

KKR Credit Income Fund Market Update

November 2021



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Information about KKR

KKR Credit conducts its business through KKR Credit Advisors (US) LLC, an SEC-registered investment adviser, KKR Credit Advisors (Ireland) Unlimited Company, authorised and regulated by the Central Bank of Ireland, KKR Credit Advisors (EMEA) LLP which is authorized and regulated by the Financial Conduct Authority in the United Kingdom, and KKR Credit Advisors (Singapore) Pte. Ltd., which is regulated by the Monetary Authority of Singapore.

References to “KKR Capstone” or “Capstone” are to all or any of KKR Capstone Americas LLC, KKR Capstone EMEA LLP, KKR Capstone EMEA (International) LLP, KKR Capstone Asia Limited, and their affiliates. In this Document, the impact of initiatives in which KKR Capstone has been involved is based on KKR Capstone’s internal analysis and information provided by the applicable portfolio company. Impacts of such initiatives are estimates that have not been verified by a third party and are not based on any established standards or protocols. They may also reflect the influence of external factors, such as macroeconomic or industry trends, that are unrelated to the initiative presented.

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KKR Credit leverages the full resources of KKR, including its private equity professionals, KKR Capstone operating experts, its KKR Capital Markets professionals, its portfolio company management teams, its Senior Advisor network and its Global Public Affairs division in public markets investment activities for the KKR Credit platform. The use of such KKR personnel in the Fund’s investment activities may be limited or restricted in certain circumstances, pursuant to applicable law and KKR’s Confidential Information and Inside Information Barrier Policies and Procedures. Employees of KKR Credit Advisors (US) LLC, and KKR Capital Markets LLC located in the United States are dual employees of Kohlberg Kravis Roberts & Co. L.P.

All opinions and estimates constitute judgments of KKR AIM 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.

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KKR Credit Income Fund Market Update

