

Part 2A of Form ADV: Firm Brochure



**KKR CREDIT ADVISORS (IRELAND) UNLIMITED
COMPANY**

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This brochure provides information about the qualifications and business practices of KKR Credit Advisors (Ireland) Unlimited Company ("**KKR Credit Advisors (Ireland)**"). If you have any questions about the contents of this brochure, please contact us at +353 1 475 7499. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "**SEC**") or by any state securities authority. KKR Credit Advisors (Ireland) is authorized and regulated by the Central Bank of Ireland. This registration does not, however, imply a certain level of skill or training of any KKR Credit Advisors (Ireland) personnel.

Additional information about KKR Credit Advisors (Ireland) Unlimited Company is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Not applicable.

Item 3 **Table of Contents**

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Item 4 **Advisory Business**

Overview

KKR Credit Advisors (Ireland) Unlimited Company (“**KKR Credit Advisors (Ireland)**”) is an Irish registered company with unlimited liability founded in November 2004 and authorized and regulated as an investment manager by the Central Bank of Ireland. KKR Credit Advisors (Ireland) provides discretionary investment management services to a number of pooled investment vehicles, registered funds, separately managed accounts and CLOs, generally pursuing strategies including European leveraged loans and high-yield bonds, alternative credit opportunities, including mezzanine and mezzanine-like instruments and direct senior loan origination and specific types of syndicated credit investments, structured and illiquid credit and revolver credit facilities. KKR Credit Advisors (Ireland) has approximately \$10 billion in assets under management as of September 30, 2018, managed on a discretionary basis.

KKR Credit Advisors (Ireland) is affiliated with KKR Credit Advisors (US) LLC, an investment adviser that is separately registered with the SEC, together with its relying advisers, other affiliated entities and participating affiliates, collectively (“**KKR Credit**”). Use of the term “KKR Credit” throughout this brochure collectively includes KKR Credit Advisors (Ireland), KKR Credit Advisors (US) LLC, KKR Credit Advisors (EMEA) LLP, and their respective wholly-owned and controlled management entities through which investment management, advisory, administrative, operational and other services are provided to their clients. KKR Credit Advisors Ireland advises pooled investment vehicles, separately managed account vehicles, collateralized loan obligation vehicles (“**CLOs**”), , and discretionary accounts established for third-party institutional investors, KKR Credit Advisors (Ireland) investment management and advisory activities focus on U.S. and European leveraged credit strategies, such as leveraged loan and high yield bond strategies, alternative credit strategies (including investments in mezzanine and mezzanine-like instruments, structured and illiquid credit, and direct senior loan origination), specific types of syndicated credit investments (i.e., investments in revolver credit facilities and credit investments relating to other assets held by funds and other investment vehicles and accounts advised by Kohlberg Kravis Roberts and Co. L.P (“KKR”) including private equity and real assets, such as infrastructure, energy and real estate.

KKR Credit Advisors (Ireland) is affiliated with KKR & Co. Inc. (formerly KKR & Co. L.P.) (“**KKR & Co.**” or the “**Public Company**”) which, through its subsidiaries, acquires stakes in, or seeds, or otherwise holds interests in third-party hedge fund and fund of fund managers (the “**Stakes and Seed Managers**”).

KKR Credit is affiliated with KKR Alternative Investment Management Unlimited Company (“**KKR AIM**”), which is regulated by the Central Bank of Ireland, is an authorized European Union (“**EU**”) alternative investment manager and separately files reports as an exempt reporting adviser with the SEC. KKR AIM may enter into delegation and/or sub advisory agreements with KKR Credit Advisors (Ireland) under which KKR Credit Advisors (Ireland) will provide certain portfolio management services to KKR AIM in connection with investment funds with respect to which KKR AIM serves as alternative investment fund manager for the purposes of the EU Alternative Investment Fund Managers Directive (“**AIFMD**”).

KKR Credit Advisors (Ireland) is affiliated with KKR and its subsidiaries, which operate under the name “**KKR**”. KKR advises private equity funds and other investment vehicles, including proprietary entities that invest capital for long-term appreciation, primarily either through controlling ownership of companies or minority positions. In addition, to its traditional private equity strategy, KKR manages investments in real assets, such as infrastructure, energy and real estate, growth capital and core investment strategies. KKR also manages vehicles that make real estate debt investments, including real estate investment trusts (“**REITs**”). KKR also offers and sponsors funds and other investment vehicles that make co-investments alongside KKR proprietary investment or in specific or multiple portfolio companies and other assets invested in by investment funds managed by KKR and its affiliates (including KKR Credit Advisors (Ireland)), a customized platform that may invest in funds managed by KKR and its affiliates (including KKR Credit Advisors (Ireland)) and funds sponsored and managed by unaffiliated investment managers (collectively, “**third party funds**”) and related co-investments, and strategic partnership vehicles or other multi-strategy or multi-asset arrangements that invest across multiple funds and strategies managed by KKR and its affiliates (including KKR Credit Advisors (Ireland)).

KKR’s Global Institute (“**KGI**”) periodically publishes papers, highlighting views from KKR’s portfolio companies and portfolio managers and political, economic and social trends. KKR’s Global Macro and Asset Allocation Group also periodically publishes commentary on macroeconomic trends and related topics through.

KKR Credit Advisors (Ireland) also has an affiliated capital markets business operated through affiliated broker-dealers (please see Item 10 for additional information regarding KKR’s affiliated broker dealers) and has a proprietary trading business (please see Item 11 for additional information regarding KKR’s proprietary investment activities).

KKR Credit Advisors (Ireland) does not manage client assets on a non-discretionary basis as of September 30, 2018.

Ownership/Structure

Avoca Capital Unlimited Company is the direct owner (99%) of KKR Credit Advisors (Ireland). Avoca Capital Unlimited Company is wholly owned by KKR Irish Holdings SPC Limited which is wholly owned by KKR Irish Parent Sarl, which is wholly owned by KKR Fund Holdings L.P. KKR Fund Holdings LP is an indirect subsidiary of the Public Company.

Investment Mandates

The terms upon which KKR Credit Advisors (Ireland) serves as investment manager or advisor of a KKR Credit Advisors (Ireland) Fund or Other Client are established at the time each KKR Credit Advisors (Ireland) Fund or Other Client relationship is established and are generally set out in the governing documents entered into by KKR Credit Advisors (Ireland) with respect to the relevant KKR Credit Advisors (Ireland) Fund or Other Client and disclosed in the offering or disclosure documents for the relevant KKR Credit Advisors (Ireland) Fund or Other Client, as applicable. These terms, which vary among each KKR Credit Advisors (Ireland) Fund and Other Client, may limit the investments KKR Credit Advisors (Ireland) may make on behalf of the relevant KKR Credit Advisors (Ireland) Fund or Other Client based on security classes, geographies, concentration limits, leverage limits and/or other criteria, among others.

Item 5 Fees and Compensation

General

KKR Credit Advisors (Ireland) (generally receives management fees, and/or performance fees in connection with the investment management and administrative services KKR Credit Advisors (Ireland) provides to KKR Credit Advisors (Ireland) Funds or Other Clients.

Management fees, carried interest, performance fees and other compensation payable to KKR Credit Advisors (Ireland) (including GPs) by KKR Credit Advisors (Ireland) Funds or Other Clients together with other terms governing the management of KKR Credit Funds or Other Clients by KKR Credit, are established by KKR Credit at the time of the establishment of the relevant KKR Credit Funds (and negotiated with participating investors prior to their investment) or at the beginning of the advisory relationship with the relevant Other Clients, as applicable. Specific details of such compensation and its method of calculation are set out in the offering materials, disclosure documents, advisory agreements, investment management agreements and/or governing documents of the relevant KKR Credit Funds or Other Clients and vary among KKR Credit Funds or Other Clients. Fee terms of KKR Credit Funds or Other Clients have been and may be changed during the term of the relevant relationship. The share of compensation earned by KKR Credit or its affiliates in respect of a KKR Credit Fund or Other Client varies among investors in such KKR Credit Fund pursuant to the terms of the governing documents, side letter agreements or other arrangements with specific investors in such KKR Credit Fund whereby such investors receive direct or indirect reductions of management fees or other compensation otherwise payable with respect to their investments managed by KKR Credit. For example, each of KKR Credit, and KKR has entered into, or may in the future enter into, strategic partnerships or other multi-strategy or multi-asset class arrangements with investors that commit capital to a range of KKR Credit's, and KKR's platform of products, investment ideas and asset classes. Such arrangements include KKR Credit or KKR granting certain preferential terms to such investors, including blended fee and carried interest rates that are lower than those applicable to other investors in a particular KKR Credit Fund and/or investment fund managed by KKR, as applicable, when applied to the entire strategic partnership. Where a strategic investor participates in a KKR Credit Fund, investment fund managed by KKR through a dedicated investment vehicle or account as part of such arrangement, such vehicle and account may be granted terms, including management fees or carried interest, that are more favorable than those applicable to other investors. In cases where a strategic investor's management fees and carried interest are due at the level of such vehicle and account, such terms may include a waiver of management fees and carried interest on such strategic investor's investment in KKR Credit Funds, investment funds managed by KKR. In addition, where a strategic partner enters into such an arrangement with KKR Credit or KKR, other investors in KKR Credit Funds will not be notified or receive documentation of such an arrangement. Please refer to Item 11 – "Other Conflicts of Interest" for further information regarding strategic partnerships.

In addition, KKR Credit may enter into arrangements with one or more third-party sponsors to establish conduit investment vehicles and other dedicated feeder vehicles to facilitate the indirect participation in a KKR Credit Fund by certain "high net worth" investors and other qualified Clients of such sponsor (each a "**Dedicated Feeder**"). Such third party sponsor may also solicit a direct investment in a KKR Credit Fund by certain of its Clients in consideration of the payment of a placement fee from KKR Credit or such KKR Credit Fund (each, a "**Placed Investor**"). In connection with the admission of any Dedicated Feeder to a KKR Credit Fund, the applicable KKR Credit GP will determine, in its discretion, whether to aggregate the indirect capital commitments of the investors in such Dedicated Feeder, including, without limitation, for purposes of calculating any management fee discount to which such Dedicated Feeder may be entitled. In connection with the foregoing, there may be circumstances in which discounts, if any, are provided on an aggregated basis with respect to some, but not all, Dedicated Feeders, which would have

the effect of establishing more favorable economic terms with respect to such Dedicated Feeders as compared to those applicable to other comparably-sized Dedicated Feeders. Further, discounts in management fees generally do not apply to Placed Investors but may be granted to any Placed Investor in KKR Credit's sole discretion. This would have the effect of establishing more favorable economic terms with respect to such Placed Investor as compared to those applicable to other comparable-sized Placed Investors.

Management Fees

Management fees compensate KKR Credit Advisors (Ireland) generally for the various services KKR Credit Advisors (Ireland)'s business professionals provide in managing KKR Credit Advisors (Ireland) Funds or Other Clients. Typically, KKR Credit Advisors (Ireland) charges management fees at an annual rate of between 0.30% and 1.00% of the capital committed to, the net asset value of, the invested capital of, the aggregate collateral balance of or the collateral pledged by the relevant KKR Credit Advisors (Ireland) Fund or Other Client, depending, in particular, on the strategy of the relevant KKR Credit Advisors (Ireland) Fund or Other Client, the amount of assets being placed under management with KKR Credit Advisors (Ireland) and the point in time in the life cycle of the relevant KKR Credit Advisors (Ireland) Fund or Other Client account. For example, for certain KKR Credit Advisors (Ireland) Funds, investors in the same fund pay different management fees based on whether they invested in an early or later round of fundraising and the amount of their investment or the amount invested by investors with the same discretionary manager or consultant, with earlier or larger investors (or groups of investors) potentially paying lower management fees than other investors. Management fees may be paid monthly or quarterly in advance or arrears, depending on the KKR Credit Advisors (Ireland) Fund or Other Client. KKR Credit Advisors (Ireland) will, from time to time, accrue management fees for a given payment period but defer collecting such fees until a later payment period primarily for administrative convenience reasons. KKR Credit Advisors (Ireland) generally does not charge interest on such deferred management fees. The KKR Credit Advisors (Ireland) GPs generally make capital calls on investors in KKR Credit Advisors (Ireland) Funds for the amount of management fees payable by the KKR Credit Advisors (Ireland) Funds to KKR Credit Advisors (Ireland) and then cause the KKR Credit Advisors (Ireland) Funds to pay the amounts received from the investors to KKR Credit Advisors (Ireland), consistent with the governing documents of the KKR Credit Advisors (Ireland) Funds. KKR Credit Advisors (Ireland) generally invoices Other Clients for management fees. In some cases, management fees due to KKR Credit Advisors (Ireland) may be deducted from proceeds otherwise distributable to investors in a KKR Credit Advisors (Ireland) Fund or Other Client or paid out of the assets of such KKR Credit Advisors (Ireland) Fund or Other Client, consistent with the governing documents of such KKR Credit Advisors (Ireland) Fund or Other Client. Management fees due from a KKR Credit Advisors (Ireland) Fund may also be paid by drawdowns by KKR Credit Advisors (Ireland) (or relevant KKR Credit Advisors (Ireland) GP) under such KKR Credit Advisors (Ireland) Fund's subscription credit facility (which drawdowns are subsequently repaid through capital calls or investment proceeds).

For some KKR Credit Advisors (Ireland) Funds or Other Clients where management fees are paid in advance with respect to a KKR Credit Advisors (Ireland) Fund or Other Client, the terms applicable to the relevant KKR Credit Advisors (Ireland) Fund or Other Client may not (and in the case of KKR Credit Advisors (Ireland) Funds, typically do not) contemplate repayments of fees to the extent that KKR Credit Advisors (Ireland)'s services terminate (or an investor withdraws or redeems its interests in such KKR Credit Advisors (Ireland) Fund or Other Client) prior to the end of the relevant payment period, particularly with respect to closed-end KKR Credit Advisors (Ireland) Funds. Where management fees are based on committed capital or the remaining invested capital of a KKR Credit Advisors (Ireland) Fund, the management fee payable by such KKR Credit Advisors (Ireland) Fund will be due to KKR Credit Advisors (Ireland) even if the fair value of the relevant remaining investments is below cost or even zero.

Management fees payable to KKR Credit Advisors (Ireland) by certain KKR Credit Advisors (Ireland) Funds or Other Clients may also be reduced by certain other compensation received by KKR Credit Advisors (Ireland) or its affiliates that relate to the relevant KKR Credit Advisors (Ireland) Fund or Other Client and its activities or by certain organizational, offering and other expenses borne by the KKR Credit Advisors (Ireland) Fund or Other Client. Certain KKR Credit Advisors (Ireland) Funds or Other Clients may invest in securities issued by other KKR Credit Advisors (Ireland) Funds (including, in particular, CLOs). Management or advisory fees or performance-based compensation received by KKR Credit Advisors (Ireland) from such other KKR Credit Advisors (Ireland) Funds generally are but may not be related to the investing KKR Credit Advisors (Ireland) Fund or Other Client.

Affiliated Brokers

Affiliated U.S. and non-U.S. broker-dealers of KKR (including their respective related lending vehicles) (or “**Affiliated Brokers**” as defined in Item 10) may manage or otherwise participate in underwriting syndicates and/or selling groups with respect to the securities and/or loans and debt instruments of portfolio companies and other non-controlled entities in or through which certain KKR Credit Advisors (Ireland) Funds or Other Clients invest, including in respect of securities or other instruments of such portfolio companies in which KKR Credit Advisors (Ireland) Funds or Other Clients may not have invested and with respect to securities and/or loans and other instruments held directly or indirectly by certain co-investment vehicles. Further, Affiliated Brokers may otherwise be involved in the public or private placement of such securities and/or loans and other instruments, and/or may provide capital markets advisory services to portfolio companies and other non-controlled entities in or through which KKR Credit Advisors (Ireland) Funds or Other Clients invest, including in connection with mergers and acquisitions, and may provide acquisition financing and other corporate lending services to such entities in addition to financing provided through a KKR Credit Advisors (Ireland) Fund’s or Other Client’s investment. In addition, Affiliated Brokers may alone or with other lenders (including other KKR entities), arrange lines of credit to portfolio companies and other non-controlled entities in or through which KKR Credit Advisors (Ireland) Funds, Other Clients and other third party borrowers invest. Affiliated Brokers (through their related lending vehicles) may also provide loans and lines of credit or bridge financing to KKR Credit Advisors (Ireland) Fund and Other Client portfolio companies. Such financing and underwriting services may also be provided to a third party in which a KKR Credit Advisors (Ireland) Fund or Other Client (or portfolio company) may invest. Affiliated Brokers may also provide syndication services to such entities including in respect of co-investments in transactions participated in by KKR Credit Advisors (Ireland) Funds or Other Clients. Affiliated Brokers may receive fees (including underwriting and financing fees), commissions, interest payments and other compensation, which may be payable in cash or securities and/or loans, in respect of the activities described above and/or may waive such fees. Affiliated Brokers and other KKR entities may, as a consequence of such activities, from time to time hold positions in instruments or securities and/or loans issued by portfolio companies. While such fees, commissions, interest payments and other compensation are believed by KKR Credit Advisors (Ireland) to be reasonable and charged at market rates for the relevant activities, such compensation is generally determined through negotiations with related parties. No compensation received by Affiliated Brokers for the foregoing activities is offset against management fees or otherwise shared with KKR Credit Advisors (Ireland) Funds or Other Clients. Affiliated Brokers do not share in any transaction fees or monitoring fees, which are generally allocated among KKR Credit Advisors (Ireland) Funds and Other Clients and KKR Credit Associates Vehicles as discussed above.

Please refer to Item 10 for further information regarding Affiliated Brokers.

Loan Servicers and Asset Reconstruction Companies

KKR Credit Advisors (Ireland) or its affiliates may also earn fees as a result of certain affiliates providing loan servicing services to KKR Credit Advisors (Ireland) Funds and/or Other Clients that invest in loans and loan participations (or to related portfolio investments or lending syndicates), which fees will not be shared with the KKR Credit Advisors (Ireland) Funds and/or Other Clients. In particular, KKR Credit Advisors (Ireland) or its affiliates may acquire or invest in one or more “asset reconstruction companies”, other asset recovery firms or other similar companies (“ARCs”) that source, diligence, service and/or resolve non-performing loans and provide services relating to loan administration, loan or asset resolutions, restructuring, reconstruction in various jurisdictions and may including sourcing and diligencing investments for KKR Credit Advisors (Ireland) Funds and Other Clients and in connection therewith ARCs may be entitled to reimbursement of expenses and compensation for services rendered, which may include base and/or performance fees paid in respect of portfolio services, from portfolio investments of KKR Credit Advisors (Ireland) Funds and/or Other Clients, and ARCs may co-invest alongside KKR Credit Advisors (Ireland) Funds and/or Other Clients.

Loan Servicing and Administrative Services

Affiliates of KKR Credit Advisors (Ireland) may engage in loan servicing and other administrative services provided to borrowers, loan syndicates and similar activities. One or more of such KKR Credit Advisors (Ireland) affiliates may provide these services to portfolio companies of KKR Credit Advisors (Ireland) Funds and Other Clients and, if so, will receive fees in connection with such services. Except in the case of certain older KKR Credit Advisors (Ireland) Funds, any such loan servicing or administration or similar fees received by KKR Credit Advisors (Ireland) or its affiliates from or with respect to a KKR Credit Advisors (Ireland) Fund’s or Other Client’s portfolio companies will not be shared with the KKR Credit Advisors (Ireland) Fund or Other Client or offset against management fees payable by such KKR Credit Advisors (Ireland) Fund or Other Client.

KKR Credit Advisors (Ireland) and its affiliates may also receive service costs, namely amounts that KKR Credit Advisors (Ireland) and its affiliates receive from portfolio companies of KKR Credit Advisors (Ireland) Funds and Other Clients or from entities through which a KKR Credit Advisors (Ireland) Fund or Other Client invests in a portfolio company or other investment for local administration or management services related to such portfolio company, entity or investment that (i) is determined by KKR Credit Advisors (Ireland) to be reasonably necessary in order to achieve beneficial legal, tax or regulatory treatment with respect to the relevant investment and (ii) would otherwise be payable to a third party for such services. The amount and timing of the payment of such amounts will be determined by the relevant legal, tax or regulatory treatment that a KKR Credit Advisors (Ireland) Fund or Other Client is seeking to achieve, having regard to the circumstances in which such amounts are paid and the jurisdiction of establishment of the relevant portfolio company or intermediary entity. Except in the case of certain older KKR Credit Advisors (Ireland) Funds, any such service costs received by KKR Credit Advisors (Ireland) and its affiliates with respect to a KKR Credit Advisors (Ireland) Fund or Other Client will not be shared with the KKR Credit Advisors (Ireland) Fund or Other Client or offset against management fees or carried interest distributions payable by such KKR Credit Advisors (Ireland) Fund or Other Client.

