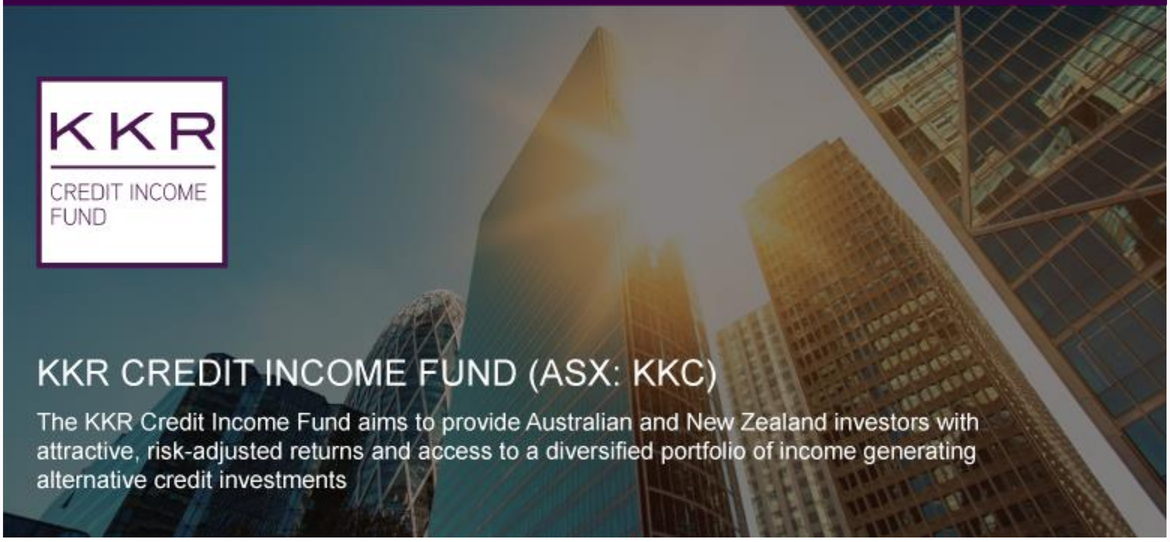


KKC Investment Update

31 January 2023

Dear KKC Investor,

This month we want to share thoughts from KKR's Head of Global Macro, Henry McVey, and his outlook for 2023. Read the summary below or the full report **here**.

Outlook for 2023 Summary

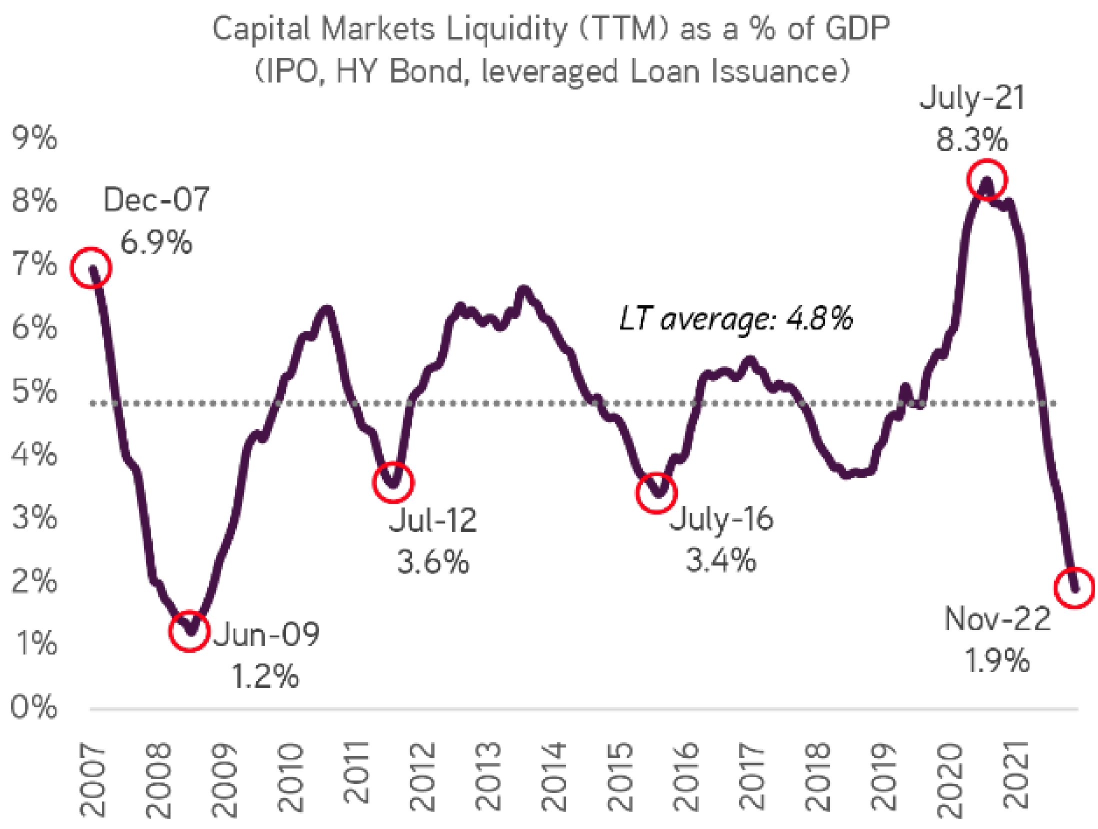
Despite all the uncertainty across today's global capital markets, we are entering 2023 with a constructive tilt, especially on many parts of Credit.