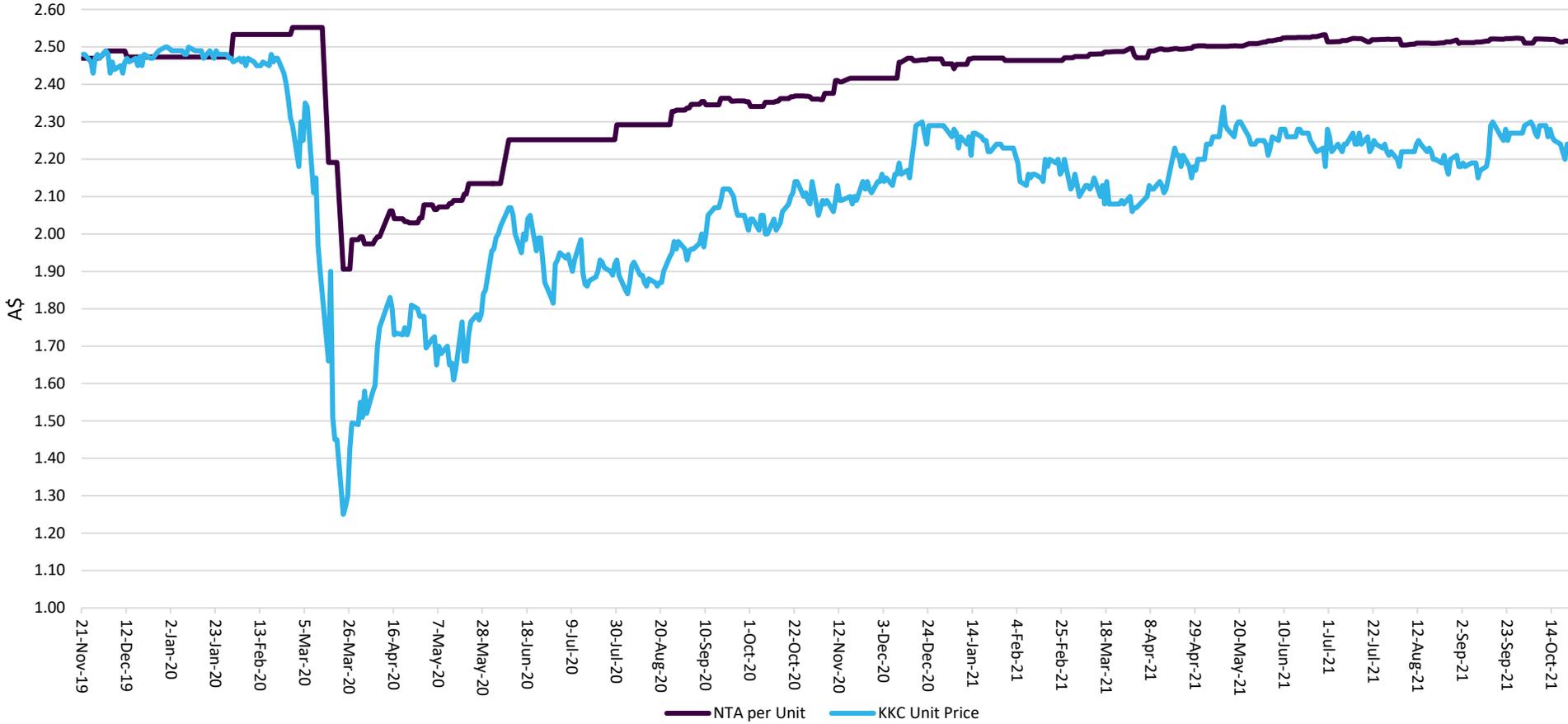
Jeremiah Lane

*Partner, Credit Investing Team
(San Francisco)*



KKC Performance Update

KKC NTA Since Listing on the ASX



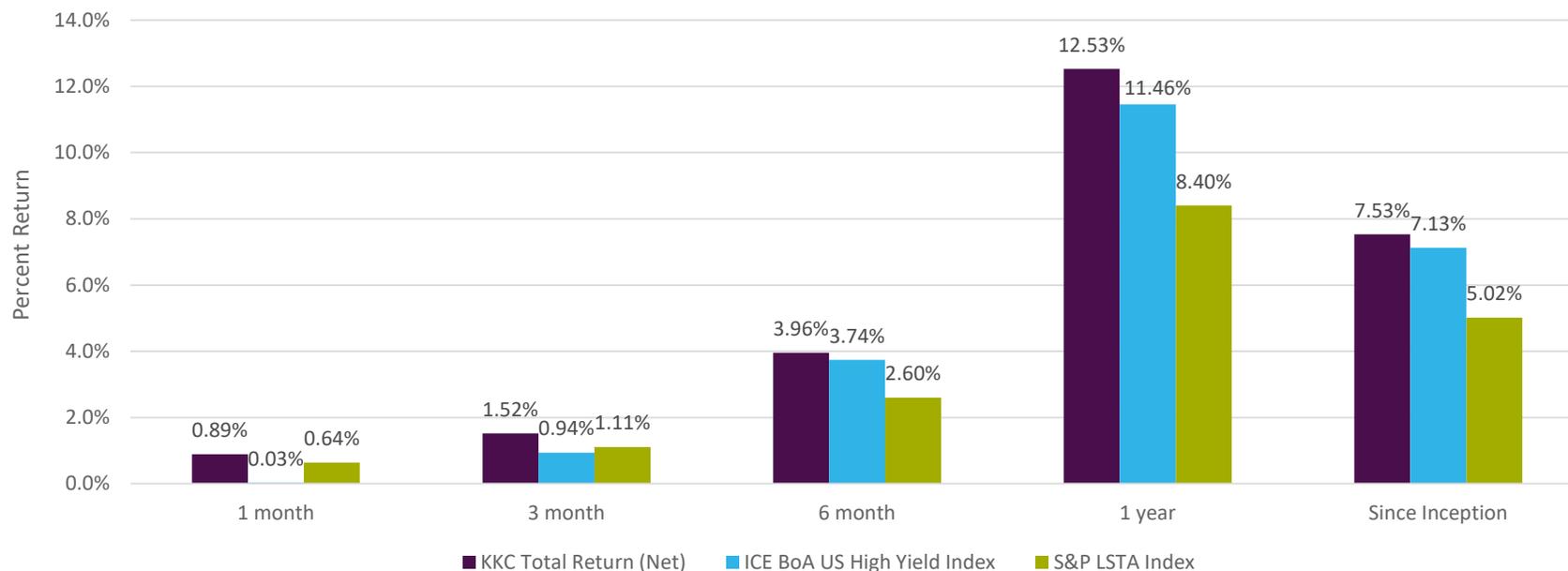
The NTA was back to A\$2.52 as at 30th September 2021



Source: KKR, Bloomberg, ASX as at 1 November 2021. Bloomberg and the ASX have not consented to the inclusion of this data in this document. Before making an investment decision in relation to KKC, it is important to understand the risks that can affect the value of your investment in KKC. Investors should consider the PDS in deciding whether to acquire or continue to hold units in KKC, including the risks described in Section 8 of the PDS. Past performance is not indicative of future performance.

KKC – Performance & Portfolio Overview

Historical Performance



Portfolio Statistics:

	Current Yield	Yield to Maturity	Duration
KKR Credit Income Fund (KKC) ⁽²⁾	6.9%	7.2%	1.4 years
ICE BofA US High Yield Index	4.2%	4.7%	4.2 years
S&P LSTA Index	4.0%	4.2%	0.25 years

Source: KKR As of 30 September 2021 and based on look through to assets in KKC's underlying funds. Past Performance is no guarantee of future results. KKC total net returns are net of fees and expenses incurred by KKC but before tax.

(1) Since listing performance is shown annualized. Figures are as of 30 September 2021.

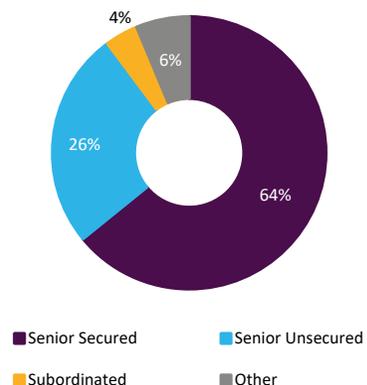
(2) ICE BoA US High Yield Index represents US High Yield Bonds.

(3) S&P LSTA represents Leveraged Loans.

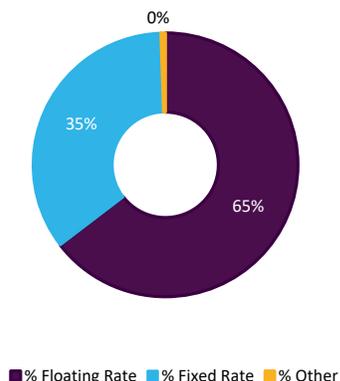
(4) KKC yield represents the views of KKR Credit as of 30 September 2021 regarding the likely current yields of investments in KKC's GCOF-style SMA and EDL over a full market cycle and is subject to change. There is no guarantee that the assumptions upon which estimated current yields are based will materialise as anticipated. These YTM and current yield figures exclude cash balances.