Warehoused Investments

KKR Credit Advisors (Ireland) Funds or Other Clients may acquire one or more portfolio investments acquired by KKR Credit Advisors (Ireland) or its affiliates prior to the first closing date of such KKR Credit Advisors (Ireland) Fund or Other Client. KKR Credit Advisors (Ireland) or its affiliates may receive certain fees, including fees paid to Affiliated Brokers, in connection with any such investments. KKR Capstone fees and RPM fees may also be paid with respect to such investments. Any fees received by KKR or its affiliates with respect to such investments prior to date of transfer of such warehoused

investment to the relevant KKR Credit Advisors (Ireland) Fund or Other Client will generally be retained by KKR Credit Advisors (Ireland) or its affiliates and will not be shared with the KKR Credit Advisors (Ireland) Fund or Other Client or otherwise reduce management fees payable by the KKR Credit Advisors (Ireland) Fund or Other Client to KKR Credit Advisors (Ireland). The decision of the relevant KKR Credit Advisors (Ireland) GP or KKR Credit Advisors (Ireland) regarding the timing of the first closing date of the KKR Credit Advisors (Ireland) Fund or Other Client may therefore affect the portion of fees received by KKR Credit Advisors (Ireland) and its affiliates with respect to the warehoused investments that are shared with the KKR Credit Advisors (Ireland) Fund or Other Client and that otherwise reduce management fees payable by the KKR Credit Advisors (Ireland) Fund or Other Client to KKR Credit Advisors (Ireland). In addition, the KKR Credit Advisors (Ireland) Fund or Other Client will generally pay an additional amount on the acquisition cost of any warehoused investment equal to a certain percentage per annum from the date of closing of such warehoused investment until the date of transfer of such warehoused investment to the KKR Credit Advisors (Ireland) Fund or Other Client. The decision of the KKR Credit Advisors (Ireland) GP or KKR Credit Advisors (Ireland) regarding the timing of the transfer of the warehoused investment to the KKR Credit Advisors (Ireland) Fund or Other Client will therefore affect the quantum of the foregoing additional amount that is paid by the KKR Credit Advisors (Ireland) Fund or Other Client to KKR Credit Advisors (Ireland) or its affiliates.

Senior Advisors and Industry Advisors

Senior advisors (“**Senior Advisors**”) and industry advisors (“**Industry Advisors**”) are typically senior business leaders who provide advisory and consulting services to KKR, KKR Credit, KKR Credit Advisors (Ireland), investment funds managed by KKR and its affiliates, KKR Credit Advisors (Ireland) Funds, Other Clients and portfolio companies of the foregoing. They are consultants rather than employees of KKR or KKR Credit Advisors (Ireland) and are compensated for services provided to KKR, KKR Credit, KKR Credit Advisors (Ireland), investment funds managed by KKR and its affiliates, KKR Credit Advisors (Ireland) Funds, Other Clients and such portfolio companies. A significant portion of the compensation and reimbursement of expenses paid to Senior Advisors and Industry Advisors are allocated to investment funds managed by KKR and its affiliates, KKR Credit Advisors (Ireland) Funds or Other Clients as expenses, and as a result, these items are described in detail below under “Expenses – Senior Advisors and Industry Advisors.” Senior Advisors and Industry Advisors also receive compensation and expense reimbursement for providing services to portfolio companies, which includes compensation for services on boards of directors, compensation for service as interim executives and consulting related compensation, which involves both fixed and incentive compensation. Accordingly, KKR Credit Advisors (Ireland) Funds and Other Clients indirectly bear the cost of such compensation and expense reimbursement.

Compensation and expense reimbursement received by Senior Advisors and Industry Advisors do not offset management fees payable by KKR Credit Advisors (Ireland) Funds or Other Clients.

Please refer to the “Expenses” section below for further information regarding allocation to KKR Credit Funds or Other Clients of compensation and other payments received by Senior Advisors and Industry Advisors.

KKR Advisors

KKR advisors (“**KKR Advisors**”) are individuals who were formerly employees of KKR and are subsequently engaged as consultants for KKR or its affiliates. Compensation of KKR Advisors is not borne by KKR Credit Advisors (Ireland) Funds or Other Clients. However, KKR Advisors may serve on the boards of portfolio companies of KKR Credit Advisors (Ireland) Funds or Other Clients and any fees

paid to KKR Advisors by portfolio companies, such as director or consulting fees, will not be credited against any management fees payable by KKR Credit Advisors (Ireland) Funds or Other Clients.

Expenses

Three general categories of expenses are allocated to and among KKR Credit Advisors (Ireland) Funds or Other Clients, KKR Credit Associates Vehicles, co-investment vehicles as further detailed in “Allocation of Investments” section below and certain KKR proprietary entities. These categories are discussed below under: (1) fund organizational and administrative expenses, (2) sourcing and diligence expenses and (3) oversight expenses. The offering and governing documents of each KKR Credit Advisors (Ireland) Fund or Other Client contain more detailed information on the type of expenses that will be charged to such KKR Credit Advisors (Ireland) Fund or Other Client.

In addition to calling capital to pay expenses, KKR Credit Advisors (Ireland) (or an affiliate) may advance funds on behalf of KKR Credit Advisors (Ireland) Funds or Other Clients for the payment of expenses and then be reimbursed through a reduction of subsequent distributions by the relevant KKR Credit Advisors (Ireland) Fund or Other Client (or subsidiary of a KKR Credit Advisors (Ireland) Fund or Other Client) or by reducing the amount of monitoring fees, transaction fees and break-up fees allocable to such KKR Credit Advisors (Ireland) Fund or Other Client that would otherwise reduce management fees.

Fund Organizational and Administrative Expenses

These expenses are related to the organization, operation and administration of KKR Credit Advisors (Ireland) Funds or Other Clients and are not directly related to sourcing investments or to any particular portfolio company. These include expenses related to activities, operations, meetings, and eventual termination and liquidation of the KKR Credit Advisors (Ireland) Funds or Other Clients. Examples of organizational expenses are legal, accounting, and filing expenses incurred in connection with the organization and establishment of any KKR Credit Advisors (Ireland) Fund and the related KKR Credit Advisors (Ireland) GP, and the marketing and offering of interests in such KKR Credit Advisors (Ireland) Fund or Other Client, including commissions, costs, fees, and expenses of any placement agent or finder and legal, accounting, filing, capital raising, travel (including first or business class airfare and black car service) and accommodation (including first class lodging), printing and other similar costs, fees, and expenses. Certain KKR Credit Advisors (Ireland) Funds or Other Clients may pay the cost of the fund administration services KKR Credit Advisors (Ireland) employees provide (including compensation otherwise payable by KKR Credit Advisors (Ireland)), and/or internal costs (including compensation and overhead costs) attributable to certain other Consultants. Such services typically consist of services that would otherwise be provided by a third-party whose fees, costs, and expenses would be paid by the KKR Credit Advisors (Ireland) Fund or Other Client.

Investors in KKR Credit Advisors (Ireland) Funds (other than KKR Credit Associates Vehicles, which do not bear management fees) or Other Clients will receive a reduction in management fees in respect of offering and organizational expenses in excess of specific amounts as described in the offering materials, disclosure documents and/or governing documents of the relevant KKR Credit Advisors (Ireland) Fund or Other Client. KKR Credit or one or more of its affiliates may bear the allocable share of organizational costs and other expenses attributable to KKR Credit Associates Vehicles without seeking reimbursement from such vehicles. In addition, organizational expenses of a feeder fund (other than a KKR Credit Associates Vehicle) investing in any KKR Credit Advisors (Ireland) Fund may be borne by such KKR Credit Advisors (Ireland) Fund or such feeder funds, as specified in the offering materials, disclosure documents and/or governing documents of the relevant KKR Credit Advisors (Ireland) Fund.

Examples of administrative expenses that fall within this category are professional fees directly attributable to a specific KKR Credit Advisors (Ireland) Fund or Other Client, such as legal fees and audit fees; insurance premiums and fees (including costs of ERISA fidelity bonds); fund borrowings; indemnification obligations; expenses relating to legal and regulatory compliance; fees, costs and expenses relating to the administration of any fund and its assets, including without limitation those incurred in connection with the preparation of financial statements, tax returns, K-1s, administration of assets, financial planning and treasury activities; fees, costs and expenses incurred in the preparation of and providing access to fund reports and information (including through websites or other portals) and related operational, secretarial or postage expenses (including technology and other administrative support); general and administrative costs (including salary, bonus, benefits and an allocated portion of overhead of certain KKR Credit Advisors (Ireland) employees (“**Employees**”)); compensation and expenses of Senior Advisors and Industry Advisors; fees, other compensation and expenses of KKR Capstone, RPM and other Consultants; principal, interest on and fees and expenses arising out of, all fund borrowings; the costs of advisory committee meetings and the annual investors conference (or other investor meetings) and portfolio management committee meetings for the relevant KKR Credit Advisors (Ireland) Fund or Other Client (including costs and expenses of meals, events, entertainment and travel and accommodation costs of KKR Credit Advisors (Ireland) personnel, Senior Advisors, Industry Advisors, KKR Advisors and employees of other Consultants attending such meetings); fees, costs and expenses incurred in connection with any amendments, restatements or other modifications to, or the monitoring of compliance with, fund agreements, side letters (including “most favored nations” provisions) and other constituent or related documents of the relevant KKR Credit Advisors (Ireland) Fund or Other Client or KKR Credit Advisors (Ireland) GP (including costs and expenses relating to investor and advisory committee consent, waiver or similar acknowledgment solicitations, and the preparation of compliance checklists and other comparable compliance and compliance monitoring-related materials); fees, costs and expenses relating to procuring, developing, implementing or maintaining information technology, data subscription and license-based services, including computer software and hardware, electronic equipment or information technology services purchased from third party vendors related thereto, risk analysis tools, research publications, materials, equipment and services, computer software or hardware and other electronic equipment used in connection with a fund and its operation, administration and investment activities and otherwise used in connection with providing services to a fund; expenses of any actual or potential litigation or other dispute or investigation or inquiry related to any KKR Credit Advisors (Ireland) Fund or Other Client or any actual or potential portfolio investment (including expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of litigation and the appointment of any agents for service of process on behalf of such KKR Credit Advisors (Ireland) Fund, Other Client, KKR Credit Advisors (Ireland) or investors and other extraordinary expenses related to any KKR Credit Advisors (Ireland) Fund or Other Client or such portfolio investments (including fees, costs and expenses classified as extraordinary expenses under generally accepted accounting principles in the U.S.). This list is not intended to be exhaustive; other situations and expenses may arise in the course of operation of the KKR Credit Advisors (Ireland) Funds or Other Clients. KKR Credit Advisors (Ireland) Funds or Other Clients will also pay comparable costs, fees and expenses relating to any feeder funds (other than a KKR Credit Associates Vehicle), alternative vehicles, portfolio companies or entities through which a KKR Credit Advisors (Ireland) Fund or Other Client invests that are not otherwise borne by such entities. KKR Credit Advisors (Ireland) Fund and Other Client expenses and the repayment of any borrowings incurred by a KKR Credit Advisors (Ireland) Fund or Other Client may be allocated against and satisfied from investment proceeds received by such KKR Credit Advisors (Ireland) Fund or Other Client in a manner reasonably determined by the KKR Credit Advisors (Ireland) or the applicable KKR Credit Advisors (Ireland) GP.

Expense Allocation

KKR Credit Advisors (Ireland) allocates expenses among KKR Credit Advisors (Ireland) Funds, Other Clients and KKR Credit Advisors (Ireland) based on the nature of the expenses and may make corrective allocations if it determines that they are necessary or prudent. Expenses related to due diligence for a potential investment are generally either capitalized, where applicable, as part of the acquisition price of the relevant investment for consummated investments or treated as sourcing and diligence expenses for investments, including those investments that are not consummated.

“Fund Organizational and Administrative Expenses” generally are charged to the KKR Credit Advisors (Ireland) Funds, Other Clients or KKR Credit Associates Vehicles to which they relate in accordance with the offering and governing documents of each KKR Credit Advisors (Ireland) Fund and Other Client.

Expenses are charged to KKR Credit Advisors (Ireland) Funds, Other Clients, KKR Credit Associates Vehicles and KKR proprietary entities based on an allocation methodology that seeks to fairly allocate such administrative expenses among relevant KKR Credit Advisors (Ireland) Funds or Other Clients, KKR Credit Associates Vehicles and KKR proprietary entities. The allocation methodology is based on their respective proportionate share of assets under management and management fee revenues.

Item 7 Types of Clients

KKR Credit Advisors (Ireland) provides investment management, advisory and administrative services, as described above in response to Item 4, to the KKR Credit Advisors (Ireland) Funds and Other Clients. Investment in KKR Credit Advisors (Ireland) Funds is generally only available to institutional investors and certain high net worth investors that are “accredited investors” and “qualified purchasers” or non-“U.S. persons” or in the case of Employees, “knowledgeable employees”, within the meaning of the Securities Act and the Investment Company Act, as applicable. KKR Credit Advisors (Ireland) Funds or Other Clients may from time to time have a specified minimum investment amount as set forth in their offering materials, disclosure documents and/or governing documents. These minimum amounts generally are subject to discretion, on the part of KKR Credit Advisors (Ireland) or the relevant KKR Credit Advisors (Ireland) GP, to permit investments of a smaller amount generally or with respect to any investor. Investment minimums and the circumstances under which they may be waived are set forth in their respective offering materials, disclosure documents and/or governing documents.

A broad range of U.S. and non-U.S. institutional investors, including, among others, governmental and corporate pension and profit sharing plans (including investors regulated under the U.S. Employee Retirement Income Security Act of 1976, as amended (“**ERISA**”)), endowments and foundations, insurance companies, financial institutions, sovereign wealth funds, funds of funds, private wealth and other third party distribution platforms and certain high net worth individuals and family offices, invest in KKR Credit Advisors (Ireland) Funds and Other Clients. Additionally, Employees and other persons associated with KKR Credit Advisors (Ireland) and/or its affiliates and portfolio companies, including, for example, current or former portfolio company executives, and certain KKR proprietary entities, may make capital contributions to KKR Credit Advisors (Ireland) Funds including, in particular, KKR Credit Associates Vehicles.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies and Methods of Analysis

The investment strategies employed by KKR Credit Advisors (Ireland) in respect of the KKR Credit Advisor (Ireland) Funds or Other Clients focus, primarily, on global leveraged credit strategies, such as leveraged loan and high yield bond strategies, alternative credit strategies (including mezzanine and mezzanine-like instruments, special situations instruments, structured and illiquid credit, asset based lending and direct senior loan origination and related instruments), equity, and real assets. Certain KKR Credit Funds may also accommodate co- investments alongside investment funds managed by KKR and its affiliates including private equity funds and funds that invest in real assets. In pursuit of these strategies, KKR Credit may, on behalf of KKR Credit Funds or Other Clients, from both a long or short investment perspective, invest in a broad range of securities and/or loans and other financial instruments including: U.S. and non-U.S. debt securities and/or loans including public and privately placed corporate and government bonds and other debt securities, equity securities, hybrid securities, stock market indices, exchange traded funds, convertibles, asset backed and other structured debt securities, emerging market debt, warrants, bank loans and participations in bank loans, repurchase agreements, foreign currency and interest rate forward contracts, swap agreements (including credit default swaps), options, commodities, futures contracts on intangibles and interests in partnerships investing in oil and gas and real estate interests and other derivative or synthetic investment instruments, and joint venture equity investments.

KKR Credit employs both “top-down” and “bottom-up” analyses when making investments. KKR Credit’s top-down analysis involves a macro analysis of relative asset valuations, long-term industry trends, business cycles, interest rate expectations, credit fundamentals and technical factors to target specific industry sectors and asset classes in which to invest. KKR Credit’s bottom-up analysis includes, in the case of credit/debt strategies, a rigorous analysis of the credit fundamentals and capital structure of each credit considered for investment and a thorough review of the impact of credit and industry trends and dynamics and dislocation events on such potential investment. In implementing its special situations, private credit and mezzanine investment strategies, KKR Credit also uses internally developed proprietary industry and company-specific models as a basis for forecasting market and company specific trends.

KKR Credit utilizes multiple sources of information in analyzing investments, including financial newspapers and magazines, inspections of corporate activities, research material prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases. KKR Credit also uses industry magazines, third party consultants, expert networks, lawyers, accountants, asset operators, regulatory filings filed with U.S. and non-U.S. regulators, its global network of contacts at major companies and corporate executives, commercial and investment banks, financial intermediaries, other investment and advisory institutions and its direct and indirect contacts through its affiliation with KKR. KKR Credit employees may participate in on-site visits, industry group and portfolio company management meetings, creditors’ committees, steering committees or on the boards of directors of portfolio companies, which will also be a source of information in respect of such companies subject to policies and procedures related to nonpublic and proprietary information.

In addition, KKR Capstone, RPM, other Consultants, Senior Advisors, Industry Advisors and KKR Advisors often provide supplemental insights to KKR and KKR Credit from a management consulting perspective and from the perspective of a C-level executive (i.e., “chief” executive officers or other senior officers) or board of directors. KKR has a roster of active Senior Advisors and Industry Advisors globally, many of whom have extensive corporate management expertise, having served as Chief Executive Officer, Chief Financial Officer, Chairman of the Board, or other comparable positions at large, industry-leading companies or governmental regulatory agencies. In conducting due diligence on investments in third party funds, KKR Credit will use many of the above due diligence methods, as appropriate, in addition to a detailed review of fund governing documents in conjunction with external counsel and consultants.

Material Risks of Significant Investment Strategies

The risk factors briefly summarized below may not be applicable to all KKR Credit Funds or Other Clients. Such summary does not purport to be a complete list or explanation of the risks involved in an investment in a KKR Credit Fund or Other Client. The offering materials, disclosure documents and/or governing documents of each KKR Credit Fund or Other Client will typically include a more detailed summary of material risks applicable to the KKR Credit Fund or Other Client and its investment strategy and structure and should be read in conjunction with the risks below.

Illiquid and Long-Term Investments

Investments in KKR Credit Funds or Other Clients are speculative in nature and require a long-term commitment, with no certainty of return of capital or gains. The investments are expected to be predominantly illiquid and there can be no assurance that a KKR Credit Fund or Other Client will be able to generate returns for investors. The realizable value of a highly illiquid investment at any given time may be less than its intrinsic value.

Although certain investments by KKR Credit Funds and Other Clients may generate current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment, as to which there can be no certainty. While an investment by KKR Credit Funds and Other Clients may be sold at any time, typically this will occur only a number of years after the investment is made. KKR Credit Funds and Other Clients will generally not be able to sell securities and/or loans comprising an investment publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases, a KKR Credit Fund or Other Client may be prohibited by contract from selling certain securities and/or loans for a period of time, which will restrict their ability to exit the relevant investment and may also mean that the KKR Credit Fund or Other Client is unable to take advantage of favorable market prices when doing so. In view of such limitations on liquidity, which are illustrative and not exhaustive, KKR Credit Funds or Other Clients will generally not be able to realize on an investment until the sale of such investment. Furthermore, such illiquidity may continue even if the underlying portfolio companies or other relevant issuers obtain listings on securities exchanges. There can be no assurance that a KKR Credit Fund or Other Client will be able to dispose of its investments at the price and at the time it wishes to do so. Certain investments by KKR Credit Funds or Other Clients may be in securities that are or become publicly traded. Such investments may be subject to economic, political, interest rate and other risks, any of which could result in an adverse change in the market price.