At its core, the message is to 'Keep it Simple' in 2023 and key to our thinking are the following:

1. Global central banks are much further along in their tightening campaign
2. United States inflation has peaked
3. Capital markets new supply (i.e., new issuance) has dwindled essentially to nothing
4. We think government spending will quietly surprise on the upside in 2023

5. The technical picture is actually quite compelling; many allocators have de-risked their portfolios, the S&P 500 has already corrected 25%, and most High Yield Bonds now trade at 85 cents on the dollar, another signal that investors should add some risk to a diversified portfolio

The Supply/Demand Dynamics Across the Capital Markets Have Become Quite Favourable for Lenders Who Have Capital



Data as at November 30, 2022. Source: Bloomberg, BofA.

We believe the recession fears we face in 2023 are likely less ominous and more in the price than the inflation fears that surprised markets in 2022. To be clear though, we are not advocating a full 'risk-on' approach like we did after COVID. Rather, we recommend being selective within and across asset classes because:

1. Earnings estimates are still too high
2. Some parts of the market still need to correct, i.e., technology stocks are still over owned

3. There are still some capital structures, in challenged sectors of the economy that will be tested in the slower growth and high rate environment
4. The market doesn't fully understand quantitative tightening
5. We expect to see some unexpected provisioning around Office Real Estate and non-secured consumer lending in 2023

So, against this backdrop, KKR will keep it simple and buy simplicity.

Given that many traditional banks are reining in their lending, now is a good time in many instances to be a provider of capital, especially to businesses that align with our key themes. Just consider that our S&P 500 target is up only marginally versus current levels, while senior Direct Lending offers returns well north of 10%. Within Credit, we favour shorter duration, bigger companies, and attractive call protection features.

How KKR's Thinking Has Evolved	Action Item
Rate of Change Matters, KKR expects a peak tightening of financial conditions to occur in 2023.	KKR expects less duration risk for bonds, a notable change in our thinking about asset allocation.
Earnings. KKR have higher conviction in our long-held view earnings will decline in 2023.	Defendable margins will be key across all asset classes.
Labour. KKR believes the worker shortage in the United States is structural in nature.	KKR favours automation, digitalisation, and family care services, all of which help to address the current labour shortage.
House Prices Under Pressure.	Being right that unemployment does not spike is a key underpinning to KKR's overall macro thesis.
Goods Deflation, Services Inflation.	KKR's long exposures remain much more tilted towards Services than Goods.
Asynchronous Recovery.	It is too simplistic in our view to simply talk about one synchronized global economy. KKR continues to favour selectivity across regions.
KKR sees real rates staying below three percent this cycle.	Our base case has Fed funds reaching 5.125% in mid-2023 before settling in at 4.875% by year end.

KKR argues 2023 will feel very different to 2022 because:

1. The pace of central bank tightening is likely peaking

2. After surging to double-digit levels post pandemic, we see nominal GDP growth cooling in 2023
3. We forecast that U.S. real wage growth will likely turn positive in 2023
4. We no longer see USD as a safe haven
5. The negative impact of inflation will shift from resetting upward the risk-free rate in 2022 to putting pressure on corporate profits and consumer balance sheets in 2023
6. China's re-opening in 2023 helps Asia get out of its growth funk

In 2023, the opportunity lies in the fact we still live in a world where both investors and corporations are struggling to accurately price the cost of capital across different parts of the economy as well as different parts of the capital structure.

KEY BENEFITS AND RISKS

BENEFITS

The key benefits of investing in the Fund include:

- **Attractive Target Distribution**
- **Attractive Target Return**
- **Diversified exposure**
- **Alignment of interests with Unitholders**
- **KKR product access**
- **Highly experienced KKR Credit team**

RISKS

Key risks include:

- **Allocation risk** in relation to the Investment Strategy
- **Illiquid and long term investments** in relation to the Investment Strategy
- **Potential conflicts of interests of the Responsible Entity and the Manager and its affiliates**
- Entities within the **"Perpetual Group"** may also act in various capacities for other funds or accounts, which may conflict with the role the Responsible Entity plays with respect to the Trust.
- **Market and economic risks** in relation to an investment in the Trust
- **Currency risk** in relation to an investment in the Trust

- **Pricing risk** in relation to an investment in the Trust
- **Liquidity risk** relating to Units in the Trust in relation to an investment in the Trust
- **Operational risk** in relation to an investment in the Trust
- **High yield investments risk** in relation to debt investments
- **Credit risk** in relation to debt investments
- **Interest rate risk** in relation to debt investments
- **Bankruptcy risk** in relation to debt investments

If you are uncertain as to whether an investment in the Trust is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.

About KKR

46	US$496	US$186	~740	US$25
years of experience	billion total assets under management[1]	billion credit assets under management	KKR Investment Professionals	billion invested alongside our clients[2]

(1) Figures as of 30 September, 2022. 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. (2) 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.

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General

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Before making any investment decisions you should consider the Product Disclosure Statement (PDS) and Target Market Determination (TMD) 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.

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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.
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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:

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