KKC - Current Portfolio Positioning

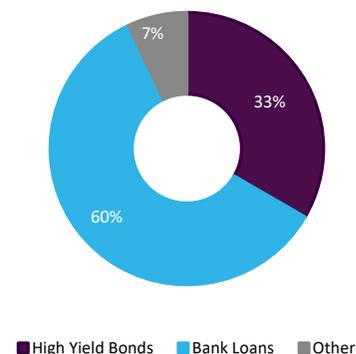
SENIOR vs. SUBORDINATED



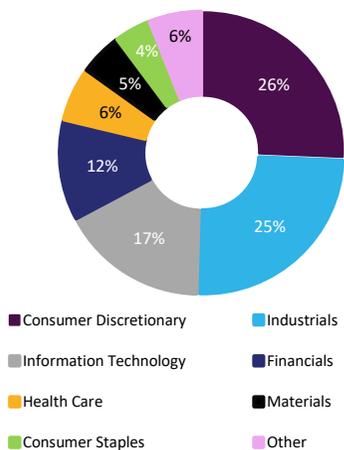
FLOATING vs. FIXED



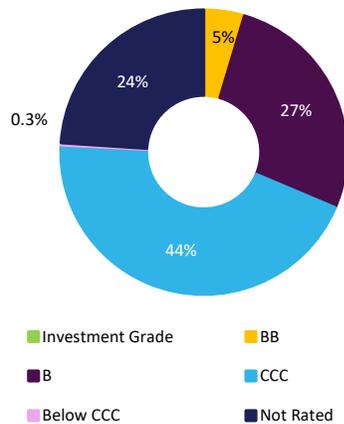
ASSET TYPE DIVERSIFICATION



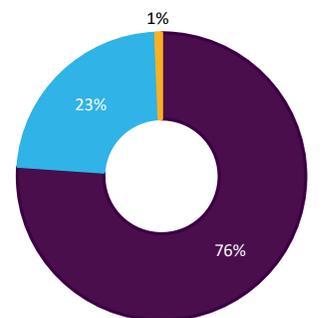
SECTOR DIVERSIFICATION



RATING DIVERSIFICATION⁽¹⁾



GEOGRAPHIC DIVERSIFICATION



Key Points

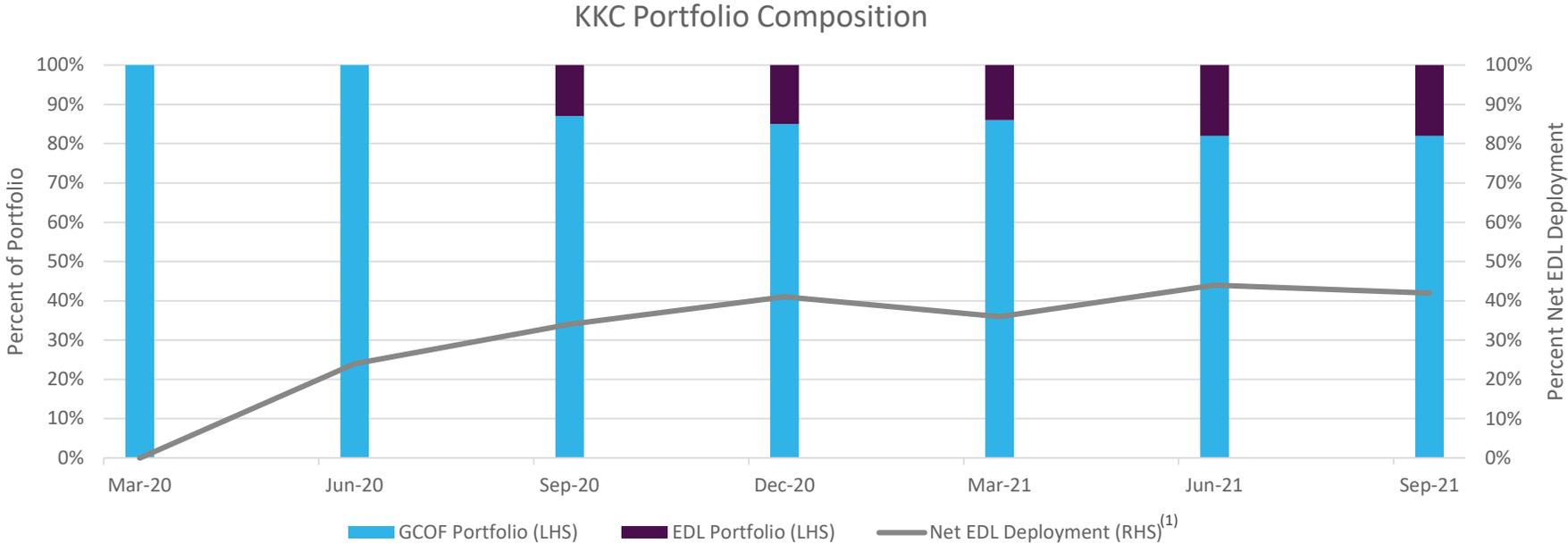
- 90% senior in capital structure
- Majority of portfolio is floating rate
- Greater focus on loans
- No new defaulted positions in the portfolio
- European exposure has grown as EDL deploys
- EDL is ~42% net deployed by the end of September

Source: KKR As of 30 September 2021 and based on look through to assets in KKC's underlying funds.

(1) Credit ratings are statements of opinion of a relevant credit agency about the likelihood of a borrower to meet its interest and principal payment and repayment obligations when they fall due. Credit ratings are not statements of fact or recommendations to purchase, hold or sell securities. Credit ratings do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied upon as investment advice.

KKC – European Direct Lending Deployment

Portfolio Composition:



	Mar -20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
Number of EDL Deals ⁽²⁾	23	12	17	19	19	22	20

Source: KKR As of 30 September 2021 and based on look through to assets in KKC's underlying funds.

(1) Net deployment (on a cost basis) based on a target EDL allocation within KKC of 50% of the total portfolio.
 (2) Number of EDL assets in the portfolio at month end.

Summary

KKC

Portfolio Yield ⁽¹⁾	6.9%
Target Distribution Yield	5.3% (4.8% on listing price of \$2.50)
Default Rate Since Listing ⁽²⁾	2.2%

- Diversified credit exposure with a focus on capital preservation – low default rate compared to High Yield (4.5%) and Loans (2.9%) ⁽²⁾
- Target monthly distribution of 1 cent per month
- Ongoing buy-back program
- Aim to establish an unlisted credit fund with the ability to invest in KKC
- Access to KKR Credit capabilities across High Yield, Bank Loans and Private Credit
- Flexible mandate to reposition exposures in line with market conditions

KKR Credit

KKR Credit AUM	US \$185bn
KKR Credit Team Members	160
KKR Credit inception	2004

- 160 KKR Credit investment professionals across 9 cities in 7 countries
- KKR Credit leverages the firms resources and capabilities across KKR Private Equity, Global Macro, KKR Capital Markets, and KKR Capstone
- Proprietary sourcing through long-standing relationships with a wide network of issuers
- Capital preservation through proprietary research and quarterly re-underwriting resulting in low default rates across the credit portfolio

Note: All information as of September 30, 2021 unless otherwise noted.