Certain investments by the KKR Credit Funds or Other Clients may be in (or result, due to in-kind distributions or otherwise, in the KKR Credit Fund or Other Client holding, for example, as collateral) securities that are or become publicly traded and are therefore subject to the risks inherent in investing in public companies (including new issues of securities). These factors are outside KKR's control, and could adversely affect the liquidity and value of the KKR Credit Fund or Other Client's investments, and may reduce the ability of the KKR Credit Fund or Other Client to make attractive new investments.

Valuation Risk

KKR Credit Funds and Other Clients will rely on the relevant KKR Credit GP or KKR Credit and its affiliates, as applicable, for valuation of their assets and liabilities. KKR Credit Funds and Other Clients will primarily hold securities and/or loans and other assets that will not have readily assessable market values. In such instances, the relevant KKR Credit GP or KKR Credit will determine the fair value of such securities and/or loans and assets in its reasonable judgment based on various factors and may rely on internal pricing models, all in accordance with KKR Credit's valuation policies and procedures. Such

valuations may vary from similar valuations performed by independent third parties for similar types of securities or assets. The valuation of illiquid securities and other assets is inherently subjective and subject to increased risk that the information utilized to value such assets or to create the price models may be inaccurate or subject to other error. The value of a KKR Credit Fund or Other Client's portfolio may also be affected by changes in accounting standards, policies or practices as well as general economic, political, regulatory and market conditions and the actual operations of portfolio investments which are not predictable and can have a material impact on the reliability and accuracy of such valuations. Due to a wide variety of market factors and the nature of certain securities and/or loans and assets to be held by KKR Credit Funds and Other Clients, there is no guarantee that the value determined by a KKR Credit GP or KKR Credit will represent the value that will be realized by a KKR Credit Fund or Other Client on the eventual disposition of an investment or that would, in fact, be realized upon an immediate disposition of the investment. The amount and timing of carried interest received by KKR Credit or a KKR Credit GP with respect to a KKR Credit Fund or Other Client may depend in part on the value of a KKR Credit Fund's or Other Client's assets and liabilities. If the valuations made by the KKR Credit GP or KKR Credit are incorrect, the amount of carried interest received by the KKR Credit GP or KKR Credit or the timing of receipt of carried interest would also be expected to be incorrect. KKR Credit regularly reports to investors and prospective investors certain metrics of KKR Credit Funds' and Other Clients' performance, such as rates of return and multiples of money, which calculations depend on the value of such KKR Credit Funds' or Other Clients' investments, including unrealized investments, and involves uncertainties and subjective determinations, including for difficult to value assets. If the valuations made by the KKR Credit GP or KKR Credit are incorrect, these metrics would also be expected to be incorrect.

Due Diligence

KKR Credit seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third party advisors or consultants may present a number of risks primarily relating to KKR Credit's reduced control of the functions that are outsourced. In addition, if KKR Credit is unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, KKR Credit will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that KKR Credit carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Conduct occurring at portfolio companies, even activities that occurred prior to a KKR Credit Fund's or Other Client's investment therein, could have an adverse impact on a KKR Credit Fund or Other Client. Additionally, in connection with the evaluation of potential investment opportunities, KKR Credit may engage with individuals retained by expert networks who are under an obligation not to disclose confidential information. KKR Credit seeks to avoid inadvertently obtaining confidential information from such sources and has therefore implemented procedures to mitigate the risk that the use of expert networks could result in the receipt of confidential information by investment professionals. However, no assurance can be made that such individuals do not share confidential information. In such cases, KKR Credit may become restricted from pursuing an investment opportunity, which could adversely impact a KKR Credit Fund or Other Client.

As a part of due diligence on a potential investment, KKR Credit may invest in the securities and/or loans or interests of a portfolio company on the basis of the company's financial projections. Management judgments are generally the basis for projected operating results. Projections are merely estimates of future results based on assumptions made when the projections were developed. There is no certainty that a company will achieve its projected results, and actual results can vary significantly from projections. Unpredictable general economic conditions can have a material adverse impact on the reliability of such projections and the performance of an investment.

Instances of bribery, fraud, accounting irregularities and other improper, illegal or corrupt practices can be difficult to detect, and fraud and other deceptive practices can be widespread in certain jurisdictions. Several KKR Credit Funds or Other Clients invest in emerging market countries that may not have established laws and regulations that are as stringent as in more developed nations, or where existing laws and regulations may not be consistently enforced. For example, KKR Credit Funds invest throughout jurisdictions that have material perceptions of corruption according to international rating standards (such as "Transparency International" and "Corruption Perceptions Index") such as China, India, Indonesia, and countries in Latin America, the Middle East and Africa. Due diligence on investment opportunities in these jurisdictions is frequently more complicated because consistent and uniform commercial practices in such locations may not have developed. Bribery, fraud, accounting irregularities and corrupt practices can be especially difficult to detect in such locations. Accordingly, KKR Credit cannot be certain that the due diligence investigation that it will carry out with respect to any investment opportunity will reveal or highlight all relevant facts (including fraud, bribery and other illegal activities and contingent liabilities) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities. KKR Credit also cannot be certain that its due diligence investigations will result in investments being successful or that the actual financial performance of an investment will not fall short of the financial projections KKR Credit used when evaluating that investment.

KKR Credit seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment and generally in the case of private equity and real asset investments (if any), to prepare a framework that may be used from the date of an acquisition to drive operational achievement and value creation. When conducting due diligence and making an assessment regarding an investment, KKR Credit relies primarily on publicly available information and resources. In certain circumstances, for example, in connection with certain alternative credit strategies, KKR Credit may also rely on information provided by the target of the investment and, in some circumstances, third-party investigations. As a result, the due diligence process may at times be subjective with respect to newly organized companies or other portfolio companies for which only limited information is available. Accordingly, KKR Credit cannot be certain that its due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity. Additionally, as a part of due diligence on a potential investment, KKR Credit may invest in the securities and/or loans or interests of a portfolio company on the basis of the company's financial projections. Management judgments are generally the basis for projected operating results. Projections are merely estimates of future results based on assumptions made when the projections were developed. There is no certainty that a company will achieve its projected results, and actual results can vary significantly from projections. Unpredictable general economic conditions can have a material adverse impact on the reliability of such projections and the performance of an investment.

KKR Credit will generally establish the capital structure of an investment and the terms and targeted returns of such investment on the basis of financial and other applicable projections. Projected operating results will normally be based primarily on investment professional judgments or third-party advice and

reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be achieved, and actual results may vary significantly from the projections. General market, economic, environmental, and other conditions, which are not predictable, can have an adverse impact on the reliability of such projections. Assumptions or projections about asset lives; the stability, growth or predictability of costs; demand; or revenues generated by an investment or other factors associated therewith may, due to various risks and uncertainties including those described herein, differ materially from actual results.

Additionally, in connection with the evaluation of potential investment opportunities, KKR Credit may engage with individuals retained by certain expert networks, consultants or research firms who are under an obligation not to disclose proprietary and/or confidential information. KKR Credit seeks to avoid inadvertently obtaining proprietary and/or confidential information from such sources and has therefore implemented policies, procedures and processes to mitigate this risk. However, no assurance can be made that consultants of expert networks, consultancy firms or research providers do not share proprietary and/or confidential information. In such cases, KKR Credit may become restricted from pursuing an investment opportunity, which could adversely impact a KKR Credit Fund or Other Client.

Risks Arising from Provision of Oversight Rights

KKR Credit Funds or Other Clients will typically seek to obtain oversight rights with respect to KKR Credit Funds' or Other Clients' portfolio companies, and KKR Credit executives and/or Senior Advisors, KKR Capstone and RPM executives may serve on the boards of directors of portfolio companies. The designation of directors and other types of participation could expose the assets of a KKR Credit Fund or Other Client to claims by a portfolio company, its security holders and creditors, governmental authorities and other third parties. Regulators and courts in some jurisdictions may find a basis for attributing liability to a KKR Credit Fund or Other Client even where the nexus between the Fund or Other Client and the activities at the portfolio company that led to the liability being incurred in the first place may be attenuated.

Complex Investments

KKR Credit often pursues complex investment opportunities. This can often take the form of substantial business, regulatory or legal complexity that might deter other investment managers. KKR Credit's tolerance for complexity presents risks, as such transactions can be more difficult, expensive and time consuming to finance and execute; it can be more difficult to manage or realize value from the assets acquired in such transactions; and such transactions sometimes entail a higher level of regulatory scrutiny, the application of complex tax laws or a greater risk of contingent liabilities. KKR Credit Fund (and potentially Other Client) transactions involve complex tax structures that are costly to establish, monitor and maintain, and as KKR Credit pursues a larger number of transactions across multiple assets classes and in multiple jurisdictions, such costs will increase and the risk that a tax matter is overlooked or inadequately or inconsistently addressed will increase. Consequently, KKR Credit may fail to achieve the desired tax benefit or otherwise decrease the returns of KKR Credit Fund and Other Client investments. Changes in law and regulation and in the enforcement of existing law and regulation, such as antitrust laws, data privacy and data protection laws and tax laws, also add complexity and risk to KKR Credit's investment strategies. Further, KKR Credit Funds or Other Clients may acquire an investment that is subject to contingent liabilities, which could be unknown to KKR at the time of acquisition or, if they are known to KKR Credit, KKR Credit may not accurately assess or protect against the risks that they present. Acquired contingent liabilities could thus result in unforeseen losses for KKR Credit Funds or Other Clients. In addition, in connection with the disposition of an investment in a portfolio company, a KKR Credit Fund or Other Client may be required to make representations about the business and

financial affairs of such portfolio company typical of those made in connection with the sale of a business. A KKR Credit Fund or Other Client may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities by a KKR Credit Fund or Other Client, even after the disposition of an investment. Any of these risks could harm the performance of KKR Credit Funds or Other Clients.

Investment Ranking

In many cases, the portfolio companies in which a KKR Credit Fund or Other Client invests have, or are permitted to have, outstanding indebtedness or equity securities that rank senior to such investments. By their terms, such instruments may provide that their holders are entitled to receive payments of distributions, interest or principal on or before the dates on which payments are to be made in respect of such investments. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which an investment is made, holders of securities ranking senior to a KKR Credit Fund's or Other Client's investment would typically be entitled to receive payment in full before distributions could be made in respect of their investment. Dividends and distributions paid to KKR Credit Funds or Other Clients, as well as fees such as transaction fees and monitoring fees which may be creditable in whole or in part, depending on the applicable terms of the relevant KKR Credit Funds or Other Clients, against management fees payable by KKR Credit Funds or Other Clients, may be subject to clawback under various legal theories in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy. In addition, debt investments made by KKR Credit Funds or Other Clients in portfolio companies may be equitably subordinated to the debt investments made by third parties in such portfolio companies. After repaying senior security holders, such companies may not have any remaining assets to use for repaying amounts owed in respect of such investments. To the extent that any assets remain, holders of claims that rank equally with a KKR Credit Fund's or Other Client's investments would be entitled to share on an equal and ratable basis in distributions that are made out of those assets. Also, during periods of financial distress or following insolvency, the ability of a KKR Credit Fund or Other Client to influence a company's affairs and to take actions to protect an investment may be substantially less than that of the senior creditors.

Investments Longer Than Term

KKR Credit Funds and Other Clients will generally be terminated and dissolved in accordance with the provisions governing their terms as set forth in their governing documents. KKR Credit Funds and other Clients may make investments which may not be advantageously disposed of prior to the date that a KKR Credit Fund will be dissolved or an Other Client relationship will terminate, as applicable, either by expiration of the term or otherwise pursuant to their governing documents. In such an event investments may be distributed in kind or sold or otherwise disposed at a disadvantageous time as a result of dissolution or termination.

Limited Number of Investments

KKR Credit Funds and Other Clients may participate in a relatively limited number of investments and, as a consequence, the aggregate return of a KKR Credit Fund or Other Client may be substantially adversely affected by the unfavorable performance of even a single investment. KKR Credit Funds or Other Clients' investments may be concentrated in a limited number of sectors and geographies. Other than as set forth in the constitutional or offering documents of a KKR Credit Fund or management agreement with an Other Client, investors have no assurance as to the degree of diversification of the KKR Credit Fund's or Other Client's investments either by geographic region, asset type or sector. If a KKR Credit Fund or Other Client is unable to sell, assign or otherwise syndicate out loan, bond or other positions that it holds that are greater than the KKR Credit Fund's or Other Client's target positions, such

KKR Credit Fund or Other Client will be forced to hold its excess interest in such investments for an indeterminate period of time. This could result in a KKR Credit Fund's or Other Client's investments being over-concentrated in certain borrowers. To the extent a KKR Credit Fund or Other Client concentrates investments in a particular borrower, investment, sector or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. For the KKR Credit Fund or Other Client to achieve attractive returns, one or a few of its investments may need to perform very well. There are no assurances that this will be the case.

Investment Leverage; Availability of Financing

KKR Credit Funds' and Other Clients' investments typically include investments in companies and assets whose capital structures include significant indebtedness. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. A highly leveraged entity or asset is be subject to restrictive covenants in its lending agreement restricting its activity, or may be limited in making strategic acquisitions, or obtaining additional financing, and will have increased exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. In addition, leveraged entities or assets may be subject to restrictions on making interest payments and other distributions. If an event occurs that prohibits a portfolio company or other portfolio investment from making distributions for a particular period, this may affect the levels and timing of any returns of a KKR Credit Fund or Other Client.

Because KKR Credit Funds and Other Clients may make equity investments in portfolio companies, the equity securities received by KKR Credit Funds and Other Clients will typically be the most junior in the capital structure, and thus subject to the greatest risk of loss in the case of the portfolio company's financial difficulty, or if an event of default occurs under the terms of the relevant financing and a lender decides to enforce its creditor rights. Events of default may in some cases be triggered by events not related directly to the borrower itself.

A KKR Credit Fund's or Other Client's ability to achieve attractive rates of return will depend on its and its portfolio companies' ability to access sufficient sources of indebtedness at attractive rates. A decrease in the availability of financing or an increase in either interest rates or risk spreads demanded by financing sources, whether due to changes in economic or financial market conditions or a decreased appetite for risk by lenders, could also make it more expensive to finance investments by KKR Credit Funds or Other Clients on acquisition and throughout the term of their investment and could make it more difficult to compete for new investments with other potential buyers that have a lower cost of capital. A portion of the indebtedness used to finance investments on acquisition and throughout the term of a KKR Credit Fund's or Other Client's investment may include high-yield debt securities issued in the capital markets. Availability of capital from the high-yield debt markets is subject to significant volatility, and there may be times when a KKR Credit Fund or Other Client may not be able to access those markets at attractive rates, or at all, when completing an investment or as otherwise may be required during the term of the KKR Credit Fund's or Other Client's investment. Leverage may also be applied with respect to a KKR Credit Fund's or Other Client's portfolio as a whole or with respect to one or more investments, and the presence of such borrowings will magnify the volatility of such KKR Credit Fund's or Other Client's investment portfolio and may substantially increase the risk profile of a KKR Credit Fund or Other Client and its investments.

In addition, the leveraged lending guidelines published by U.S. federal bank regulatory agencies and the European Central Bank ("ECB") (or similar guidelines or restrictions published or enacted in the future) could limit the willingness or ability of banks or other financing sources to provide financing sought by KKR Credit Funds or Other Clients or their portfolio companies, and may result in an inability of a KKR

Credit Fund or Other Client or their portfolio companies to establish their desired financing or capital structure (see “*Subscription Facilities; Guarantees*” below). Any failure by lenders to provide previously committed financing can also expose KKR Credit Funds or Other Clients to potential claims by sellers of businesses which KKR Credit Funds or Other Clients may have contracted to purchase. The absence of available sources of sufficient debt financing for extended periods could therefore materially and adversely affect KKR Credit Funds or Other Clients and portfolio companies. When existing portfolio companies reach the point when debt incurred to finance those investments matures in significant amounts and must be either repaid or refinanced, those investments may materially suffer if they have generated insufficient cash flow to repay maturing debt and there is insufficient capacity and availability in the financing markets to permit them to refinance maturing debt on satisfactory terms, or at all. If the financing for such purposes were to be unavailable or uneconomic when significant amounts of the debt incurred to finance existing portfolio investments start to come due, these investments could be materially and adversely affected. In the event of default or potential default under applicable financing arrangements, one or more portfolio companies may go bankrupt, which could give rise to substantial investment losses, adverse claims or litigation against KKR Credit or KKR Credit Funds or Other Clients.

Availability of Suitable Investment Opportunities

The success of a KKR Credit Fund’s or Other Client’s investment strategy depends on the ability of KKR Credit to identify and select appropriate investment opportunities and to acquire these investments. The industries and sectors in which a KKR Credit Fund or Other Client invests are highly competitive and involves a significant degree of uncertainty. KKR Credit Funds and Other Clients compete for investments with operating companies, financial institutions, and other institutional investors as well as private equity, hedge, and other investment funds, and this competition may adversely impact the availability of investments and the terms upon which KKR Credit effects and exits them. The KKR Credit Funds or Other Clients’ success may depend, in part, on the ability of the KKR Credit Funds or Other Clients to originate or purchase loans and/or bonds and other debt (and certain equity) investments on advantageous terms. The KKR Credit Funds or Other Clients compete with a broad spectrum of investors, lenders and sources of finance, including other private investment vehicles as well as the public debt markets, individuals, investment banks, commercial banks, insurance companies and other financial institutions, business development companies (“**BDCs**”), strategic industry acquirers, other KKR Credit Funds or Other Clients and other institutional investors investing directly or through affiliates, many of which have substantially greater financial resources and are more well-known than the KKR Credit Fund or Other Client. Increased competition for, or a diminishment in the available supply of, qualifying loans or bonds could result in lower yields on such loans or bonds, which could reduce returns to investors. Such supply-side competition may adversely affect the terms upon which investments can be made by the KKR Credit Funds or Other Clients. Moreover, in the context of originating loans, private equity sponsors unaffiliated with KKR may be reluctant to present financing opportunities to the KKR Credit Fund or Other Client because of its affiliation with KKR and Other KKR Investment Vehicles (including vehicles that pursue similar investment strategies to the KKR Credit Fund or Other Client).

There can be no assurance that the KKR Credit GPs or their affiliates will be able to locate and complete investments which satisfy the KKR Credit Funds or Other Client’s objectives or realize upon their values or that the KKR Credit Funds or Other Clients will be able to fully invest its capital commitments or subscriptions. The KKR Credit Fund or Other Client may incur significant fees and expenses identifying, investigating, and attempting to make potential investments that are ultimately not consummated, including fees and expenses relating to due diligence, transportation and travel. Moreover, the KKR Credit GP’s beliefs regarding the availability of investment opportunities for the KKR Credit Fund or Other Client over the next several years are based in part on assumptions regarding the amount of financing that will be available over such time period, the KKR Credit Fund or Other Client’s ability to

participate in such investments and other market, economic and related assumptions, some or all of which may not materialize as expected.

In the event that A KKR Credit Fund or Other Client is wound up, and to the extent that the assets may be realized, any such realization may not be at full market value and will be subject to deductions for any expenses for the termination of the KKR Credit Fund or Other Client.

International Investments

KKR Credit Funds or Other Clients may invest from time to time in European companies and companies that have operations that may be affected by the Eurozone economy, including, without limitation, those factors described below under “*Changes Resulting from the United Kingdom’s Exit from the European Union*”. Such investments are subject to the risk that certain member states of the EU may cease to use the euro as their national currency, that one or more member states, in addition to the United Kingdom, may seek to withdraw from the EU membership, or even the collapse of the Eurozone as it is constituted today, which would likely have an adverse impact on the European and global economy and, consequently, KKR Credit Funds and Other Clients with investments in Europe. Sovereign debt defaults and EU and/or Eurozone exits, could have material adverse effects on investments by a KKR Credit Fund or Other Client in European companies, including, but not limited to, the availability of credit to support such companies’ financing needs, uncertainty and disruption in relation to financing, customer and supply contracts denominated in the euro and wider economic disruption in markets served by those companies, while austerity and other measures introduced in order to limit or contain these issues may themselves lead to economic contraction and resulting adverse effects for a KKR Credit Fund or Other Client and its investments. It is likely that a number of KKR Credit Funds’ or Other Clients’ investments will be denominated in the euro. Greece, Ireland, Portugal, Spain and Cyprus received one or more “bailouts” from other members of the EU. Although several countries in the Eurozone have agreed to multi-year bailout loans from the ECB and the International Monetary Fund, it is unclear whether these countries, or other Eurozone countries, will require additional funding. To the extent any KKR Credit Fund’s or Other Client’s investments are denominated in the euro, legal uncertainty about the funding of euro denominated obligations following any break up of or exits from the Eurozone (particularly in the case of investments in companies in affected countries) could also have material adverse effects on a KKR Credit Fund or Other Client.

