - September	5,386,317	1.6700	5,386,317	1.6700
Distributions paid - October	5,386,317	1.6700	5,386,317	1.6700
Distributions paid - November	5,386,317	1.6700	5,386,317	1.6700
Distributions payable - December	<u>5,386,317</u>	<u>1.6700</u>	<u>5,386,317</u>	<u>1.6700</u>
	<u>32,317,902</u>		<u>32,317,902</u>	

* Distribution is expressed as cents per unit in Australian Dollars.

6 Earnings per unit

Basic earnings per unit amounts are calculated by dividing operating profit before distributions by the weighted average number of units outstanding during the period.

Diluted earnings per unit are the same as basic earnings per unit.

	Half-year ended	
	31 December 2024	31 December 2023
Operating profit for the period \$'000	34,235	58,705
Weighted average number of units in issue '000	<u>322,534</u>	<u>322,534</u>
Basic and diluted earnings per unit in cents	<u>10.61</u>	<u>18.20</u>

7 Related party transactions

Arrangements between the fund and its related parties and affiliates are disclosed in the annual financial report. For the purpose of these financial statements, parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control or exercise significant influence over the Fund in making financial and operating decisions. Related parties may be individuals or other entities. The transactions during the half-year and amounts payable at half-year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Half-year ended	
	31 December 2024	31 December 2023
	\$	\$
Investment management fees	3,685,275	3,421,298
Total fees payable to the Investment Manager	592,482	408,227
Responsible Entity fees	104,117	109,472
Fees payable to the Responsible Entity	114,318	119,355

Related party unitholdings

During and since the end of the reporting period, none of the Directors or Director related entities held units in the Fund, either directly, indirectly or beneficially. Neither the Responsible Entity nor its affiliates held units in the Fund at the end of the reporting period.

7 Related party transactions (continued)

Related party investments

The Fund's investment in the KKR Managed Funds are also managed by an affiliate of the Investment Manager.

31 December 2024 Investment	Face Value	Interest held %	Fair Value \$
Access Fund PPN	US\$308,717,411	100.0% ¹	500,119,713
EDL Euro Fund	€107,623,410	62.8% ²	188,032,815
EDL III Euro Fund	€60,000,000	35.9% ³	106,341,995

30 June 2024 Investment	Face Value	Interest held %	Fair Value \$
Access Fund PPN	US\$319,717,411	100.0% ¹	474,124,381
EDL Euro Fund	€141,535,382	62.8% ²	235,609,197
EDL III Euro Fund	€30,000,000	35.9% ³	52,764,410

¹The Fund holds 100% of the Access Fund PPN as at 31 December 2024 and 30 June 2024.

²The Fund holds a 62.8% interest in the EDL Euro Fund on a committed basis as at 31 December 2024 and 30 June 2024.

³The Fund holds a 35.9% interest in the EDL III Euro Fund on a committed basis as at 31 December 2024 and 30 June 2024.

8 Events occurring after the reporting period

On 24 February 2025, Perpetual Limited announced that the Scheme Implementation Deed with KKR has been terminated. The recipient of this financial report is directed to the ASX announcement made by Perpetual Limited on 24 February 2025, the link to which can be found at <https://www.perpetual.com.au/shareholders/asx-announcements/>.

The Directors are not aware of any other event or circumstance since the end of the financial period not otherwise addressed within this report that has affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent years. The Fund continues to operate as a going concern.

9 Contingent assets and liabilities and commitments

There are no outstanding contingent assets or liabilities as at 31 December 2024. As at 31 December 2024, the remaining unfunded commitment to the EDL Euro Fund and EDL III Euro Fund is €43.9 million (30 June 2024: €43.9 million) and €130.0 million (30 June 2024: €170.0 million), respectively.

Directors' declaration

In the opinion of the Directors of The Trust Company (RE Services) Limited, the Responsible Entity of KKR Credit Income Fund:

- (a) the financial statements and notes set out on pages 6 to 16 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2024 and of its performance for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director _____

The Trust Company (RE Services) Limited

Sydney

26 February 2025

Independent Auditor's Review Report to the Members of KKR Credit Income Fund

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of KKR Credit Income Fund (the "Fund"), which comprises the condensed statement of financial position as at 31 December 2024, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 6 to 17.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Fund's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Trustee, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Trustee are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Nicholas Rozario
Partner
Chartered Accountants

Sydney, 26 February 2025

DIRECTORY**RESPONSIBLE ENTITY**

The Trust Company (RE Services) Limited

ABN 45 003 278 831

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DIRECTORS

Glenn Foster

Vicki Riggio

Phillip Blackmore (Alternate)

Alexis Dodwell

COMPANY SECRETARIES

Sylvie Dimarco

Claudia Rososinski

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