(1) KKC yield represents the views of KKR Credit as of 30 September 2021 regarding the likely current yields of investments in KKC's GCOF-style SMA and EDL over a full market cycle and is subject to change.

There is no guarantee that the assumptions upon which estimated current yields are based will materialise as anticipated. These YTM and current yield figures exclude cash balances.

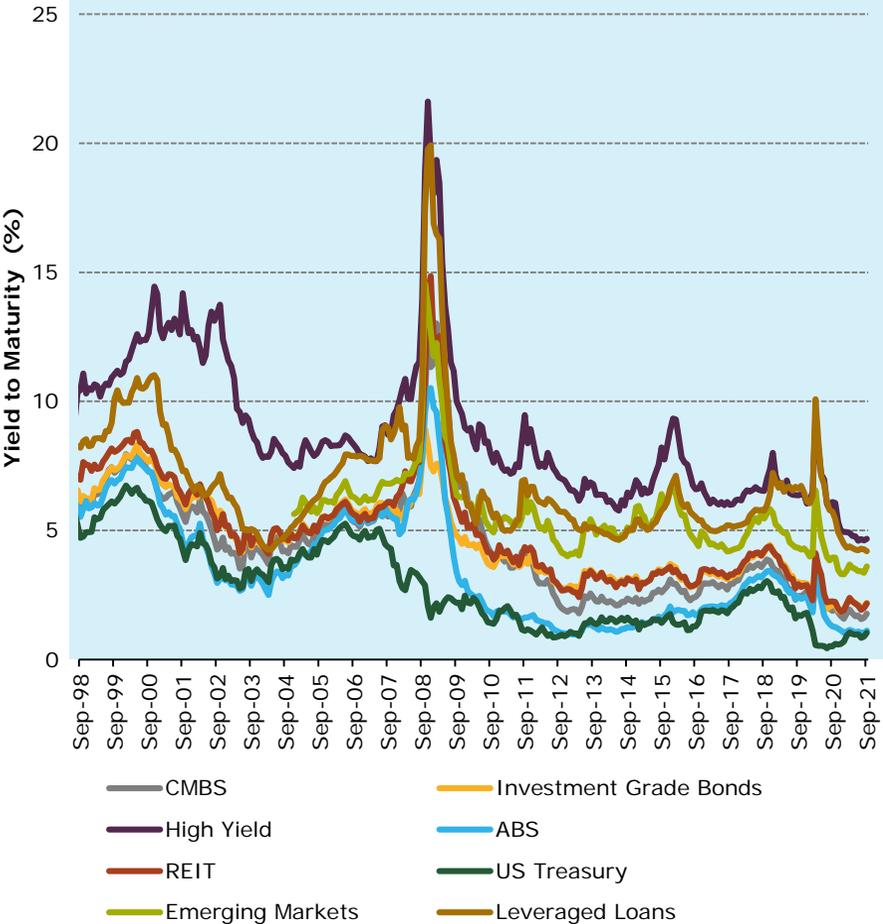
(2) Default rate from November 2019 to June 30 2021. Default rate refers to the percentage of loans and bonds that failed to receive scheduled payment from borrowers. JPM HY represents High Yield. JPM 8

(3) LL Indexes represents Loans.