In July 2014, revisions to the Markets in Financial Instruments Directive (known as “MiFID I”), consisting of the revised directive, Directive 2014/65/EU, “MiFID II,” and a new related regulation, Regulation 600/2014, “MiFIR,” came into force. MiFID II and MiFIR apply to the operations of KKR Credit and certain KKR Credit Funds and Other Clients from January 2018. MiFID II and MiFIR further enhance the EU regulatory framework for the provision of investment services and trading in financial instruments by introducing a number of requirements in regards to transaction reporting, transparency, market infrastructure, securities and derivatives trading, and conduct of business rules, including new harmonized rules for authorization of EU branches of third-country firms seeking to provide certain investment services in the European Union. The application of MiFID II and MiFIR will result in new regulatory burdens on KKR Credit and its affiliates and certain KKR Credit Funds and Other Clients, which could result in increased costs, and any failure to comply with the new requirements, even in areas where there is legal uncertainty, could result in enforcement action, including, but not limited to, fines.

Many jurisdictions in which KKR Credit operates have laws and regulations relating to data privacy, cyber-security and protection of personal information, including the General Data Protection Regulation in the EU that goes into effect in May 2018, and which will impose stringent data protection requirements and will provide for significant penalties for noncompliance. Any inability, or perceived inability, to adequately address privacy and data protection concerns, or comply with applicable laws, regulations, policies, industry standards, contractual obligations, or other legal obligations, even if unfounded, could result in additional cost and liability and could damage KKR Credit's reputation and adversely affect KKR Credit Funds and Other Clients.

Economic sanction laws in the United States and other jurisdictions may prohibit KKR Credit, KKR Credit Funds and Other Clients from transacting with certain countries, individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions, which prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These types of sanctions may significantly restrict or completely prohibit certain investment activities in Europe, the Middle East and Africa, and if a KKR Credit Fund or Other Client or its portfolio companies were to violate any such laws or regulations, it may face significant legal and monetary penalties. KKR Credit and KKR Credit Funds and Other Clients are committed to comply with the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws and regulations may also cause KKR Credit to be unwilling to enter into certain potential investments that KKR Credit spent substantial time and effort identifying and developing.

The FCPA and other anti-corruption laws and regulations, as well as anti-boycott regulations, may also apply to and restrict the activities of KKR Credit Fund's and Other Client's portfolio companies. If a portfolio company of a KKR Credit Fund or Other Client were to violate any such laws or regulations, such portfolio company may face significant legal and monetary penalties. The U.S. government has indicated that it is focused on FCPA enforcement, which may increase the risk that KKR Credit Funds' and Other Clients' portfolio companies or KKR Credit Funds or Other Clients become the subject of such actual or threatened enforcement. As such, a violation of the FCPA or other applicable regulations by a portfolio company could have a material adverse effect on KKR Credit Funds and Other Clients.

Changes resulting from the United Kingdom's Exit from the European Union

On June 23, 2016, the United Kingdom voted, via referendum, to exit from the EU, triggering political, economic and legal uncertainty. While such uncertainty most directly affects the United Kingdom and the EU, global markets suffered immediate and significant disruption. On March 29, 2017, the United Kingdom made a formal notification to the European Council under Article 50 of the Treaty on EU which triggered a two-year period during which the terms of an exit, commonly known as "Brexit", will be negotiated. However, the governing Conservative Party failed to secure a majority of the seats in the House of Commons following the general election held on June 8, 2017, resulting in a minority parliament and additional uncertainty with regard to the United Kingdom's future as it continues to negotiate its withdrawal from the European Union. The government of the United Kingdom has since proposed the European Union (Withdrawal) Bill 2017-19, sponsored by the Rt. Hon. David Davis MP, the Secretary of State for Exiting the European Union, to effect the formal withdrawal of the United Kingdom from the European Union, and the arrangement with the European Union is currently being negotiated.

The United Kingdom and the EU are therefore in a period of legal, regulatory and political uncertainty. The United Kingdom's exit from the EU will impact KKR Credit Funds and Other Clients and its portfolio companies and investments in a variety of ways, not all of which are currently readily apparent.

Certain KKR Credit Funds and Other Clients may have portfolio companies and other issuers with significant operations and/or assets in the United Kingdom, any of which could be adversely impacted by any new legal, tax and regulatory environment, whether by increased costs or impediments to the implementation of their business plan. KKR Credit Management entities may be limited or restricted from managing or marketing the KKR Credit Funds or to Other Clients. Further, the vote by the United Kingdom to leave the EU may increase the likelihood of similar referenda in other member states of the EU, which could result in additional departures from the EU and may trigger steps by countries within the United Kingdom to leave the United Kingdom. While these events have not materialized, independence movements have gained momentum within certain European countries, including most notably Spain. If such independence movements were to be successful, it would have a destabilizing effect on the relevant country and potentially the EU and the euro as a whole, at least in the short term. The uncertainty resulting from any such developments, or the possibility of such developments, would also be likely to cause significant market disruption in the EU and the United Kingdom (including with respect to currency exchange rates) and more broadly across the global economy, as well as introduce further legal, tax and regulatory uncertainty in the EU and the United Kingdom. The nature and extent of the impact of such events on the KKR Credit Funds or Other Clients is difficult to predict but they may adversely affect the return on the KKR Credit Funds or Other Clients and its investments. There may be detrimental implications for the value of certain of the KKR Credit Funds or Other Clients' investments, the KKR Credit Funds or Other Clients' ability to enter into transactions or to value or realise its investments or otherwise to implement its investment program. This may be due to, among other things: (i) increased uncertainty and volatility in the United Kingdom and European Union financial markets; (ii) fluctuations in the market value of sterling and of United Kingdom and European Union assets; (iii) fluctuations in exchange rates between sterling, the euro and other currencies; (iv) increased illiquidity of investments located or listed within the United Kingdom or the European Union; (v) changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or (vi) changes in legal and regulatory regimes to which the KKR Credit Funds or Other Clients and/or certain of the KKR Credit Funds or Other Clients' assets are or become subject.

Once the position of the United Kingdom and the arrangements which will apply to its relationships with the European Union and other countries have been established, or if the United Kingdom ceases to be a member of the European Union without having agreed on such arrangements or before such arrangements become effective, it is possible that certain of the KKR Credit Funds or Other Clients' investments may need to be restructured to enable the KKR Credit Funds or Other Clients' objectives fully to be pursued. This may increase costs or make it more difficult for the KKR Credit Funds or Other Clients to pursue their objectives.

Regulatory Approvals

There can be no assurance that a portfolio company targeted by a KKR Credit Fund or Other Client will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent a portfolio company from operating in accordance with a KKR Credit Fund's or Other Client's expectations in respect of such company, the completion of a previously announced acquisition or sales to third parties, could limit the portfolio company's ability to engage in certain regulated activities or could otherwise result in additional costs to a portfolio company and an adverse impact on any investment by a KKR Credit Fund or Other Client in such company.

Subscription Facilities; Guarantees

Certain KKR Credit Funds may obtain one or more revolving credit facilities (“subscription facilities”). Subscription facilities of KKR Credit Funds are expected to be used by KKR Credit Funds to make or otherwise facilitate investments, to support ongoing operations and activities of KKR Credit Funds’ portfolio companies and entities through which investments are held and in order to enable KKR Credit Funds to pay management fees or other expenses and liabilities. Borrowings (including subscription facilities) may be entered into, subject to certain statutory segregation of liability requirements in respect of certain KKR Credit Funds structured as umbrella funds, on a joint and several or cross-collateralized basis with, or for the benefit of any alternative vehicles or other parallel fund of a KKR Credit Fund or their respective direct or indirect portfolio companies or other investments (and any of the foregoing may be added as an additional borrower under a KKR Credit Fund’s subscription facility), in which case such KKR Credit Fund’s assets (including unused capital commitments) would be available to satisfy the liabilities and other obligations of any such vehicles, companies or other entities. A KKR Credit Fund may also pledge assets of the KKR Credit Fund (including unused capital commitments) if relevant and subject to applicable regulatory requirements guarantee the indebtedness of others, including portfolio companies and entities through which investments by the KKR Credit Fund are held. If a KKR Credit Fund obtains a subscription facility, it is generally expected that the KKR Credit Fund’s interim capital needs would be satisfied through borrowings by the KKR Credit Fund under the subscription facility, and where a KKR Credit Fund or Other Client operates on a capital commitment and drawdown basis, drawdowns of capital contributions by the KKR Credit Fund, including those used to pay interest on subscription facilities, would generally be expected to be “batched” together into larger, less frequent capital calls (although actual timing and amounts may vary). Although there are typically limitations regarding the time borrowings by KKR Credit Funds under subscription facilities may remain outstanding, there are generally no limitations on the amount of time guarantees by KKR Credit Funds or borrowings of portfolio companies or entities through which portfolio investments are held that may remain outstanding, and the interest expense and other costs of any such borrowings and guarantees will be KKR Credit Fund expenses and, accordingly, may decrease net returns of KKR Credit Funds. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the KKR Credit Funds’ preferred returns (with the preferred returns beginning to accrue when capital contributions to repay borrowings are actually made to the KKR Credit Funds). The use of subscription facilities impacts internal rates of return as a result of greater leverage. However, for investments which do not have positive returns, greater leverage will in general as well as related borrowing costs will generally further decrease returns. Additionally, the internal rates of return of KKR Credit Funds are generally calculated using the dates of each contribution or subscription by investors to KKR Credit Funds rather than the dates of each investment. As a result, KKR Credit Funds’ internal rate of return will generally be higher (or more negative, in the case of investments with negative returns) than they would have been in the absence of such borrowings as the internal rate of return will be calculated over a shorter period of time. To the extent that a KKR Credit Fund is unable to obtain a subscription facility, access to such facility becomes unavailable or a KKR Credit GP otherwise determines not to use such facility, the KKR Credit GP may draw down capital commitments in advance and accept subscriptions and hold them in reserve in order to make portfolio investments, satisfy fees and expenses and other capital needs as such needs arise in the future.

Recycling; Reinvestment

Investment proceeds received by KKR Credit Funds and Other Clients during their respective investment periods may, depending on the terms of the relevant KKR Credit Fund or Other Client, be retained in whole or in part by a KKR Credit Fund or Other Client, or restored to investors’ unused capital commitments and subsequently recalled, for future investments. In addition, the amount of capital contributions from investors used to pay KKR Credit Fund or Other Client expenses subsequently distributed to investors may, with respect to certain KKR Credit Funds or Other Clients, be restored to the investors’ unused capital commitments and become available to be recalled for future use. In addition,

with respect to certain KKR Credit Funds and Other Clients, certain contributions will not reduce unused capital commitments. Accordingly, an investor in a KKR Credit Fund or Other Client may be required to make capital contributions in excess of its capital commitment and, to the extent such recalled or retained amounts are reinvested in investments, such investor will remain subject to investment and other risks associated with such investments.

In-Kind Distributions

In certain circumstances, KKR Credit Funds or Other Clients may distribute bonds and other assets to investors that are non-marketable or are otherwise illiquid. The risk of loss and delay in liquidating such assets will be borne by investors, with the result that investors may receive less cash than was reflected in the fair value of such assets as determined by KKR Credit pursuant to the governing documents of the relevant KKR Credit Fund or Other Client. In addition, when investments are distributed to investors in kind, such investors may then become minority shareholders in, or lenders to, the underlying portfolio investments and may be unable to protect their interests effectively. In addition, in certain circumstances a KKR Credit GP may elect to receive an in-kind distribution in lieu of a cash distribution with respect to carried interest or other amounts distributable to the KKR Credit GP, which will result in a conflict of interest.

Non-Controlling Investment Positions

KKR Credit Funds or Other Clients are often expected to seek to acquire majority ownership of assets and businesses in order to allow significant strategic and operating influence over investments, but may also invest or co-invest with third parties, including through partnerships, joint ventures and other entities. Such third parties, which may include third party managers, may have larger or controlling ownership interests in, or governance rights in respect of, such investments. In some cases, decisions require the consent of other investors, thereby lessening KKR Credit's control and, therefore, its ability to protect the position of KKR Credit Funds and Other Clients. In addition, there are instances in which a KKR Credit Fund or Other Client makes an investment in publicly or privately traded securities without the intent to control or influence the assets or companies in which it invests, and in such cases, the KKR Credit Fund or Other Client will be significantly reliant on the existing management, board of directors and other shareholders of such companies, with whom the KKR Credit Fund or Other Client is not affiliated and whose interests may conflict with the interests of the KKR Credit Fund or Other Client. In the event that a KKR Credit Fund or Other Client has a non-controlling interest in any such investment, there can be no assurance that minority rights will be available to it or that such rights will provide sufficient protection of a KKR Credit Fund's or Other Client's interests.

Operating Partners

KKR Credit Funds or Other Clients may make portfolio investments through arrangements with operating partners, including through partnerships, joint ventures or other entities. Operating partners generally would be expected to provide various services to portfolio companies, including acquisition-related services (such as sourcing, evaluating, structuring, due diligence and execution with respect to actual or potential investment opportunities) and management-related services with respect to such portfolio investments (including day-to-day asset management and oversight). The operating partners with respect to a particular portfolio investment may also provide the same or similar services with respect to one or more other portfolio investments of a KKR Credit Fund or Other Client, as well as to third parties unaffiliated with a KKR Credit Fund, Other Client or KKR Credit.

In addition, from time to time, a KKR Credit Fund or Other Client or an affiliate of a KKR Credit Fund or Other Client, including KKR, may enter into exclusivity, non-competition or other arrangements with one

or more joint venture partners, operating partners or other third parties (each, an “**Exclusive JV Partner**”) with respect to potential investments in a particular geographic region or with respect to a specific industry or asset type pursuant to which the KKR Credit Fund or Other Client or such affiliate (including KKR), may agree, among other things, not to make investments in such region or with respect to such industry or asset type outside of its arrangement with such Exclusive JV Partner. Accordingly, there may be circumstances in which KKR sources a potential investment opportunity or is presented with an opportunity by a third party, and as a result of such arrangements with an Exclusive JV Partner, a KKR Credit Fund or Other Client could be precluded from pursuing such investment opportunity or obligated to bear an incremental layer of fees and expenses with respect to such investment.

Such investments may involve risks in connection with such third-party involvement; including the possibility that a third party may have financial difficulties resulting in a negative impact on such investments. Furthermore, a third-party co-investor, manager or operator may have economic or business interests or goals that are inconsistent with those of the KKR Credit Fund or Other Client or may be in a position to take (or block) action in a manner contrary to the KKR Credit Fund’s or Other Client’s investment objectives. The KKR Credit Fund or Other Client may also in certain circumstances be liable for the actions of such third parties. Investments made with such third parties in joint ventures or other entities may involve arrangements whereby a KKR Credit Fund and/or Other Client would fund a portion of the expenses in excess of its equity ownership percentage, including, management fees or other fees payable to the joint venture partner (or its management team), employee compensation, diligence expenses or other related expenses. Such expenses may be borne directly by the KKR Credit Funds or Other Clients as fund expenses (or sourcing and diligence expenses, if applicable) or indirectly as a KKR Credit Fund or Other Client bears the start-up and ongoing expenses of the newly formed joint venture portfolio entity.

The compensation paid to joint venture and operating partners include: (i) management or other fees, such as, origination fees and development fees payable to the joint venture partner (or its management team of the joint venture portfolio entity); (ii) carried interest distributions and/or other profit sharing arrangements payable to the joint venture partner (or its management team), including profits realized in connection with the disposition of a single asset, multiple assets or a joint venture portfolio entity; and (iii) other types of fees, bonuses and compensation not otherwise specified above. None of the compensation or expenses described above will be offset against any management fees or carried interest distributions. In addition, joint venture and operating partners (and/or their officers, directors, employees or other associated persons), if any, may be permitted to invest on a no-fee/no- carry basis in KKR Credit Funds or Other Clients or in specific investments. Members of the management team for a joint venture portfolio entity may include former KKR personnel, Industry Advisors, Senior Advisors, KKR Credit Advisors, Capstone executives and RPM executives and other Consultants.

In addition, KKR Credit Fund and Other Client investment strategies in certain investments could, but are not expected to, depend on the ability to enter into satisfactory relationships with joint venture or operating partners. There can be no assurance that KKR Credit’s future relationship with any such partner or operator would continue (whether on currently applicable terms or otherwise) with respect to a KKR Credit Fund or Other Client or that any relationship with other such persons would be able to be established in the future as desired with respect to any sector or geographic market and on terms favorable to a KKR Credit Fund or Other Client.

In some transactions, the amount of equity capital that is required to complete a large capitalization private equity transaction may be significant, and are therefore required to be structured as a consortium transaction. A consortium transaction involves an equity investment in which two or more other private equity firms serve together or collectively as equity sponsors. While KKR Credit has sought to limit the

amount of consortium transactions in which KKR Credit Funds have been involved where possible, KKR Credit Funds and Other Clients have participated in a significant number of those transactions. Consortium transactions generally entail a reduced level of control by KKR Credit over the investment because KKR Credit must share its governance rights with the other consortium investors. Accordingly, KKR Credit may not be able to control decisions relating to a consortium investment, including decisions relating to the management and operation of the company and the timing and nature of any exit. Any of these factors could increase the risk that larger investments could be less successful. The consequences to KKR Credit Funds or any Other Client of an unsuccessful larger investment could be more severe given the size of the investment.

Co-Investments with Third Parties

Co-Investments may be made by a KKR Credit Fund or Other Client with third parties through partnerships, joint ventures or other entities, which may have larger or controlling ownership interests in underlying portfolio companies. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third party may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the KKR Credit Fund or Other Client, or may be in a position to take (or block) action in a manner contrary to the KKR Credit Fund or Other Client's interests. In addition, a KKR Credit Fund or Other Client may in certain circumstances be liable for the actions of its third-party co-investors. Investments made with third parties in joint ventures or other entities also may involve compensation arrangements including carried interests and/or other fees payable to such third-party partners or co-investors, particularly in those circumstances where such third-party partners or co-investors include a management group. There can be no assurance that minority rights will be available or that such rights will provide sufficient protection of a KKR Credit Fund or Other Client's interests.

Consequences of Default

If an investor in structured KKR Credit Fund that operates on the basis of capital commitments and drawdowns fails to pay when due all or any portion of a capital contribution or other payment required to be made to KKR Credit Funds or Other Clients, and the contributions made by non-defaulting investors and borrowings by KKR Credit Funds or Other Clients are inadequate to cover the defaulted amounts, KKR Credit Funds or Other Clients may be unable to pay their obligations when due. As a result, KKR Credit Funds or Other Clients may be subjected to significant penalties that could materially adversely affect the returns to all investors (including non-defaulting investors). In addition, each defaulting investor may incur significant economic losses, including, without limitation, forfeiture of capital accounts and distributions, forced transfer of its interests at a discounted price and loss of the right to make future capital contributions to KKR Credit Funds or Other Clients. A KKR Credit GP may require an additional funding of capital commitments from the non-defaulting investors, to the extent of their unused capital commitments, to fund the shortfall caused by the defaulting investor (or a defaulting partner of a parallel fund).

In seeking to manage the impact of an investor default on the activities of KKR Credit Funds or Other Clients, and subject to the applicable governing documents of the relevant KKR Credit Fund or Other Client, KKR Credit may, from time to time as it deems appropriate, determine to call an aggregate amount of capital from investors in respect of an investment that is in excess of the amount required and may use such additional capital to make the relevant investment, notwithstanding that one or more investors that ultimately participate in the investment may fund their capital call after the scheduled funding date (assuming KKR Credit has determined in its sole discretion not to declare such investor a defaulting limited partner as defined in the applicable governing documents of the relevant KKR Credit

Fund or Other Client). A capital call funded on a timely basis by an investor may therefore serve to bridge late-funding investors.