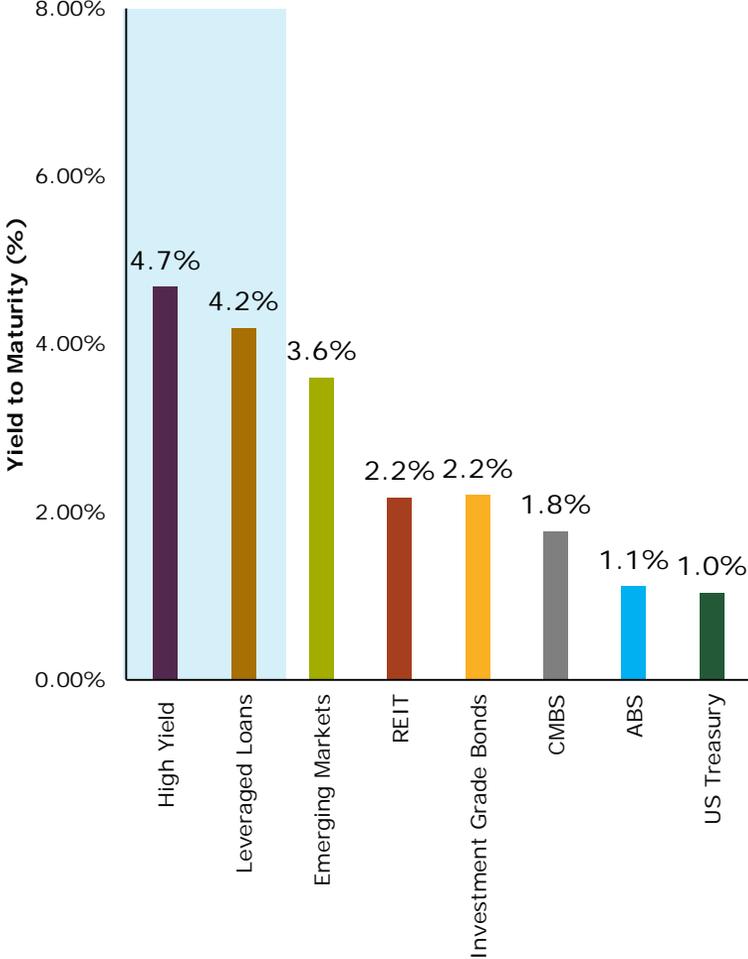
Market Update

Credit Still Looks Attractive vs. Other Asset Classes

Yield Across Various Asset Classes over time⁽¹⁾



Yield Across Various Asset Classes⁽¹⁾



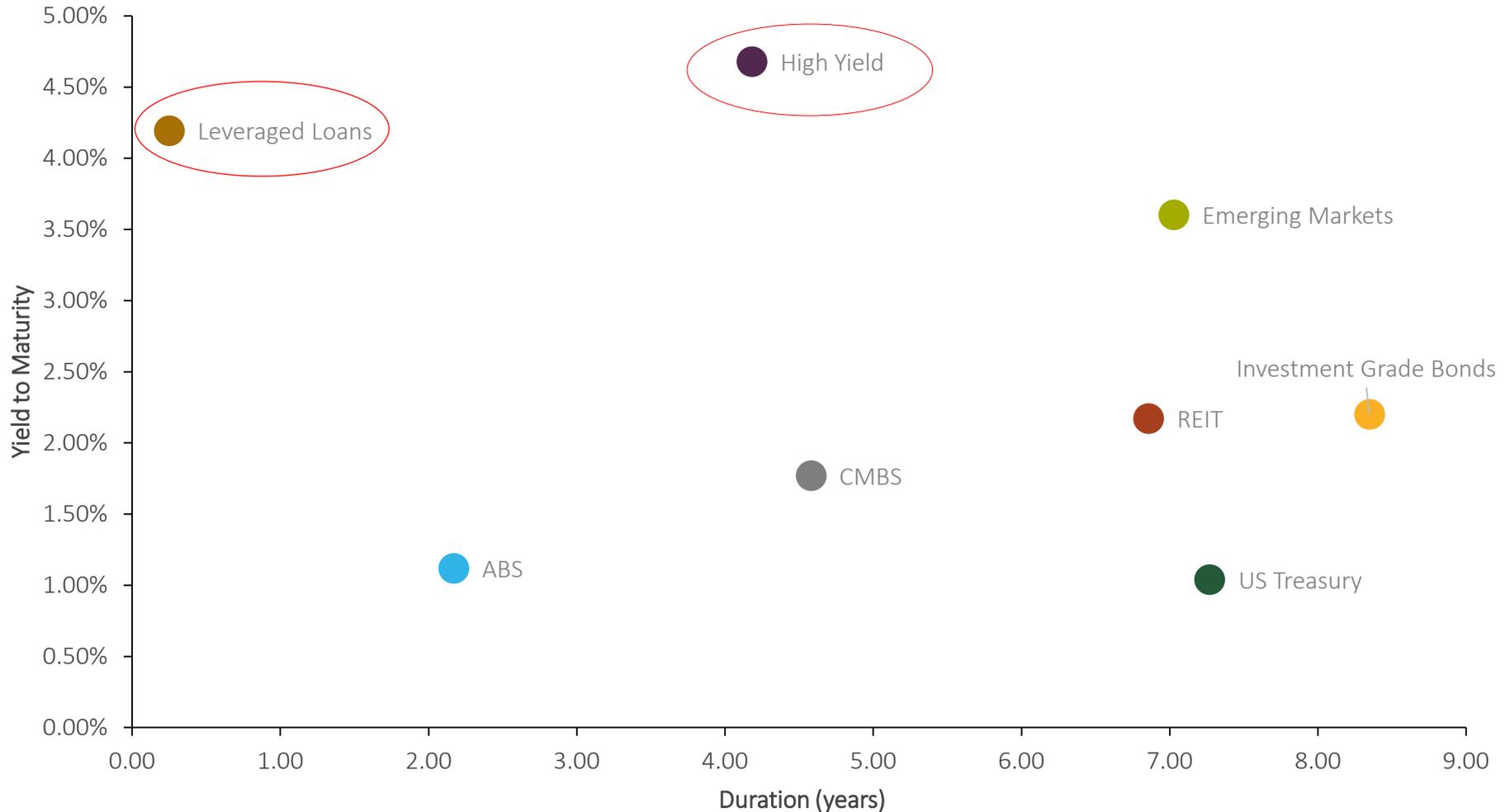
Source: Bloomberg, S&P and ICE Indices as of September 30, 2021. These data providers have not consented to the inclusion of this data in this document.

Note: High Yield Returns represents the BAML HY Master II Yield to Maturity. Leveraged Loan Returns represents S&P LSTA USLLI Yield to Maturity. Emerging Markets: BAML Emerging Markets Diversified Corporate Master (EMSD), REIT: BAML US REIT (CREI), Investment Grade: BAML US Corp Master (COA0), CMBS: BAML CMBS Fixed Rate (CMBS), ABS: BAML ABS Master Fixed Rate (ROA0), US Treasury: BAML US Treasury Master (GOQ0). The chart on the right shows a snapshot of current Yields to Maturity for the eight indices shown on the left side chart to highlight relative yields today.

Investments by KKC are not limited to the types described. The specific investments identified are not representative of all of the investments in which KKC will directly or indirectly have an interest and it should not be assumed that the investments identified 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.

And Offers Attractive Risk Reward

Yield vs. Duration



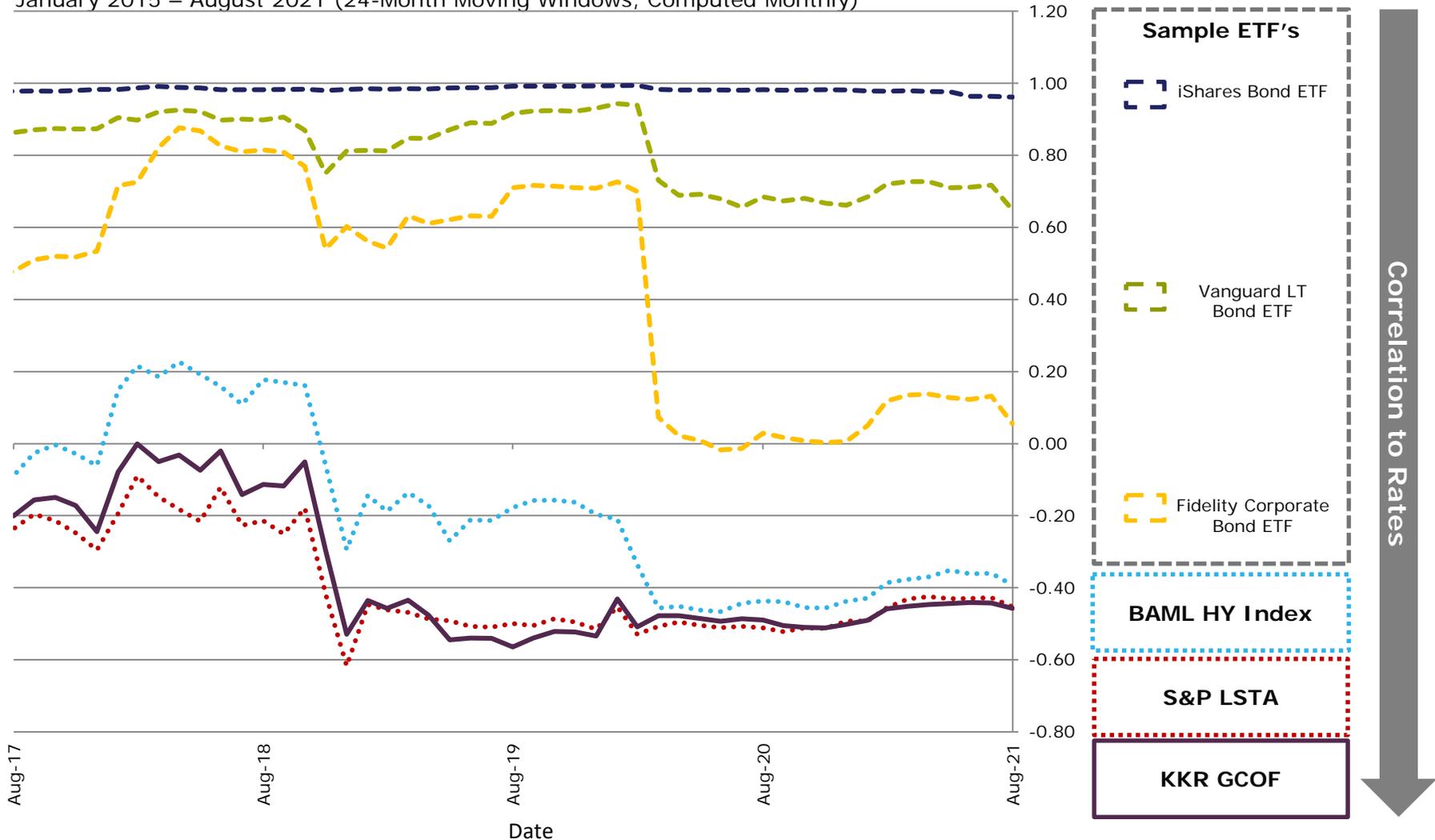
Source: Bloomberg, S&P and ICE Indices as of September 30, 2021. These data providers have not consented to the inclusion of this data in this document.

Note: High Yield represents the BAML HY Master II. Assumes S&P LSTA Effective Duration of 0.25, Duration stat not tracked by LSTA. Emerging Markets: BAML Emerging Markets Diversified Corporate Master (EMSD), REIT: BAML US REIT (CREI), Investment Grade: BAML US Corp Master (COA0), CMBS: BAML CMBS Fixed Rate (CMBS), ABS: BAML ABS Master Fixed Rate (ROA0), US Treasury: BAML US Treasury Master (GOQ0). Duration measures price sensitivity to changes in interest rates.

Recent US Treasury Movement: Focus of Delivery of Uncorrelated Returns

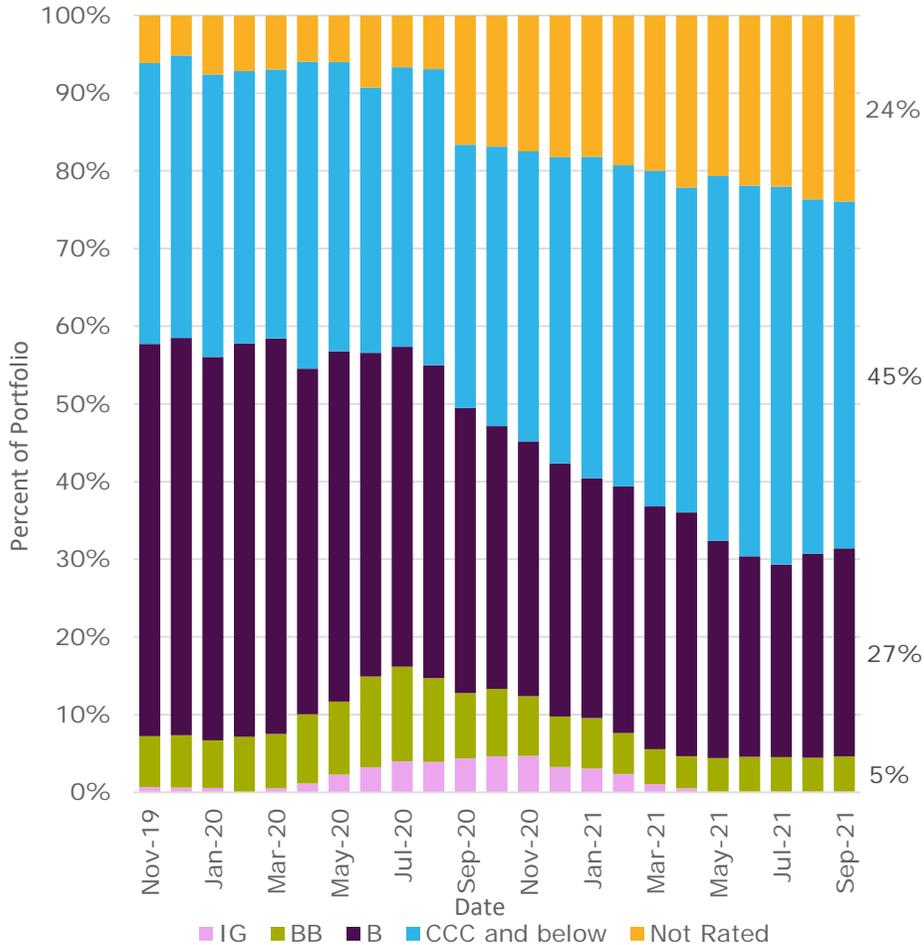
Correlation to 10-Year Treasury (GA10)