Mandatory Redemption Risk

Certain KKR Credit Funds may compulsorily redeem all of the shares or units in a KKR Credit Fund if the net asset value of the relevant KKR Credit Fund is less than the minimum fund size (if any) specified in applicable governing documents for the relevant KKR Credit Fund or otherwise notified to investors.

The applicable governing or offering documents of a KKR Credit Fund may give powers to the directors of the KKR Credit Fund to impose restrictions on the holding of shares or units directly or indirectly by (and consequently to redeem shares or units held by), or the transfer of shares or units to any person or entity who, in the opinion of the directors is not an accredited employee or a qualifying investor (as such terms are defined in the relevant documents governing the KKR Credit Fund), or who is or will hold shares or units for the benefit of a U.S. Person (unless the directors determine (i) the transaction is permitted under an exemption from registration available under the securities laws of the United States and (ii) that the relevant KKR Credit Fund continues to be entitled to an exemption from registration as an investment company under the securities laws of the United States if such person holds shares or units, an individual under the age of 18 (or such other age as the directors may think fit), a person or persons or an entity who breached or falsified representations on subscription documents (including as to its status under ERISA), who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person or persons or entity is not qualified to hold shares or units, or if the holding of the shares or units by any person or entity is unlawful or is less than the minimum holding set for that class of shares or units by the directors, or in circumstances which (whether directly or indirectly affecting such person or entity, and whether taken alone or in conjunction with any other persons or entities, connected or not, or any other circumstances appearing to the directors to be relevant), in the opinion of the directors, might result in the KKR Credit Fund incurring any liability to taxation or suffering any other pecuniary liability to taxation or suffering other pecuniary legal or material administrative disadvantage (including endeavoring to ensure that the relevant KKR Credit Fund's assets are not considered "plan assets" for the purpose of ERISA and the related code) or being in breach of any law or regulation which the relevant KKR Credit Fund might not otherwise have incurred, suffered or breached or might result in the KKR Credit Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or any individual under the age of 18 (or such other age as the directors may think fit).

Toehold Investments and Investments in Publicly Traded Securities

KKR Credit Funds and Other Clients may accumulate minority positions in the outstanding voting stock or securities convertible into the voting stock or securities convertible into the voting stock, of potential portfolio companies. While KKR Credit Funds and Other Clients may seek to achieve such accumulation through open market purchases, registered tender offers, negotiated transactions or private placements, they may be unable to accumulate a sufficiently large position in a target company to execute the investment strategy formulated in respect of that company. In such circumstances, KKR Credit Funds and Other Clients may dispose of their position in the target company within a short time of acquiring it. There can be no assurance that the price at which KKR Credit Funds and Other Clients can sell such securities will not have declined since the time of acquisition; this may be exacerbated by the fact that securities of the companies that KKR Credit Funds and Other Clients may target may be thinly traded or closely held and that a KKR Credit Fund's or Other Client's position may nevertheless have been substantial and its disposal may depress the market price for such securities.

Investment Focus Adjustments

KKR Credit Funds and Other Clients may not be restricted in terms of the percentage of their capital that can be invested in a particular industry, geographical region or type of investment. While their governing documents may contain a description of the types of investments that other KKR Credit Funds or Other Clients have historically made and/or information about the relevant KKR Credit Funds' or Other Clients' investment expectations, many factors may contribute to changes in emphasis in the construction of such KKR Credit Funds' or Other Clients' portfolios, including changes in market or economic conditions or regulation as they affect various industries and changes in the political or social situations in particular countries. There can be no assurance that the investment portfolio of any KKR Credit Fund or Other Client will resemble the portfolio of any prior KKR Credit Fund or Other Client.

Investments in Less Established Companies

KKR Credit Funds or Other Clients may make investments in companies that are in an early stage of development. These companies are often characterized by short operating histories, new technologies and products, quickly evolving markets and management teams that may have limited experience working together, all of which enhance the difficulty of evaluating these investment opportunities. The management of such companies may be unable to implement and maintain successful marketing, finance personnel and other operational strategies in order to become and remain successful. Other substantial operational risks to which such companies are subject include uncertain market acceptance of the company's products or services, a high degree of regulatory risk for new or untried and/or untested business models, products and services, high levels of competition among similarly situated companies, lower capitalizations and fewer financial resources and the potential for rapid organizational or strategic change. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In addition, emerging growth companies may be more susceptible to macroeconomic effects and industry downturns.

Investments in Companies in Regulated Industries and Companies Subject to Collective Bargaining Agreements

Certain industries are heavily regulated. To the extent KKR Credit Funds or Other Clients make investments in companies in these industries, these investments would pose additional risks relative to investments in other companies. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures for these companies. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. Portfolio companies also could be

materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such issuers. Governments have considerable discretion in implementing regulations that could impact a portfolio company's business, and governments may be influenced by political considerations and may make decisions that adversely affect a portfolio company's business. Additionally, certain portfolio companies may have a unionized workforce or employees who are covered by a collective bargaining agreement, which could subject any such issuer's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a portfolio company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any such portfolio company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such portfolio company's facilities could have a material adverse effect on its business, results of operations and financial condition. Any such problems could impact the credit quality of any such company or otherwise adversely impact an investment in such company by the KKR Credit Funds or Other Clients and additionally may bring scrutiny and attention to KKR Credit Funds or Other Clients, which could adversely affect the KKR Credit Funds' or Other Clients' ability to implement its investment objectives.

Investments in the Media Industry

KKR Credit Funds or Other Clients may make investments in portfolio companies involved in the media business, including new media. The media business is subject to risks of government regulation. Internet and satellite carriers are subject to varying degrees of regulation in the United States by the U.S. Federal Communications Commission (the "FCC") and other entities and in foreign countries by similar regulatory bodies. Such regulation and legislation are subject to the political process and have been in flux over the past decade. Further material changes in the law and regulatory requirements must be anticipated, and there can be no assurance that the businesses of the KKR Credit Funds' or Other Clients' portfolio companies will not be adversely affected by future legislation, new regulation or deregulation including the FCC's Protecting and Promoting the Open Internet rules, more commonly known as the "Net Neutrality" regulations. In addition, competitive pressures within the media-related industries are intense, and the securities and/or loans of such portfolio companies may be subject to significant price volatility. Because the media-related industries are also subject to rapid and significant changes in technology, portfolio companies in these industries may face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete.

Investments in Restructurings

KKR Credit Funds or Other Clients may make investments that involve portfolio companies or investments that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject a KKR Credit Fund or Other Client to certain additional potential liabilities that may exceed the value of the KKR Credit Fund's or Other Client's original investment therein. In addition, under certain circumstances, payments to KKR Credit Funds or Other Clients and distributions by KKR Credit Funds or Other Clients to investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in companies undergoing restructuring may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability,

and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Reliance on Portfolio Company Management

The day-to-day operations of each portfolio company in which KKR Credit Funds or Other Clients invest will be the responsibility of such portfolio company's management team, which, in each case, could likely include representatives of other financial investors with whom KKR Credit Funds or Other Clients are not affiliated and whose interests may at times conflict with the interests of KKR Credit Funds or Other Clients. Although the KKR Credit GPs will be responsible for monitoring the performance of each investment, KKR Credit Funds or Other Clients will rely significantly on the management teams and boards of directors of portfolio companies in which the KKR Credit Funds or Other Clients invest, including to effectively implement any agreed upon reorganization plans. There can be no assurance that the existing management team of any portfolio company or any successor thereto will be able to operate such portfolio company in accordance with a KKR Credit Fund's or Other Client's expectations. Misconduct by management (or other employees) of a portfolio company could cause significant losses in respect of the relevant investment.

Performance Fee

The KKR Credit GPs and their affiliates may be allocated a performance fee from a KKR Credit Fund or Other Client's portfolio. Such compensation arrangement may create an incentive for the KKR Credit GPs and their affiliates to make investments that are riskier or more speculative than would be the case if such compensation arrangement were not in effect.

Risks in Effecting Operating Improvements

In some cases, the success of a KKR Credit Fund's or Other Client's investment strategy will depend, in part, on the ability of such KKR Credit Fund or Other Client to restructure and effect improvements in the operations of a portfolio entity or its properties. The activity of identifying and implementing restructuring programs and operating improvements at portfolio entities entails a high degree of uncertainty. There can be no assurance that a KKR Credit Fund or Other Client will be able to successfully identify and implement such restructuring programs and improvements.

Need for Follow-on Investments

Following their initial investment in a given portfolio company or other investment, KKR Credit Funds and Other Clients may decide to provide additional funds to such investment or may have the opportunity to increase their investment in such investment. There is no assurance that KKR Credit Funds and Other Clients will make follow-on investments or that KKR Credit Funds or Other Clients will have sufficient funds to make (or will be permitted to make under KKR Credit Funds' or Other Clients' investment restrictions, tax guidelines or other applicable constraints) all or any of such investments. Any decision by KKR Credit Funds or Other Clients not to make follow-on investments or their inability to make such investments may have a substantial negative effect on an entity in need of such an investment, may result in a lost opportunity for KKR Credit Funds or Other Clients to increase their participation in a successful investment, may result in KKR Credit Funds' or Other Clients' investments in the relevant entity becoming diluted and, in circumstances where the follow-on investment is offered at a discount to market value, may result in a loss of value for KKR Credit Funds or Other Clients. Any resulting dilution of the interest of a KKR Credit Fund or Other Client in an investment will frequently be determined on the basis of a valuation in respect of such investment by KKR Credit or its affiliates.

Contingent Liabilities on Dispositions

In connection with the disposition of an investment, KKR Credit Funds or Other Clients may be required to make representations typical of those made in connection with the sale of any such asset, which may include representations in relation to the business and financial affairs of an investment. KKR Credit Funds or Other Clients may also be required to indemnify the purchasers of such an investment to the extent that any such representation turns out to be inaccurate or with respect to other matters. These arrangements may result in contingent liabilities, which, if not satisfied out of KKR Credit Funds' or Other Clients' assets, may ultimately if provided for in the constitutional or offering documents of the relevant KKR Credit Fund or the management agreement with an Other Client be required to be funded by investors making contributions to KKR Credit Funds or Other Clients or returning previous distributions received from KKR Credit Funds or Other Clients. In light of the impact on KKR Credit Fund and Other Client returns as well as KKR Credit's entitlement to receive carried interest and the capital interest of KKR Credit GPs and their affiliates in KKR Credit Funds and Other Clients, KKR Credit has an incentive to distribute investment proceeds to investors rather than establishing an escrow or other reserve, which could increase the risk that the investors may be required to make contributions or return distributions in order to satisfy contingent liabilities related to KKR Credit Fund and Other Client investments.

Interest Rate Risk

KKR Credit Funds' or Other Clients' investments will expose them to interest rate risks, meaning that changes in prevailing market interest rates could negatively affect the value of such investments. Factors that may affect market interest rates include, without limitation, inflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorders and instability in U.S. and non-U.S. financial markets. In particular, various central banks have begun or have signaled their intention to begin to taper the quantitative easing or "QE" programs instituted following the global financial crisis. These QE programs maintained interest rates at historically low levels, and the tapering of these programs is expected to result in rising interest rates, which could impact the availability of attractive financing to KKR Credit Funds and Other Clients and their portfolio companies. Although central banks are expected to seek to increase interest rates gradually, there is no guarantee that they will be successful in doing so, and there may be significant unexpected movements in interest rates as central banks unwind QE programs, which movements could have adverse effects on portfolio companies or investments in which the KKR Credit Funds and Other Clients invest and the economy as a whole which may in turn impact the KKR Credit Funds and Other Clients. In light of the foregoing, and more generally, a KKR Credit Funds or Other Clients may periodically experience imbalances in the interest rate sensitivities of its assets and liabilities and the relationships of various interest rates to each other, which could adversely affect their performance. In a changing interest rate environment, the KKR Credit Funds or Other Clients may not be able to manage this risk effectively. If a KKR Credit Fund or Other Client is unable to manage interest rate risk effectively, the KKR Credit Fund or Other Client's performance could be adversely affected. While the KKR Credit Fund or Other Client may seek to do so, they may not be required to and do not expect to hedge their interest rate risk.

As indicated above, certain KKR Credit Funds or Other Client investments may be highly leveraged. As such, movements in the level of interest rates may affect the returns from these assets more significantly than other assets. The structure and nature of the debt encumbering an investment may therefore be an important element to consider in assessing the interest risk of the investment. In particular, the type of facilities, maturity profile, rates being paid, fixed versus variable components and covenants in place (including the manner in which they affect returns to equity holders) are crucial factors in assessing any interest rate risk.

In addition, favorable market conditions in certain countries may have been and are dependent to some extent on continued monetary policy accommodations from central banks, including the U.S. Federal Reserve. Although interest rates have been at historically low levels for the last several years, the U.S. Federal Reserve has indicated an intention to raise interest rates, thus raising the cost of financing and possibly slowing economic growth in the United States. Furthermore, higher interest rates in the United States could also reduce the relative attractiveness of other global markets, thereby applying pressure to foreign asset values and currencies.

Currency Risk

Certain investments by KKR Credit Funds and Other Clients, and the income received by KKR Credit Funds and Other Clients with respect to such investments may be denominated in various currencies. However, the books of KKR Credit Funds and Other Clients will be maintained and capital contributions or subscriptions to and distributions from KKR Credit Funds and Other Clients will be made, in U.S. dollars or euros or another base currency. Fluctuations in currency values may adversely affect the relevant base currency value of portfolio investments, interest, dividends and other revenue streams received by KKR Credit Funds or Other Clients, gains and losses realized on the sale of portfolio investments and the amount of distributions, if any, to be made by the KKR Credit Funds or Other Clients. Also, varying rates of exchange between the U.S. dollar and the euro, or with respect to the currency in which an investment is consummated, will vary the percentage interests of the investors from investment to investment (determined at the time each investment is made). In addition, KKR Credit Funds and Other Clients will incur costs in converting investment principal and income from one currency to another. Furthermore, an issuer of the investments in which KKR Credit Funds or Other Clients invest may be subject to risks relating to changes in currency values. If an issuer suffers adverse consequences as a result of such changes, KKR Credit Funds or Other Clients would also be adversely affected as a result.

Hedging

KKR Credit, on behalf of a KKR Credit Fund or Other Client may (but is under no obligation to) enter into swaps, forward contracts and other arrangements for hedging purposes to preserve a return on a particular investment or to seek to protect against risks relating to a KKR Credit Fund's or Other Client's investments, including currency exchange rate fluctuations. Such transactions have special risks associated with them, including the possible bankruptcy, or insolvency of, or default by the counterparty to the transaction and the illiquidity of the instrument acquired by the KKR Credit Fund or Other Client relating thereto. Although a KKR Credit Fund or Other Client may benefit from the use of hedging transactions, unanticipated changes in interest rates, securities prices or currency exchange rates and the costs associated with these arrangements may result in a poorer overall performance for the KKR Credit Fund or Other Client than if it had not entered into such hedging transactions. All costs and losses arising in relation to such currency and any other hedging transactions will be borne by the relevant KKR Credit Fund or Other Client. To the extent that a KKR Credit GP does employ strategies aimed at hedging currency and other investment-related risks, there can be no assurance that such strategies will be effective and the KKR Credit GP may not always be able to avoid or deem it desirable or practicable in the circumstances to seek to avoid, unhedged exposure of the KKR Credit Fund or Other Client, directly or indirectly through a subsidiary, to currencies other than the base currency and/or to other applicable risks. Under certain circumstances, such as, but not limited to, where it is reasonably expected that the cost of performing the hedge will be in excess of the benefit derived and therefore detrimental to investors.

KKR Credit does not always apply a hedging strategy on behalf of KKR Credit Funds and Other Clients (and is under no obligation to do so), and hedging strategies applied across KKR Credit Funds, Other

Clients and KKR proprietary entities may differ in material respects. The absence or divergence of hedging strategies for a particular KKR Credit Fund or Other Client may result in poorer overall performance compared to what the performance would have been if such KKR Credit Fund or Other Client had entered into hedging transactions at all or had entered into the same hedging transactions of other KKR Credit Funds, Other Clients or KKR proprietary entities. It is not possible to hedge fully or perfectly against currency fluctuations affecting the value of investments because the value of those investments is likely to fluctuate as a result of independent factors not related to currency fluctuations. When engaging in hedging transaction with respect to KKR Credit Funds and Other Clients, KKR Credit will not be taking into consideration any hedging transactions separately entered into by investors in such KKR Credit Funds or Other Clients, which may result in an investor's own hedging activities being rendered ineffective or result in adverse or otherwise undesired effects with respect to an investor's interest in a KKR Credit Fund or Other Client. Portfolio companies may also enter into hedging transactions in order to hedge risks applicable to them. Such transactions are subject to similar risks to those described above. A KKR Credit Fund or Other Client may be exposed to such risks by reason of its investment in the relevant portfolio company, and there can be no assurance that any hedging strategies will be effective in protecting against currency exchange rate fluctuations or other risks.

Where KKR Credit or a KKR Credit GP seeks to hedge against currency fluctuations and/or other applicable risks, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the KKR Credit Fund or Other Client. KKR Credit Fund or Other Client may be leveraged as a result of the transactions entered into for the purposes of hedging against the exposure of the KKR Credit Fund or Other Client to the currency of the underlying investments in the KKR Credit Fund or Other Client or to other applicable investment risks. While a KKR Credit Fund or Other Client may attempt to hedge against currency exposure or other applicable risks, there can be no guarantee that the value of the KKR Credit Fund or Other Client will not be affected by the value of the base currency of the KKR Credit Fund or Other Client relative to the currency of denomination of the underlying investments of the KKR Credit Fund or Other Client or to such other applicable risks.

Hedging; Collateral

The terms of derivative hedging arrangements entered into by a KKR Credit Fund or Other Client may provide that related collateral given to, or received by, the KKR Credit Fund or Other Client may be pledged, lent, rehypothecated, reinvested or otherwise reused by the collateral taker. If collateral is reinvested or otherwise re-used, the KKR Credit Fund or Other Client is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the KKR Credit Fund or Other Client will have less protection if the counterparty defaults. Similarly, if the counterparty reinvests or otherwise reuses collateral received from the KKR Credit Fund or Other Client and suffers a loss as a result, it may not be in a position to return that collateral to the KKR Credit Fund or Other Client should the relevant transaction be completed, unwound or otherwise terminated, exposing the KKR Credit Fund or Other Client to the risk of loss of the amount of collateral provided to the counterparty.

Debt Investments

Certain KKR Credit Funds and Other Clients have invested and may invest in debt instruments, including through vehicles holding debt issued by a KKR Credit Fund or Other Client portfolio company which vehicles are managed by KKR Credit (please see Items 10 and 11 below for additional information). In the absence of appropriate hedging measures, changes in interest rates generally will cause the value of debt investments to vary inversely to such changes. The obligor of a debt security or instrument may not be able or willing to pay interest or to repay principal when due in accordance with the terms of the associated agreement and collateral may not be available or sufficient to cover such liabilities. Commercial bank lenders and other creditors may be able to contest payments to the holders of other debt

obligations of the same obligor in the event of default under their commercial bank loan agreements. Investments may be made in loans and other forms of debt that are not marketable securities and therefore are not liquid. Sub-participation interests in syndicated debt may be subject to certain risks because they have no direct contractual relationship with underlying borrowers. Debt securities and instruments may be rated below investment grade by recognized rating agencies or unrated and face ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer's failure to make timely interest and principal payments. Issuers of debt investments may be or become involved in bankruptcy or other reorganization and liquidation proceedings. Such investments involve a substantial degree of risk.

Sovereign Debt

It is possible that a KKR Credit Fund or Other Client may invest in financial instruments issued by a government, its agencies, instrumentalities or its central bank ("**Sovereign Debt**"). Sovereign Debt may include financial instruments that KKR Credit or as KKR Credit GP believes are likely to be included in restructurings of the external debt obligations of the issuer in question. The ability of an issuer to make payments on Sovereign Debt, the market value of such debt and the inclusion of Sovereign Debt in future restructurings may be affected by a number of other factors, including such issuer's (i) balance of trade and access to international financing; (ii) cost of servicing such obligations, which may be affected by changes in international interest rates; and (iii) level of international currency reserves, which may affect the amount of foreign exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on their Sovereign Debt.