January 2015 – August 2021 (24-Month Moving Windows, Computed Monthly)



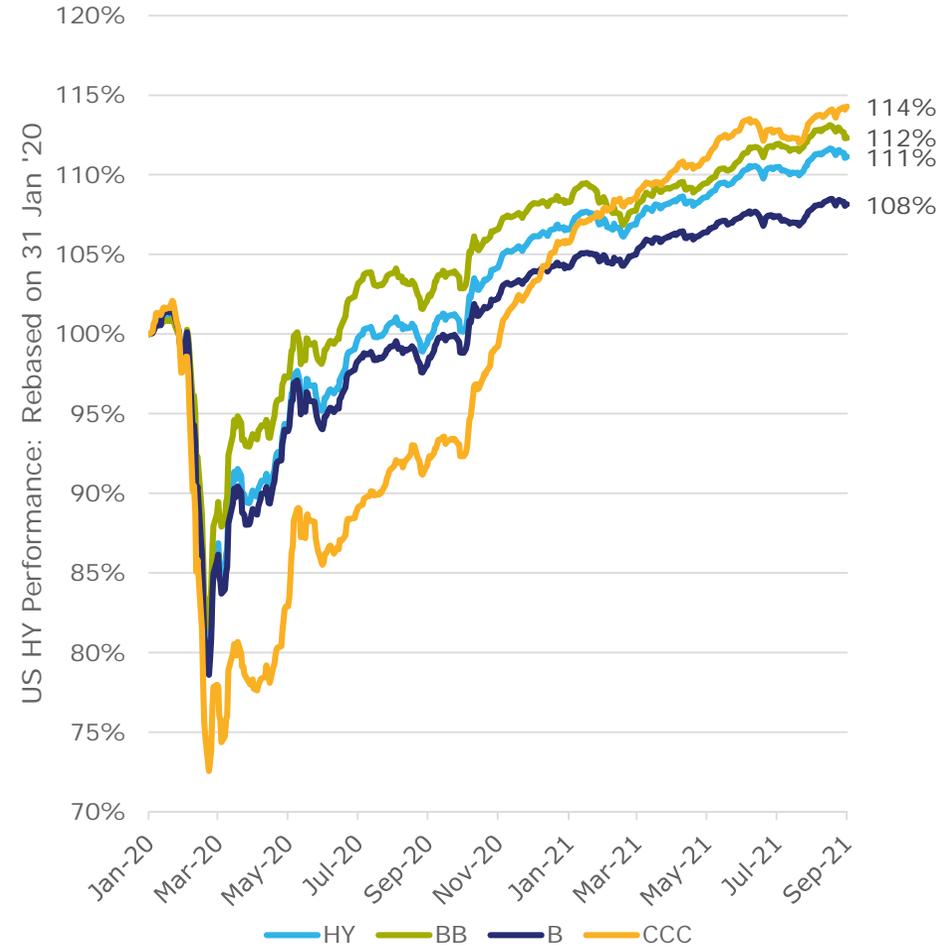
Deeper Dive into High Yield Performance by Rating⁽¹⁾

Ratings Evolution of KKC Assets



Source: KKR as at 30 September 2021. Exposures are shown ex-cash.