Options

KKR Credit Funds and Other Clients may invest in options. Purchasing put and call options, as well as writing options, are highly specialized activities and entail greater than normal investment risks. Although an option buyer's risk is limited to the amount of the original purchase of the option, from time to time, an investment in an option is subject to greater fluctuation than an investment in the underlying securities entails. An uncovered call writer's loss is potentially unlimited, but the risk of loss is generally limited by the expiration date of the call option. The risk for put option writers is that the price of the underlying securities falls below the exercise price. The ability to trade on or exercise options would likely be restricted if trading in the underlying securities interest becomes restricted. Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size and strike price, the terms of the over-the-counter options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows KKR Credit Funds and Other Clients greater flexibility to tailor options to their needs, these arrangements also involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they were traded.

No Restrictions on Credit Quality

There may be no restrictions on the credit quality of the investments of the KKR Credit Funds and Other Clients. Securities in which the KKR Credit Funds and Other Clients may invest may be deemed by rating companies to have substantial vulnerability to default in payment of interest and/or principal. Other securities may be unrated. Lower-rated and unrated securities in which the KKR Credit Funds and Other Clients may invest have large uncertainties or major risk exposures to adverse conditions, and are considered to be predominantly speculative. Generally, such securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal.

The market values of certain of these securities (such as subordinated securities) also tend to be more sensitive to changes in economic conditions than higher-rated securities. The value of such securities may also be affected by changes in the market's perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies.

Synthetic Instruments

KKR Credit Funds or Other Clients may (but is under no obligation to) invest in synthetic instruments such as swaps (including total return swaps), synthetic swaps, over-the-counter transactions and other derivative instruments. Investing through the purchase of synthetic instruments presents risks in addition to those resulting from direct purchases of underlying securities or assets. KKR Credit Funds or Other Clients usually have a contractual relationship with the counterparty of such synthetic instrument, rather than the underlying obligor. The collapse of certain financial institutions during the 2007-2009 financial market turmoil is indicative of increased counterparty risk with respect to transactions involving synthetic instruments. Under the terms of these synthetic instruments, KKR Credit Funds or Other Clients will generally have neither the right to enforce compliance by the underlying obligor directly, nor any voting or other consensual rights of ownership with respect to the underlying obligation. KKR Credit Funds or Other Clients will not benefit directly from any collateral supporting the underlying obligation and will not have the benefit of remedies normally available to a holder of such underlying obligation. In addition, if the counterparty becomes insolvent, KKR Credit Funds or Other Clients will be treated as general creditors of such counterparty and will not have any claim of title with respect to the underlying obligation. Consequently, KKR Credit Funds or Other Clients will be subject to the credit risk of the counterparty as well as that of the underlying obligor.

Restricted Financial Instruments

Restricted financial instruments (i.e., financial instruments that are purchased in connection with privately negotiated transactions that are not registered under relevant securities laws) cannot be sold to the public without registration under the Securities Act. Unless registered for sale, restricted financial instruments can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A of the Securities Act). Corporate debt securities, bank loans and certain other investments that may be purchased and sold are traded in private, unregistered transactions and subject to restrictions on resale. Although these financial instruments may be resold in privately negotiated transactions, because there is less liquidity for these financial instruments, the prices realized from these sales could be less than those originally paid by the KKR Credit Fund or Other Client. If a KKR Credit Fund or Other Client is required to liquidate all or a portion of its portfolio quickly, the KKR Credit Fund or Other Client may realize significantly less than the value at which it previously recorded those investments. Restricted Financial Instruments may involve a high degree of business and financial risk which may result in substantial losses.

Dollar Rolls

A dollar roll transaction involves a sale by a KKR Credit Fund or Other Client of a security concurrently with an agreement by the KKR Credit Fund or Other Client to repurchase a similar security at a later date at an agreed-upon price. The securities that are repurchased will bear the same interest rate and a similar maturity as those sold, but the assets collateralizing those securities may have different prepayment histories than those sold. During the period between the sale and repurchase, the KKR Credit Fund or Other Client will not be entitled to receive interest and principal payments on the securities sold. Proceeds of the sale will be invested in additional investments, and the income from these investments will generate income for the KKR Credit Fund or Other Client. If such income does not exceed the income, capital appreciation and gain or loss that would have been realized on the securities sold as part

of the dollar roll, the use of this technique will diminish the investment performance of the KKR Credit Fund or Other Client compared with what the performance would have been without the use of dollar rolls. Dollar rolls involve the risk that the market value of the securities subject to the KKR Credit Fund or Other Client's forward purchase commitment may decline below, or the market value of the securities subject to the KKR Credit Fund or Other Client's forward sale commitment may increase above, the exercise price of the forward commitment. In the event the buyer of the securities files for bankruptcy or becomes insolvent, the KKR Credit Fund or Other Client's use of the proceeds of the current sale portion of the transaction may be restricted.

Corruption and Fraud

Regulatory and governmental agencies or other counterparties may have the right to terminate an agreement relating to a portfolio company in which the KKR Credit Funds or Other Clients invests where management, any related third party management company, operator or any of their affiliates has committed bribery, corruption or other fraudulent act in connection with the investment by a KKR Credit Fund or Other Client in such portfolio company. Most capital put toward such an investment will not be compensated in these circumstances. In addition, certain investment activities could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by (or involvement with corrupt payments by) any company in which a KKR Credit Fund or Other Client invests, the KKR Credit Fund or Other Client may suffer a partial or total loss of capital invested in that company.

Insurance

With respect to companies and assets acquired by a KKR Credit Fund or Other Client, certain losses of a catastrophic nature, such as wars, natural disasters, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on related investments. Even where insurance is available, KKR Credit may determine not to obtain such insurance if KKR Credit concludes that the terms are not commercially reasonable, or KKR Credit may obtain such insurance with meaningful coverage limits and high deductibles. KKR Credit Funds and Other Clients or their affiliates may maintain insurance, where available on terms they believe to be commercially reasonable, for KKR Credit Fund's or Other Client's portfolio companies and investments to protect against certain risks, such as business interruption insurance that is intended to offset loss of revenues during an operational interruption. Such insurance is likely to be subject to customary deductibles and coverage limits and may not be sufficient to recoup all losses with respect to the relevant investment. There can be no assurance that an investment's insurance would cover liabilities resulting from claims relating to the design, construction, maintenance, or operation of the real assets and businesses in which KKR Credit Fund and Other Clients may invest, lost revenues, or increased expenses resulting from such damage. If a major, uninsured loss occurs, KKR Credit Funds or Other Clients could lose both invested capital in and anticipated profits from affected investments.

With respect to such insurance policies that KKR Credit does maintain, certain policies are expected to cover certain KKR Credit Funds, Other Clients, as well as KKR Credit and its affiliates, and as noted in Item 5 above, KKR Credit Funds, Other Clients and KKR Credit will bear an allocable portion of the premiums and fees for such policies. KKR Credit believes that employing insurance policies covering multiple parties enables KKR Credit to achieve lower overall premiums and fees for KKR Credit Funds, Other Clients and KKR Credit and its affiliates. Such policies typically carry a per occurrence deductible, which would be expected to be borne by the relevant insured person(s) making a claim under the policy and not by other insured persons. Such insurance policies also typically have a maximum amount that will be paid to insured person(s) making any claim, and, as such, it is possible that a KKR Credit Fund or Other Client will have insufficient coverage to the extent that a claim by another KKR Credit Fund, Other

Client, KKR Credit and/or one or more of its affiliates is paid for their insurance claims up to such maximum amount.

Absence of Recourse; Indemnification

Additionally, certain service providers to KKR Credit, KKR Credit Funds or Other Clients, KKR Credit GPs, their respective affiliates, agents and other persons, including, without limitation, the members of any advisory committee, members of the investment teams and placement agents and finders, may be entitled to exculpation and indemnification (in certain cases, on terms more favorable to them than those available to indemnitees generally). The assets of KKR Credit Funds or Other Clients, including the unused capital commitments of investors, will be available to satisfy these indemnification obligations, and investors may be required to return distributions to satisfy such obligations. These obligations will survive the dissolution of the relevant KKR Credit Funds or Other Clients. KKR Credit carries liability insurance (including “D&O” insurance) that KKR Credit believes is similar to that which other asset managers with similar businesses hold, and in amounts that are customary for the types of businesses that KKR Credit operates. However, there is no guarantee that such insurance will be available to satisfy losses for which KKR Credit Funds or Other Clients may be required to provide indemnification, and potential insurance claims will not delay the availability of the advances provided to indemnified persons under the applicable governing documents of the relevant KKR Credit Fund or Other Client. Moreover, the fiduciary duties of a KKR Credit GP and its affiliates may be modified pursuant to the terms of applicable governing documents of the relevant KKR Credit Fund or Other Client. As a result, investors may have a more limited right of action in certain cases than they would in the absence of such limitations.

Recourse to a KKR Credit Fund’s or Other Client’s Assets

The assets of KKR Credit Funds and Other Clients, including unused capital commitments, any investments made by the KKR Credit Fund or Other Client and any capital held by the KKR Credit Fund or Other Client, are available to satisfy all liabilities and other obligations of such KKR Credit Fund or Other Client respectively. If a KKR Credit Fund or Other Client becomes subject to a liability subject to statutory segregation of liability between certain KKR Credit Funds structured as umbrella funds which applies as a matter of law in certain circumstances, parties seeking to have the liability satisfied may have recourse to a KKR Credit Fund’s or Other Client’s assets generally and may not be limited to any particular asset, such as the asset comprising the investment giving rise to the liability. In such situations, under the governing documents of KKR Credit Funds or Other Clients, investors may be required to make additional capital contributions, including to recontribute funds previously distributed by a KKR Credit Fund or Other Client, in each case subject to the specific limitations set forth in their governing documents.

A KKR Credit Fund’s or Other Client’s financing arrangements, including subscription facilities obtained by a KKR Credit Fund or Other Client, specific borrowings made thereunder, and guarantees and other credit support obligations of a KKR Credit Fund or Other Client, may be structured generally as a portfolio financing where all or certain investments are cross-collateralized and multiple investments may be subject to the risk of loss. Often, investors have varying investment percentages with respect to certain of a KKR Credit Fund’s or Other Client’s investments, including as a result of participation in subsequent closings, excuse, exclusion or otherwise. As a result of the potential recourse obligations of a KKR Credit Fund or Other Client as described above, liabilities relating to investments in which an investor has little or no sharing percentage may adversely impact investments in which such investor holds a greater sharing percentage or may result in an obligation to make capital contributions or return distributions previously received. In addition, where co-investors or other third-party investors participate in an investment, a KKR Credit Fund or Other Client may (where the applicable KKR Credit GP deems appropriate)

guarantee an amount in excess of its proportionate interest in the investment, including amounts in respect of the interests of co-investors or other third-parties, which may remain outstanding on a temporary or ongoing basis. In these circumstances, a KKR Credit Fund or Other Client would bear a disproportionate amount of the liabilities and costs associated with the relevant guarantee or other credit support, and the KKR Credit Fund's or Other Client's assets, as applicable, including the relevant investment as well as the KKR Credit Fund's or Other Client's assets generally (including unused capital commitments) may be available to satisfy such liabilities and costs.

Terrorism

KKR Credit Funds' or Other Clients' investments may involve significant strategic assets having a national or regional profile. The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. Any terrorist attacks that occur at or near strategic assets would likely cause significant harm to employees, property, and, potentially, the surrounding community, and may result in liability with respect to an investment far in excess of available insurance coverage. A terrorist attack on an asset may also have adverse consequences for assets of that type or in the same vicinity, including those owned by a portfolio company, and may result in a company being forced to increase preventative security measures or expand its insurance coverage (if available), adversely affecting the profitability of such investment. Terrorist attacks may reduce the availability of insurance coverage going forward for losses arising from similar events. A terrorist attack could cause reduced patronage, usage, and demand for an entire class of assets or for assets in the region of the terrorist attack, either of which could adversely affect an investment's profitability. In addition, hostile cyber intrusion, including those targeting information systems as well as electronic control systems used by portfolio company or other investments could severely disruption business operations and result in the loss of service to customers, and therefore of revenues, as well as create significant expense to repair security breaches or system damage.

Force Majeure

Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of any such parties to perform their obligations until they are able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which KKR Credit Funds or Other Clients may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to KKR Credit Funds or Other Clients, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of the KKR Credit Funds or Other Clients and their portfolio investments.

Capital Structure Arbitrage

KKR Credit Funds or Other Clients may from time to time identify and exploit the relationships between movements in different financial instruments within an issuer's capital structure, which involve uncertainty. There can be no assurance that a KKR Credit Fund or Other Client will be able to locate investment opportunities or to correctly exploit price discrepancies.

Borrower Fraud; Breach of Covenant

KKR Credit Funds or Other Clients will generally seek to obtain structural, covenant and other contractual protections with respect to the terms of their investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to their investments will achieve their desired effect and an investment in a KKR Credit Fund or Other Client should be regarded as being speculative and having a high degree of risk. Of paramount concern in originating or acquiring financing contemplated by the terms of certain KKR Credit Funds or Other Clients is the possibility of material misrepresentation or omission on the part of borrowers or other credit support providers or breach of covenant by such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of collateral underlying a loan or the ability of KKR Credit Funds or Other Clients to perfect or effectuate a lien on collateral securing a loan or otherwise realize on an investment. KKR Credit Funds and Other Clients will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness.

Fraudulent Conveyance, Lender Liability and Equitable Subordination

Although the KKR Credit Funds or Other Clients may not target investment in distressed companies, it is possible that companies that the KKR Credit Funds or Other Clients determined to be financially stable as at the date of investment could become distressed for a variety of reasons. Investments in the debt of distressed companies could be subject to U.S. state and federal and other bankruptcy laws and state fraudulent transfer laws, which may vary from state to state or jurisdiction to jurisdiction, if debt obligations relating to such investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such debt obligations. If debt is used for a buyout of shareholders, this risk is greater than if such debt proceeds are used for day-to-day operations or organic growth. If a court were to find that the issuance of debt obligations held by KKR Credit Funds or Other Clients was a fraudulent transfer or conveyance, a court could void or otherwise refuse to recognize payment obligations under such debt obligations or the collateral supporting such debt obligations, further subordinate debt obligations or liens supporting such obligations to other existing and future indebtedness of the issuer or require KKR Credit Funds or Other Clients to repay any amounts received by them with respect to such debt obligations or collateral. In the event of a finding that a fraudulent transfer or conveyance occurred, KKR Credit Funds or Other Clients may not receive any repayment on the debt obligations.

Under certain circumstances, payments to KKR Credit Funds or Other Clients and distributions by KKR Credit Funds or Other Clients to investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

Under Title 11 of the United States Code, as amended (the “**Bankruptcy Code**”), a lender that has inappropriately exercised control of the management and policies of a company or other issuer that is a debtor under the Bankruptcy Code may have its claims against the issuer subordinated or disallowed, or may be found liable for damages suffered by parties as a result of such actions. Such claims may also be disallowed or subordinated to the claims of other creditors if the lender (e.g., a KKR Credit Fund or Other Client) (i) is found to have engaged in other inequitable conduct resulting in harm to other parties, (ii) intentionally takes action that results in the undercapitalization of a borrower, (iii) engages in fraud with respect to, or makes misrepresentations to other creditors, or (iv) uses its influence as a shareholder to dominate or control a borrower to the detriment of other creditors of such borrower. The lender’s investment may also be re-characterized or treated as equity if it is deemed to be a contribution to capital, or if the lender attempts to control the outcome of the business affairs of an issuer prior to its filing under the Bankruptcy Code. While KKR Credit Funds and Other Clients attempt to avoid taking the types of action that would lead to the subordination, disallowance and liability, there can be no assurance that such claims will not be asserted or that KKR Credit Funds or Other Clients will be able successfully to defend against them.

Investments in Highly Leveraged Companies

Investments by KKR Credit Funds and Other Clients may include investments in portfolio companies and other issuers whose capital structures may have significant leverage (including to the extent KKR Credit Funds or Other Clients hold second-lien debt interests, certain leverage senior to KKR Credit Funds’ or Other Clients’ investment). Such investments are inherently more sensitive to declines in revenues, competitive pressures and increases in expenses and interest rates. The leveraged capital structure of such issuers will increase their exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of the issuers or their industries, and, to the extent KKR Credit Funds or Other Clients hold second lien or other subordinated debt interests therein, such issuers may be subject to restrictive financial and operating covenants in more senior debt instruments and contracts that adversely impact KKR Credit Funds’ or Other Clients’ investments. This leverage may result in more serious adverse consequences to such issuers (including their overall profitability or solvency) in the event these factors or events occur than would be the case for less leveraged companies. If an issuer cannot generate adequate cash flow to meet debt obligations, the issuer may default on its loan agreements or bonds or be forced into bankruptcy resulting in a restructuring of the issuer’s capital structure or liquidation of the issuer. Furthermore, to the extent issuers in which KKR Credit Funds or Other Clients have invested become insolvent KKR Credit Funds or Other Clients may determine, in cooperation with other debt holders or on their own, to engage, at the KKR Credit Funds’ and Other Clients’ expense in whole or in part, counsel and other advisors in connection therewith. In addition to leverage in the capital structure of portfolio companies and other issuers, a KKR Credit GP may incur leverage on behalf of KKR Credit Funds or Other Clients.

Recharacterization

KKR Credit Funds or Other Clients may seek to place their representatives on the boards of certain companies or other issuers in which KKR Credit Funds or Other Clients have invested. KKR Credit Funds or Other Clients may also invest in portfolio companies or other issuers in which KKR and/or other KKR Credit Funds or Other Clients have representatives on the boards of such issuers. While such representation may enable KKR Credit Funds or Other Clients to enhance the sale value of their debt investments in an issuer, such involvement (and/or any equity interests of KKR Credit Funds or Other Clients in such issuer) may also prevent KKR Credit Funds or Other Clients from freely disposing of their debt investments and may subject KKR Credit Funds or Other Clients to additional liability or result in recharacterization of KKR Credit Funds’ or Other Clients’ debt investments as equity. KKR Credit Funds or Other Clients will indemnify KKR Credit GPs and its affiliates (including KKR Credit and KKR), and

the members, partners, equity holders, directors, officers, employees and, if specifically agreed by a KKR Credit GP, agents of each of them, for claims arising from such board representation. KKR Credit Funds or Other Clients will attempt to balance the advantages and disadvantages of such representation when deciding whether and how to exercise their rights with respect to such issuers, but the exercise of such rights could produce adverse consequences in particular situations.

Reliance on Third-Party Company Management

The day-to-day operations of each portfolio company or other issuer in which KKR Credit Funds or Other Clients will invest will be the responsibility of such issuer's management team, which is expected to include representatives of other financial investors with whom KKR Credit Funds or Other Clients are not affiliated and whose interests may at times conflict with the interests of KKR Credit Funds or Other Clients. Although KKR Credit GPs are responsible for monitoring the performance of each investment and generally invest in companies and other issuers operated by strong management, KKR Credit Funds or Other Clients rely significantly on the management teams and board of directors (or other governing bodies) of issuers in which they invest. There can be no assurance that an existing management team of any issuer, or any successor thereto, will be able to operate such issuer in accordance with KKR Credit Funds' or Other Clients' expectations. Similar considerations apply where KKR Credit Funds or Other Clients invest through joint ventures, "club" deals and other arrangements in which third-parties and third-party management teams have material control rights.

Conflicts of Interest

The KKR Credit Funds and Other Clients will rely on the KKR Credit GPs and their affiliates in implementing its investment strategies for the KKR Credit Funds and Other Clients. The KKR Credit GPs monitor the performance of KKR Credit Funds and Other Clients' investments on an ongoing basis. The bankruptcy or liquidation of the KKR Credit GPs and their affiliates, or an administrator, or depositary (or prime broker if any is appointed) may have an adverse impact on the KKR Credit Funds and Other Clients. The KKR Credit GPs and their affiliates will devote a portion of their business time to the KKR Credit Funds and Other Clients' business but also provide service to other KKR Credit Funds and Other Clients which may present a conflict of interest. In addition, as the KKR Credit GPs and their affiliates are responsible for the valuation of the KKR Credit Funds and Other Clients' assets, there is a possible conflict of interest where its fees are affected by the net asset value of a KKR Credit Fund or Other Clients portfolio.

Projections and Third-Party Reports

KKR Credit GPs and their affiliates will generally establish the capital structure of an investment and the terms and targeted returns of such investment on the basis of financial, macroeconomic and other applicable projections. Projected operating results will normally be based primarily on investment executive judgments or third-party advice and reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be achieved and actual results may vary significantly from the projections. General economic, natural and other conditions, which are not predictable, can have an adverse impact on the reliability of such projections.

Correlation Risk

The KKR Credit Funds and Other Client's strategies rely on the financial markets to differentiate prices of securities and financial instruments based on corporate performance, creditworthiness, corporate events and other factors. Therefore, high price correlation in the market and movement of such financial

instruments in tandem with each other regardless of fundamental merit, may make it more difficult to implement the KKR Credit Funds' or Other Clients' investment strategy and increase the adverse impact to which the KKR Credit Funds or Other Client's portfolio may be subject.

Expedited Investment Decisions; Opportunistic Investments

Investment analyses and decisions by KKR Credit may be required to be undertaken on an expedited basis to take advantage of investment opportunities. While KKR Credit Funds or Other Clients will generally not seek to make an investment until KKR Credit has conducted sufficient due diligence to make a determination as to the acceptability of the credit quality of the investment and the underlying portfolio company or other issuer, in such cases, the information available to KKR Credit at the time of making an investment decision may be limited. Therefore, no assurance can be given that KKR Credit will have knowledge of all circumstances that may adversely affect an investment. Similar concerns may arise to the extent that a KKR Credit Fund or Other Client makes opportunistic investments in broadly syndicated debt. The circumstances of such investments may not facilitate the type of due diligence KKR Credit generally seeks to conduct in respect of investments. In addition, KKR Credit expects often to rely upon independent consultants in connection with its evaluation of proposed investments. No assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and KKR Credit Funds or Other Clients may incur liability as a result of such consultants' actions.

Event-Driven Investing

Event-driven investing by KKR Credit Funds or Other Clients requires KKR Credit Funds or Other Clients to make predictions about the likelihood that an event will occur and the impact such event will have on the value of a company's securities and/or loans. If the event fails to occur or it does not have the effect foreseen, losses can result. Investments in such securities and/or loans often are difficult to analyze or may have limited trading histories or in-depth research coverage. Although KKR Credit intends to utilize appropriate risk management strategies, such strategies cannot fully insulate KKR Credit from the risks inherent in their planned activities. Moreover, in certain situations KKR Credit may be unable to, or may choose not to, implement risk management strategies because of the costs involved or other relevant circumstances.

Activist Strategy

KKR Credit Funds or Other Clients may seek to pursue an activist role in effectuating corporate change with respect to an investment in a portfolio company. The costs in time, resources and capital involved in such activist investments depend on the circumstances, which are only in part within a KKR Credit Fund's or Other Client's control. Expenses associated with an activist investment strategy, including potential litigation or other transactional costs, will be borne by the relevant KKR Credit Fund or Other Client. Such expenses may reduce returns or result in losses.

The success of an activist investment strategy may require, among other things: (i) that a KKR Credit Fund or Other Client properly identify portfolio companies whose equity prices can be improved through corporate and/or strategic action; (ii) that a KKR Credit Fund or Other Client acquire sufficient shares of the securities and/or loans of such portfolio companies at a sufficiently attractive price; (iii) a positive response by the management of portfolio companies to shareholder engagement; (iv) a positive response by other shareholders to shareholder activism and KKR Credit Fund's or Other Client's proposals; and (v) a positive response by the markets to any actions taken by portfolio companies in response to shareholder activism. None of the foregoing can be guaranteed. Securities and/or loans that a KKR Credit Fund or Other Client believes are fundamentally undervalued or incorrectly valued may not ultimately be valued

in the capital markets at prices and/or within the timeframe such KKR Credit Fund or Other Client anticipates, even if a corporate governance strategy is successfully implemented.

Investments in Initial Public Offerings

Investments in initial public offerings invested by KKR Credit Funds or Other Clients may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of securities and/or loans available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of an issuer.

Exchange Traded Funds, Closed End Funds and Other Blind Pools

KKR Credit Funds or Other Clients may invest in exchange traded funds (“ETFs”), i.e., shares of publicly-traded investment vehicles, or depository receipts that seek to track the performance and dividend yield of specific indices or companies in related industries. ETF investors are generally subject to the same risk as holders of the underlying securities and/or loans being tracked and are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying index or securities and/or loans and the risk of trading in an ETF halting due to market conditions. Similarly, KKR Credit Funds or Other Clients may also invest in closed-end funds and other blind pools. Investments in such vehicles may subject KKR Credit Funds or Other Clients to additional risks, including, without limitation, the risk that KKR Credit may not properly evaluate such investment opportunities given its limited access to information regarding the investments made by the underlying pooled vehicle. Further, as a result of their investments in ETFs, closed-end funds and/or blind pools, KKR Credit Funds or Other Clients may bear, along with other investors in an ETF, closed-end fund or blind pool, their pro rata portion of the vehicle’s expenses, including management fees. Accordingly, in addition to bearing their proportionate share of KKR Credit Funds’ or Other Clients’ expenses (e.g., management fees and operating expenses), investors may also indirectly bear similar expenses of an ETF, closed-end fund or blind pool.

Trading Cash and Physical Commodities

KKR Credit Funds or Other Clients may from time to time trade physical or cash commodities for immediate or deferred delivery. Cash transactions relate to the purchase and sale of specific physical commodities and such contracts may differ from each other with respect to terms such as quantity, grade, mode of shipment, terms of payment, penalties and risk of loss. There is no limit on daily price movements of cash commodities and banks, brokerage firms, and dealers in cash commodities are not required to continue to make markets in any commodity. Cash transactions are also subject to the risk of the foregoing entities' failure, inability or refusal to perform with respect to such contracts.

Material, Non-Public Information

KKR Credit investment professionals may acquire confidential or material, non-public information concerning an entity in which KKR Credit Funds or Other Clients have invested or propose to invest, and the possession of such information may limit KKR Credit’s ability to buy or sell particular securities and/or loans of such entity on behalf of KKR Credit Funds or Other Clients, thereby limiting the investment opportunities or exit strategies available to KKR Credit Fund or Other Clients. In certain circumstances, the KKR Credit Funds or Other Clients may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer; (ii) establishing an initial position or taking any greater position in such issuer; and (iii) pursuing other investment opportunities related to such issuer. In addition, holdings in the securities and/or loans of an issuer by KKR Credit or its affiliates

may affect the ability of KKR Credit Funds or Other Clients to make certain acquisitions of, or enter into certain transactions with, such issuer. Affiliated Brokers and investment advisers affiliated with KKR Credit may also acquire confidential or material non-public information concerning entities in which KKR Credit Funds or Other Clients have invested or propose to invest, which could restrict KKR Credit's ability to buy or sell (or otherwise transact in) securities and/or loans of such entities, thus limiting investment opportunities or exit strategies available to KKR Credit Funds or Other Clients.

From time to time KKR may also be subject to contractual "stand-still" obligations and/or confidentiality obligations that, in turn, as a result of applicable law and/or internal policies and procedures, may restrict the Investment Manager's ability to trade in certain securities or financial instruments on behalf of the KKR Credit Funds or Other Clients.

Credit Investment Risk

Collateral Risk

KKR Credit Funds or Other Clients will generally seek to make investments that a KKR Credit GP believes are secured by specific collateral, the value of which may initially exceed the principal amount of such investments, and which, if securing first priority liens, generally cannot be pledged, lent, re-hypothecated or otherwise reused by the borrower, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investments and such investments may be exposed to losses resulting from default and foreclosure. In the event of a foreclosure, KKR Credit Funds or Other Clients may directly or indirectly assume ownership of the underlying collateral. There can be no assurance that such collateral could be readily liquidated or that the liquidation proceeds upon sale of any such collateral would satisfy the entire outstanding balance of principal and interest on the loan. Any costs or delays involved in the effectuation of a foreclosure of a loan or a liquidation of underlying collateral will further reduce proceeds realized from a loan and increase losses.

KKR Credit Funds or Other Clients cannot guarantee the adequacy of the protection of their interests in connection with any investment, including the validity or enforceability of a loan and the maintenance of the anticipated priority and perfection of applicable security interests. Under certain circumstances, collateral securing an investment may be released without the consent of a KKR Credit Fund or Other Client. KKR Credit Funds' or Other Clients' security interests with respect to investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, KKR Credit Funds or Other Clients may not have priority over other creditors as anticipated. Furthermore, KKR Credit Funds or Other Clients cannot assure that claims may not be asserted that might interfere with enforcement of KKR Credit Funds' or Other Clients' rights. First priority lien investments made by KKR Credit Funds or Other Clients may, in certain cases, provide a first priority lien over some, but not all, of the assets of the relevant borrower. KKR Credit Funds or Other Clients may also invest in second-lien debt investments and may from time to time, for example, to the extent it receives such assets in a restructuring or such assets are issued or otherwise acquired in connection with an investment in secured debt or in the operator or manager of any related platform, hold high yield securities, marketable and non-marketable common and preferred equity securities and warrants and other unsecured investments each of which involves a higher degree of risk than senior first-lien secured debt investments, including the reuse and subsequent loss of any such collateral by the borrower. Furthermore, KKR Credit Funds' or Other Clients' rights to payment and their security interests, if any, may be subordinated to the payment rights and security interests of senior lenders with respect to some or all of the assets of a portfolio company or other issuer. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the

investment. In such cases, an issuer's ability to repay the principal of an investment may be dependent upon a liquidity event or the long-term success of the issuer, the occurrence of which is uncertain.

Similarly, while KKR Credit Funds or Other Clients will generally target investing in companies and other issuers it believes are of high quality, these issuers could still present a high degree of business and credit risk. Issuers in which KKR Credit Funds or Other Clients invest could deteriorate as a result of, among other factors, an adverse development in their businesses, a change in the competitive environment or the continuation or worsening of the current (or any future) economic and financial market downturns and dislocations. As a result, companies and other issuers that KKR Credit Funds or Other Clients expect to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

The terms of derivative hedging arrangements entered into by the KKR Credit Fund or Other Client may provide that related collateral given to, or received by, the KKR Credit Fund or Other Client may be pledged, lent, re-hypothecated or otherwise re-used by the collateral taker for its own purposes. If collateral received by the KKR Credit Fund or Other Client is reinvested or otherwise re-used, the KKR Credit Fund or Other Client is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the KKR Credit Fund or Other Client will have less protection if the counterparty defaults. Similarly, if the counterparty reinvests or otherwise re-uses collateral received from the KKR Credit Fund or Other Client and suffers a loss as a result, it may not be in a position to return that collateral to the KKR Credit Fund or Other Client should the relevant transaction complete, be unwound or otherwise terminate and the KKR Credit Fund or Other Client is exposed to the risk of loss of the amount of collateral provided to the counterparty.

Counterparty Default

The stability and liquidity of repurchase agreements, swap transactions, forward transactions and other over-the-counter ("OTC") derivative transactions in which KKR Credit Funds or Other Clients may engage in for hedging purposes depend in large part on the creditworthiness of the broker-dealers or other counterparties to the transactions. KKR Credit will monitor, on an ongoing basis, the creditworthiness of firms with which it will enter into such transactions. If there is a default by the counterparty to such a transaction, KKR Credit will, under most normal circumstances, have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in losses to KKR Credit Funds or Other Clients. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of the counterparties were to become insolvent or the subject of insolvency proceedings in the U.S. (either under the U.S. Securities Investor Protection Act ("SIPA") or the Bankruptcy Code or under similar legislation or regulation in another jurisdiction), there exists the risk that the recovery of KKR Credit Funds' or Other Clients' securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty. Furthermore, in the event that any of KKR Credit Funds' or Other Clients' prime brokers (if any) rehypothecate KKR Credit Funds' or Other Clients' securities held with such prime broker and such prime broker becomes the subject of liquidation proceedings under SIPA, only the KKR Credit Funds' or Other Clients' "customer name securities" will be returned to them; KKR Credit Funds or Other Clients will have a "net equity" claim for the remainder of their securities, which will be satisfied from the aggregate pool of remaining customer property held by such prime broker.

In addition, KKR Credit Funds or Other Clients may from time to time use counterparties located in jurisdictions outside the U.S. Such counterparties usually are subject to laws and regulations in non-U.S.

jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to KKR Credit Funds' or Other Clients' assets may be subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a counterparty and the potential number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of such an insolvency on KKR Credit Funds or Other Clients and their assets. Investors should assume that the insolvency of any such counterparty would result in significant delays in recovering KKR Credit Funds' or Other Clients' financial instruments from or the payment of claims therefor by such counterparty and a loss to KKR Credit Funds or Other Clients, which could be material.

Short Sales

KKR Credit manages short positions in certain KKR Credit Funds and Other Clients. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security or instrument could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the security to rise further, thereby exacerbating the loss.

Debt Securities

KKR Credit Funds and Other Clients invest in various types of debt securities and instruments. Such securities and instruments may be unrated and whether or not rated, may have speculative characteristics. In the absence of appropriate hedging measures, changes in interest rates generally will cause the value of debt investments to vary inversely to such changes. Investments in debt securities and instruments with longer terms to maturity or duration are generally subject to greater volatility than investments in shorter-term obligations. The obligor of a debt security or instrument may not be able or willing to pay interest or to repay principal when due in accordance with the terms of the associated agreement. Commercial bank lenders and other creditors may be able to contest payments to the holders of other debt obligations of the same obligor in the event of default under their commercial bank loan agreements. KKR Credit Funds or Other Clients may invest in loans and other forms of debt that are not marketable securities. Loans are usually not securities, and are usually not listed on a recognized exchange and are usually less liquid or not liquid compared to other securities. Loans may be subject to transfer or assignment restrictions and approvals, and are generally treated and traded differently than debt securities. In addition, a loan may involve syndication with members of the syndicate having different and sometimes superior rights to those of a KKR Credit Fund or Other Client. Where a KKR Credit Fund or Other Client invests as a sub-participant in syndicated debt and/or loans, it may be subject to certain risks as a result of having no direct contractual relationship with the underlying borrower and will be generally dependent on the lender to enforce their rights and obligations and will not have any direct rights against the underlying borrower, any direct rights in the collateral, if any, securing such borrowing, or any right to deal directly with such borrower.

Distressed Debt

KKR Credit Funds and Other Clients may invest in securities and/or loans and other obligations and assets of companies that are in special situations involving significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Such investments involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful investment in distressed assets is unusually high. There is no assurance that a KKR Credit Fund or Other Client will correctly evaluate the value of the assets collateralizing an investment or the prospects for a successful reorganization or similar action in respect of any company. In

any reorganization or liquidation proceeding, KKR Credit Funds or Other Clients may lose their entire investment, be required to accept cash or securities and/or loans or assets with a value less than their original investment and/or be required to accept payment over an extended period of time. Troubled company investments and other distressed asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by a KKR Credit Fund or Other Client. To the extent that a KKR Credit Fund or Other Client becomes involved in such proceedings, KKR Credit Funds or Other Clients may have a more active participation in the affairs of the company than that assumed generally by an investor. In addition, involvement by a KKR Credit Fund or Other Client in a company's reorganization proceedings could result in the imposition of restrictions limiting the ability of such KKR Credit Fund or Other Client to liquidate positions in the company.

Non-Performing Investments

The KKR Credit Fund's and Other Client's portfolio may include investments whose underlying collateral are "non-performing" and that are typically highly leveraged, with significant burdens on cash flow and, therefore, involve a high degree of financial risk. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. Securities of financially troubled issuers and operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties. Investment, directly or indirectly in the financially and/or operationally troubled issuers involves a high degree of credit and market risk. These difficulties may never be overcome and may cause borrowers to become subject to bankruptcy or other similar administrative proceedings. There is a possibility that the KKR Credit Funds and Other Clients may incur substantial or total losses on its investments and in certain circumstances, subject the KKR Credit Funds and Other Clients to certain additional potential liabilities that may exceed the value of the KKR Credit Funds' and Other Clients' original investment therein.

Mezzanine Securities and Mezzanine-Like Instruments

Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of KKR Credit to influence a company's affairs, especially during periods of financial distress or following insolvency, will be substantially less than that of senior creditors. Mezzanine debt securities are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Default rates for mezzanine debt securities have historically been higher than for investment grade securities. In the event of the insolvency of a portfolio company or similar event, the investment therein will be subject to fraudulent conveyance, subordination and preference laws. Mezzanine debt investments may also be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation earlier than expected. In addition, mezzanine debt investments may include enhanced information rights or other involvement with a company's board of directors that could result in limiting the ability of KKR Credit Funds or Other Clients to liquidate positions in the company. Mezzanine investments generally are subject to various risks, including, without limitation: (i) a subsequent characterization of an investment as a "fraudulent conveyance"; (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) so-called "lender liability" claims by the issuer of the obligations; and (v) environmental liabilities that may arise with respect to collateral securing the obligations.

Bankruptcy, Restructuring, Insolvency and Other Proceedings

Investments in companies or other issuers involved in bankruptcy, restructuring or insolvency proceedings involve a number of significant risks. Many of the events within such proceedings can be adversarial and often beyond the control of creditors. While creditors may be afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy, insolvency or other applicable court or judge will not approve actions which may be contrary to the interests of KKR Credit Funds or Other Clients, particularly in those jurisdictions which are considered to have “debtor friendly” insolvency and bankruptcy regimes and give a comparatively high priority to preserving the debtor company as a going concern, or to protecting the interests of either creditors with higher ranking claims in bankruptcy or of other stakeholders, such as employees, pension trustees and/or trade creditors.

Generally, the duration of a bankruptcy, restructuring or insolvency proceeding can only be roughly estimated. Depending on the jurisdiction concerned, the reorganization of an issuer usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and potentially confirmation or sanction by the relevant court or regulatory body. This process can involve substantial legal, professional and administrative costs to the issuer and KKR Credit Funds or Other Clients and may be subject to unpredictable and lengthy delays, particularly in jurisdictions which do not have sophisticated (insolvency) legislation, specialized insolvency courts or judges and/or may have a higher risk of political interference in insolvency proceedings or restructuring processes, all of which may have adverse consequences for KKR Credit Funds or Other Clients. During such processes, an issuer’s competitive position may erode, key management may depart and an issuer may not be able to invest adequately. In some cases, an issuer may not be able to reorganize and may be required to liquidate assets. The debt of companies and other issuers in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer’s fundamental values. Such investments can result in a total loss of principal.

One of the protections offered in certain jurisdictions in bankruptcy proceedings is a stay on required payments by the borrower on loans or other securities. When a company or other issuer seeks relief under the bankruptcy laws of a particular jurisdiction (or has a petition filed against it), an automatic stay prevents all entities, including creditors, from foreclosing or taking other actions to enforce claims, perfect liens or reach collateral securing such claims. Creditors who have claims against an issuer prior to the date of the bankruptcy filing must generally petition the court to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors may be prohibited from doing so if the court concludes that the value of the property in which a creditor has an interest will be “adequately protected” during the proceedings. If the bankruptcy court’s assessment of adequate protection is inaccurate, a creditor’s collateral may be wasted without the creditor being afforded the opportunity to preserve it. Thus, even if a KKR Credit Fund or Other Client holds a secured claim, it may be prevented from collecting the liquidation value of the collateral securing its debt, unless relief from the automatic stay is granted by the court. If relief from the stay is not granted, the KKR Credit Fund or Other Client may not realize a distribution on account of its secured claim until a plan of reorganization or liquidation for a debtor is confirmed. Bankruptcy proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims. A stay on payments to be made on the assets of a KKR Credit Fund or Other Client could adversely affect the value of those assets and the KKR Credit Fund or Other Client itself. Other protections in such proceedings may include forgiveness of debt, the ability to create super-priority liens in favor of certain creditors of the debtor and certain well-defined claims procedures. Additionally, the numerous risks inherent in the insolvency process create a potential risk of loss by KKR Credit Funds or Other Clients of their entire investment in any particular issuer. Insolvency laws may, in certain jurisdictions, result in a restructuring of the debt without KKR Credit Funds’ or Other Clients’ consent under the “cramdown” provisions of applicable insolvency laws and may also result in a discharge of all or part of the debt without payment to KKR Credit Funds or Other Clients.