US HY Performance: Rebased on 31 Jan '20

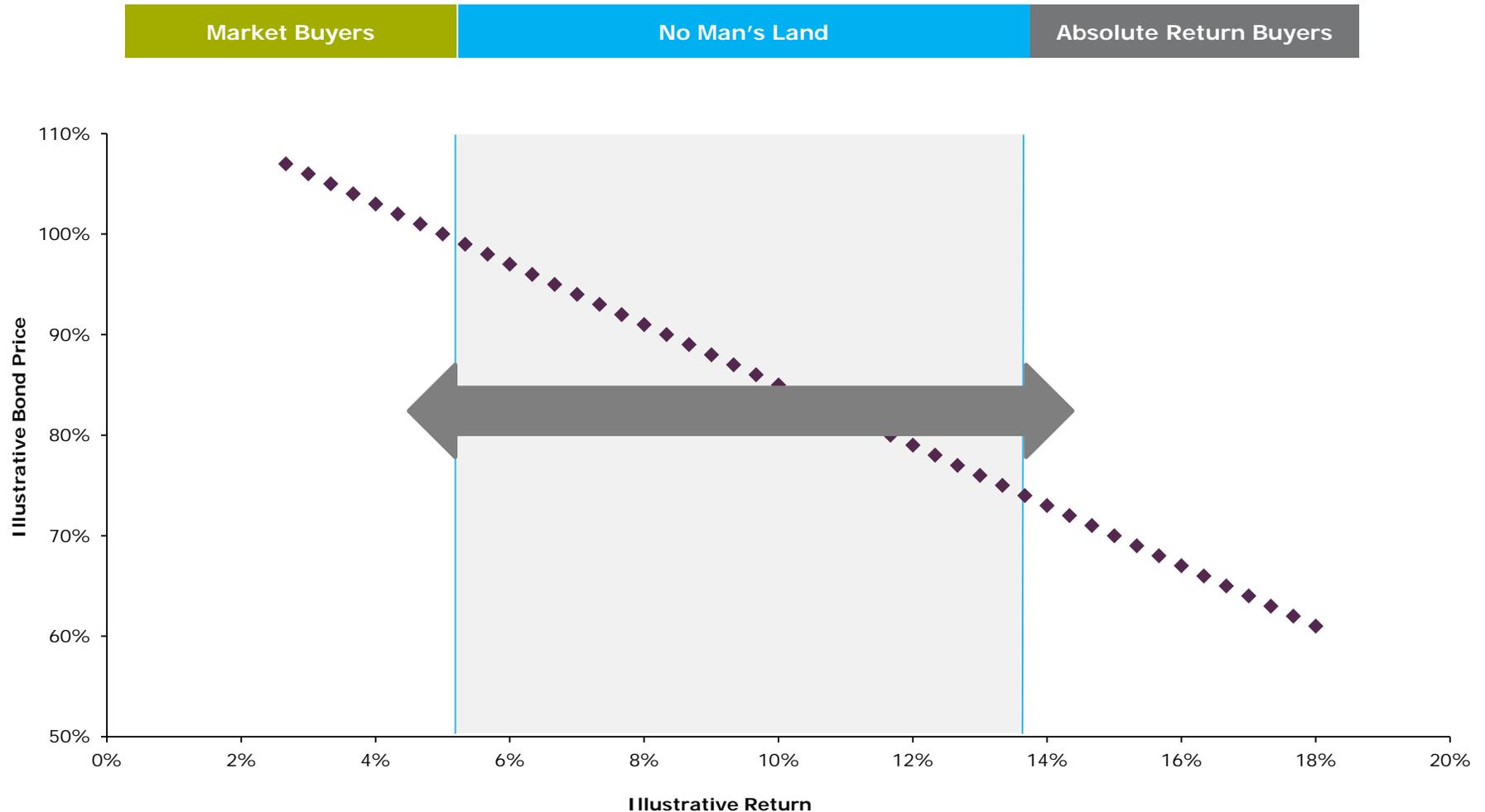


Source: Bloomberg as at 30 September 2021. Bloomberg has not provided its consent to the inclusion of this data in this presentation. BAML HY Master II represents US High Yield Bonds.

(1). Credit ratings are statements of opinion of a relevant credit agency about the likelihood of a borrower to meet its interest and principal payment and repayment obligations when they fall due. Credit ratings are not statements of fact or recommendations to purchase, hold or sell securities. Credit ratings do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied upon as investment advice. The chart on the right shows daily performance of the High Yield Bond market as a whole and also split into its constituent rating cohorts. Performance has been rebased to 31 January 2020

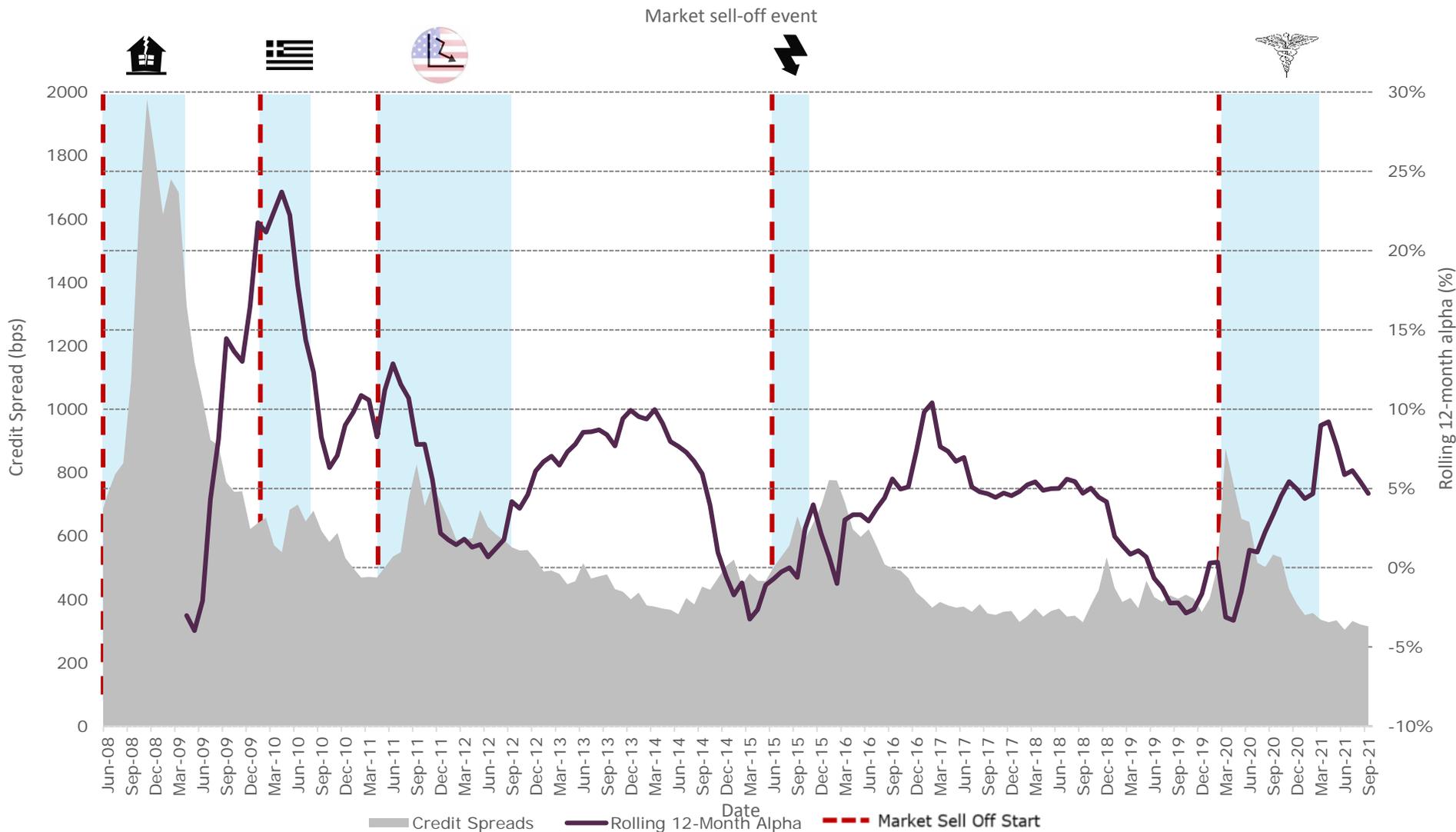
The Opportunity

Value in 'No Man's Land' by Seeking to Provide Liquidity Where Others May Not Go



Why KKR? OCS Has Historically Outperformed Following Periods Of Volatility

KKR Opportunistic Credit Strategy (OCS) Rolling 12-Month Alpha⁽¹⁾ versus High Yield Credit Spreads



Source: KKR Credit Analysis, S&P LSTA BAML as of September 30, 2021. Past Performance is no guarantee of future results.
 (1) Rolling 12-Month Alpha is measured against the blended benchmark (50% ICE BAML HY Index and 50% S&P LSTA Index).