Money Market Funds

Money market funds may be subject to the risk that the returns will decline during periods of falling interest rates because money market funds may have to reinvest the proceeds from matured, traded or called debt obligations at interest rates below their current earnings rate. For instance, when interest rates decline, an issuer of debt obligations may exercise an option to redeem securities prior to maturity, thereby forcing the money market fund to invest in lower-yielding securities. A money market fund also may choose to sell higher-yielding portfolio securities and to purchase lower-yielding securities to achieve greater portfolio diversification, because the portfolio manager believes the current holdings are overvalued or for other investment-related reasons. A decline in the returns received by a money market fund from its investments is likely to have an adverse effect on its net asset value, yield and total return.

Inflation Risk

The market price of fixed-income investments generally falls as inflation increases because the purchasing power of the future income and repaid principal is expected to be worth less when received by the relevant KKR Credit Funds or Other Clients. Fixed-income investments that pay a fixed rather than a variable interest rate are especially vulnerable to inflation risk because variable-rate securities may be able to participate, over the long term, in rising interest rates which have historically corresponded with long-term inflationary trends. Most high yield investments pay a fixed rate of interest and are therefore vulnerable to inflation risk.

Commodity Price Risk

Investments made by KKR Credit Funds or Other Clients may be subject to commodity price risk. The operation and cash flows of any issuer in which KKR Credit Funds or Other Clients invest may depend, in some cases to a significant extent, upon prevailing market prices of commodities, including for example, commodities such as oil, natural gas, coal, electricity, steel or concrete. Commodity prices may fluctuate depending on a variety of factors beyond the control of KKR Credit, including, without limitation, weather conditions, foreign and domestic supply and demand, force majeure events, changes in law, governmental regulations, price and availability of alternative commodities, international political conditions and overall economic conditions.

Without limiting the foregoing, to the extent that KKR Credit Funds or Other Clients make investments in the oil and gas industry, KKR Credit Funds' or Other Clients' performances in respect thereof will be impacted by, among other things, changes in oil, natural gas and natural gas liquids prices. Oil, natural gas and natural gas liquids prices have been, and are likely to continue to be, volatile and subject to wide fluctuations in response to any of the following factors: (i) relatively minor changes in the supply of and demand for oil, natural gas, natural gas liquids or coal; (ii) market uncertainty and the condition of various economies (including interest rates, levels of economic activity, the price of securities and the participation by other investors in the financial markets); (iii) political conditions in international oil producing regions; (iv) terrorist acts; (v) the extent of domestic production and importation of oil, natural gas, natural gas liquids or coal in certain relevant markets; (vi) the level of consumer demand; (vii) weather conditions; (viii) the competitive position of oil, natural gas, natural gas liquids or coal as a source of energy as compared with other energy sources; (ix) the refining capacity of oil, natural gas and natural gas liquids; (x) the effect of non-U.S., federal and state regulation on the production, transportation and sale of oil and other price controls, taxes and environmental laws and regulations; (xi) the price of non-U.S. imports; (xii) the value of the U.S. dollar; (xiii) the availability of pipeline capacity; and (xiv) a variety of other factors beyond KKR Credit's control. Any substantial and extended decline in the price of oil, natural gas or natural gas liquids would have an adverse effect on the revenues,

profitability and cash flows from operations of the issuers of KKR Credit Funds' or Other Clients' portfolio investments in this sector.

In addition, estimates of hydrocarbon reserves by qualified engineers are often a key factor in valuing certain oil and gas assets. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such reserve estimates to be significantly revised from time to time, creating significant changes in the value of KKR Credit Funds' or Other Clients' portfolio investments.

Volatile oil, natural gas and natural gas liquids prices make it difficult to estimate the value of developed properties for acquisition and divestiture and often cause disruption in the market for oil, natural gas and natural gas liquids developed properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Credit Rating

Rating agencies rate debt securities based upon their assessment of the likelihood of the receipt of principal and interest payments. Rating agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of debt securities. Therefore, the credit rating assigned to a particular instrument may not fully reflect the true risks of an investment in such instrument. Credit rating agencies may change their methods of evaluating credit risk and determining ratings. These changes may occur quickly and often. While KKR Credit Funds or Other Clients may give some consideration to ratings, ratings may not be indicative of the actual credit risk of KKR Credit Funds' or Other Clients' investments in rated instruments.

High Yield Debt

KKR Credit Funds or Other Clients may, from time to time, hold debt investments that may be classified as "higher-yielding" (and, therefore, higher-risk) investments. In most cases, such debt will be rated below "investment grade" or will be unrated and face ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer's failure to make timely interest and principal payments. The market for high yield securities has recently experienced periods of volatility and reduced liquidity. The market values of certain of these debt investments may reflect individual corporate developments. General economic recession or a major decline in the demand for products and services in which the borrower operates would likely have a materially adverse impact on the value of such securities. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these high yield debt investments.

Convertible Securities

KKR Credit Funds or Other Clients may invest in or otherwise hold convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into, or exchanged for, a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by KKR Credit Funds or Other Clients is called for redemption, the relevant KKR Credit Funds or Other Clients will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on such KKR Credit Funds’ or Other Clients’ ability to achieve their investment objective.

Preferred Stock

KKR Credit Funds or Other Clients may invest in preferred stock which generally pays dividends at a defined rate. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer’s board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer’s common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Participations Interests

KKR Credit Funds or Other Clients may invest in broadly syndicated loans indirectly through acquiring participation interests in all or a portion of a loan, and any related collateral or an indirect interest (for example, through a swap or other derivative instrument) in such a participation interest. Participations in a loan will result in a contractual relationship between a KKR Credit Fund or Other Client and the institution participating out, or selling, the relevant portion of the loan and not with the obligor under the loan. Participation interests will only give KKR Credit Funds or Other Clients the right to receive payments of principal and interest from the institution participating out the loan, and not directly from the obligor, and will typically give KKR Credit Funds or Other Clients limited consent rights to amendments of the underlying credit documents. Similarly, KKR Credit Funds or Other Clients will not have any direct rights against the issuers of the related notes, any direct rights or recourse in the collateral, if any, securing such notes, or any right to deal directly with any such issuers. The underlying borrower may, in general, retain the right to determine whether remedies provided for in the underlying indenture will be exercised, or waived, without any prior consultation with, or consent by, KKR Credit Funds or Other Clients. In the event that a KKR Credit Fund or Other Client enters into such an indirect investment or derivative transaction, there can be no assurance that the relevant KKR Credit Fund’s or Other Client’s ability to realize upon a participation or derivative interest will not be interrupted or impaired in the event

of the bankruptcy or insolvency of any of the underlying borrower or the KKR Credit Fund's or Other Client's counterparty in such participation or derivative transaction.

Asset-Backed Securities

KKR Credit Funds or Other Clients may invest in opportunities to directly finance certain financial assets including asset-backed securities ("ABSs") and other structured products, which are securities and instruments backed by mortgages, including commercial mortgage-backed securities, trade claims, installment sale contracts, credit card receivables or other assets and which include collateralized debt obligations. The investment characteristics of ABSs differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that the principal may be prepaid at any time because the underlying loans or other assets generally may be prepaid at any time. ABSs are not secured by an interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of U.S. state and federal (and comparable non-U.S.) consumer loan laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of ABSs backed by automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related ABSs. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the ABSs may not have a proper security interest in all of the obligations backing such ABSs. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities. The risk of investing in ABSs is ultimately dependent upon payment of consumer loans by the debtor.

The collateral supporting ABSs is of shorter maturity than certain other types of loans and is less likely to experience substantial prepayments. ABSs are often backed by pools of any variety of assets, including, for example, leases, mobile home loans and aircraft leases, which represent the obligations of a number of different parties and use credit enhancement techniques such as letters of credit, guarantees or preference rights. The value of an ABS is affected by changes in the market's perception of the asset backing the security and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

In addition, investments in subordinated ABSs involve greater credit risk of default than the senior classes of the issue or series. Default risks are further pronounced in the case of ABSs secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying loans. Certain subordinated securities absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement equity. Such securities, therefore, possess some of the attributes typically associated with equity investments.

Zero Coupon and PIK Bonds

Because investors in zero coupon or PIK bonds receive no cash prior to the maturity or cash payment date applicable thereto, an investment in such securities generally has a greater potential for complete loss of principal and/or return than an investment in debt instruments that make periodic interest payments. Such investments are more vulnerable to the creditworthiness of the issuer and any other parties upon which performance relies.

Time Required for Maturity of Investments

Certain individual loans or bonds held by a KKR Credit Fund or Other Client may have terms longer than the term of a KKR Credit Fund or Other Client and certain loans may have grace periods of several years. Furthermore, a KKR Credit Fund or Other Client may, in connection with collateral held by it acquire non-marketable common or preferred equity securities and other illiquid assets with equity participation features, which, to the extent that they have value at all, will likely not have realizable value for a significant period of time. Accordingly, it is unlikely that significant distributions to investors will occur for a number of years from the date of the applicable capital contributions or subscriptions, and certain investments may need to be disposed of upon dissolution of KKR Credit Funds or Other Clients for less than their potential value.

Early Prepayment

Senior debt investments generally have maturities ranging from six to seven years. Given that much senior debt is repaid early, the actual maturity of such investments is typically shorter than their stated final maturity calculated solely on the basis of the stated life and repayment schedule. Generally, voluntary prepayments are permitted and the timing of prepayments cannot be predicted with any accuracy. The degree to which borrowers prepay senior debt, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders. Prepayments are likely to be made during any period of declining interest rates. Such prepayments may result in KKR Credit Funds or Other Clients receiving a lower than anticipated yield on such investments.

Limited Amortization Requirements

KKR Credit Funds or Other Clients may invest in loans that have limited mandatory amortization requirements. While these loans may obligate the borrower to repay the loans out of asset sale proceeds or with annual excess cash flow, repayment requirements may be subject to substantial limitations that would allow a borrower to retain such asset sale proceeds or cash flow, thereby extending the expected weighted average life of the investment. In addition, a low level of amortization of any debt over the life of the investment may increase the risk that a borrower will not be able to repay or refinance the loans held by KKR Credit Funds or Other Clients when they mature.

Risks Arising from Purchases of Debt on a Secondary Basis

KKR Credit Funds and Other Clients may invest in loans and debt securities acquired on a secondary basis. KKR Credit Funds and Other Clients are unlikely to be able to negotiate the terms of such debt as part of their acquisition and, as a result, these investments may not include some of the covenants and protections KKR Credit Funds and Other Clients may generally seek. Even if such covenants and protections are included in the investments held by KKR Credit Funds and Other Clients, the terms of the investments may provide the relevant borrowers with substantial flexibility in determining compliance with such covenants. In addition, the terms on which debt is traded on the secondary market may represent a combination of the general state of the market for such investments and either favorable or unfavorable assessments of particular investments by the sellers thereof.

Senior Secured Loans

Senior secured term loans in most circumstances are fully collateralized by assets of the borrower. Such instruments vary from other types of debt in that they generally hold a senior position in the capital structure of a borrower. Thus, they are generally repaid before unsecured bank loans, corporate bonds, subordinated debt, trade creditors, and preferred or common stockholders. Substantial increases in interest rates may cause an increase in loan defaults as borrowers may lack resources to meet higher debt

service requirements. The value of the KKR Credit Funds' or Other Clients' assets may also be affected by other uncertainties such as economic developments affecting the market for senior secured term loans or affecting borrowers generally.

Senior secured term loans usually include restrictive covenants, which must be maintained by the borrower. The KKR Credit Funds or Other Clients may have an obligation with respect to certain senior secured term loan investments to make additional loans upon demand by the borrower. Such instruments, unlike certain bonds, usually do not have call protection. This means that such interests, while having a stated term, may be prepaid, often without penalty. The rate of such prepayments may be affected by, among other things, general business and economic conditions, as well as the financial status of the borrower. Prepayment would cause the actual duration of a senior secured term loans to be shorter than its stated maturity.

Senior secured term loans typically will be secured by pledges of collateral from the borrower in the form of tangible and intangible assets. In some instances, the KKR Credit Funds or Other Clients may invest in senior secured term loans that are secured only by stock of the borrower or its subsidiaries or affiliates. The value of the collateral may decline below the principal amount of the senior secured term loans subsequent to an investment by the KKR Credit Funds or Other Clients.

Covenant-Lite Loans

To the extent permitted by a KKR Credit Fund's or Other Client's investment guidelines, the KKR Credit Fund or Other Client may invest in loans that do not contain any financial covenants or require the borrower to comply with any maintenance covenant (referred to as "cov-lite" loans). Ownership of Cov-Lite loans may expose the KKR Credit Fund or Other Client to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than in the case with loans that have such covenants. An investment by the KKR Credit Fund or Other Client in a cov-lite loan may potentially hinder the ability to reprice credit risk associated with such investment and reduce the ability to restructure a problematic loan and mitigate potential loss. Furthermore, it is possible that private equity sponsors, which control many of the companies that have incurred cov-lite loans in recent years, may take more aggressive stances with their lenders with respect to such loans in light of current market conditions. In addition, these flexible covenants (or the absence of covenants) could cause portfolio companies to experience a significant downturn in their results of operation without triggering any default that would permit holders of the senior secured loan to accelerate indebtedness or negotiate terms and pricing. Such a delay to exercise remedies may lower the ultimate recoveries received by the KKR Credit Fund or Other Client in any insolvency or restructuring of indebtedness of the portfolio companies.

Structured Products

The KKR Credit Funds or Other Clients may invest its assets in securities backed by, or representing interests in, certain underlying instruments ("**structured products**"), including collateralised debt obligations ("**CDO**") (see also "Collateralised Debt Obligation Investments" below.) These investments may be effected through cash instruments or synthetic instruments. These investments may be illiquid in nature, with no readily available secondary market and may be highly leveraged or volatile in nature. Any of the KKR Credit Funds' or Other Clients' investments in structured products may be subject to typical market risks. The cash flow on the underlying instruments may be apportioned among the structured products to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to the structured products is dependent on the extent of the cash flow on the underlying instruments. The KKR Credit Funds' or Other Clients' may invest in structured products that represent derived investment positions based on relationships among different markets or asset classes.

The performance of structured products will be affected by a variety of factors, including its priority in the capital structure of the issuer, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

The risks associated with structured products involve the risks of loss of principal due to market movement. In addition, investments in structured products may be illiquid in nature, with no readily available secondary market. Because they are linked to their underlying markets or securities, investments in structured products generally are subject to greater volatility than an investment directly in the underlying market or security. Total return on a structured product is derived by linking the return to one or more characteristics of the underlying instrument. Because certain structured products of the type in which the KKR Credit Funds or Other Clients may invest may involve no credit enhancement, the credit risk of those structured products generally would be equivalent to that of the underlying instruments. The KKR Credit Funds or Other Clients may invest in a class of structured products that is either subordinated or unsubordinated to the right of payment of another class. Subordinated structured products typically have higher yields and present greater risks than unsubordinated structured products.

Certain issuers of structured products may be deemed to be “investment companies” as defined in the Investment Companies Act. As a result, the KKR Credit Funds or Other Clients’ investments in these structured products may be limited by the restrictions contained in the Investment Company Act. Structured products are typically sold in private placement transactions, and there currently is no active trading market for structured products. As a result, certain structured products in which the KKR Credit Funds or Other Clients invests may be deemed illiquid and subject to its limitation on illiquid investments.

Collateralized Debt Obligation Investments

The KKR Credit Funds and Other Clients may invest directly or indirectly in CDO or similar securities, which are subject to credit, liquidity, correlation and interest rate risks. Any CDO securities purchased by the KKR Credit Funds or Other Clients may be unrated or non-investment grade. Unrated and non-investment grade CDO securities are subject to a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative. In addition, as a holder of CDO equity, the KKR Credit Funds or Other Clients will have limited remedies available upon the default of the CDO.

The value of the CDO securities owned by the KKR Credit Funds and Other Clients generally will fluctuate with, among other things, the financial condition of the obligors on or issuers of the underlying portfolio of assets of the related CDO (the “**CDO Collateral**”), general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Consequently, holders of CDO securities must rely solely on distributions on the CDO Collateral or proceeds thereof for payment in respect thereof. If distributions on the CDO Collateral are insufficient to make payments on the CDO securities, no other assets will be available for payment of the deficiency and following realization of the CDO securities, the obligations of such issuer to pay such deficiency generally will be extinguished.

CDO Collateral may consist of high yield debt securities, bank debt, asset-backed securities, credit default swaps and other instruments, which often are rated below investment grade (or of equivalent credit quality). High yield debt securities generally are unsecured (and bank debt may be unsecured), and may

be subordinated to certain other obligations of the issuer thereof. The lower ratings of high yield securities and below investment grade bank debt reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions, or both, may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative and inherently involve a significant amount of leverage.

In addition, the lack of an established, liquid secondary market and/or trading restrictions for some CDO securities may have an adverse effect on the market value of those CDO securities and will in most cases make it difficult to dispose of such CDO securities. Therefore, if the KKR Credit Funds and Other Clients decides to dispose of any particular CDO security, no assurance can be given that it will be able to dispose of such CDO security at the prevailing market price, if at all.

Leverage and Borrowing Risk

General

KKR Credit Funds or Other Clients may seek to make investments on a leveraged basis, and a portion of such borrowing may be at floating interest rates. Leverage may also be employed for hedging, advancing capital calls and other cash management purposes. Leverage may be applied with respect to KKR Credit Funds' and Other Clients' portfolios as a whole or with respect to one or more investments, and the presence of such borrowings will magnify the volatility of KKR Credit Funds' or Other Clients' investment portfolios and substantially increase the risk profile of KKR Credit Funds and Other Clients and their investments. In addition to more traditional borrowing structures, KKR Credit Funds or Other Clients may structure credit facilities through the use of one or more revolving credit facilities or a special purpose vehicle, including, without limitation, one in which the lenders are senior secured note holders and a KKR Credit Fund or Other Client is a subordinated note holder. No assurance can be given that financing for KKR Credit Funds' and Other Clients' investments will be obtained by KKR Credit Funds or Other Clients, or obtained on favorable or acceptable terms, including terms which reflect the financing provided by KKR Credit Funds or Other Clients. In addition, once initial financing is obtained by a KKR Credit Fund or Other Client, no assurance can be given that such financing will subsequently be available throughout the life of the relevant KKR Credit Fund or Other Client or any individual investment. If a KKR Credit Fund or Other Client is unable to obtain financing, including on favorable terms that reflect its underlying investment (for example, term of borrowing by the KKR Credit Fund or Other Client versus term of financing provided by the KKR Credit Fund or Other Client), this may have a material adverse effect on the KKR Credit Fund's or Other Client's ability to achieve its investment objectives and the rate of return on invested capital.

The principal, interest expense and other costs incurred in connection with any leverage incurred by a KKR Credit Fund or Other Client may not be recovered by the income from and appreciation in the investments of the relevant KKR Credit Fund or Other Client. Gains realized with borrowed funds may cause KKR Credit Funds' or Other Clients' returns to increase at a faster rate than would be the case without borrowings. If, however, investment results fail to cover the principal, interest and other costs of borrowings, a KKR Credit Fund's or Other Client's returns could also decrease faster than if there had been no borrowings. Additionally, if the investments fail to perform to expectation, the interests of investors will be structurally subordinated to such leverage, which will compound any such adverse consequences. Lenders may, under the terms of financing arrangements put in place with them, have the right to withhold distributions of interest payments in respect of any or all leveraged investments for various reasons, including in the event that any such investment fails to perform to expectation. Further, to the extent income received from investments is used to make payments under any financing arrangement, investors may be allocated income, and therefore tax liability, in excess of cash received by them in distributions. Leverage incurred by KKR Credit Funds or Other Clients may be secured by

assignment of the obligations of investors to make capital contributions to KKR Credit Funds or Other Clients and a security interest in the investments made by KKR Credit Funds or Other Clients.

KKR Credit Funds' or Other Clients' use of borrowings to create leverage subjects KKR Credit Funds and Other Clients to additional risks. For example, depending on the type of facility, a decrease in the market value of KKR Credit Funds' or Other Clients' investments, which, among other things, may be caused by a decrease in the credit rating of the investments, would increase the effective amount of leverage and could result in the possibility of a "margin call," pursuant to which KKR Credit Funds or Other Clients must either deposit additional funds or collateral with the lender, which may require the investors to make additional capital contributions to KKR Credit Funds or Other Clients if permitted by the constitutional or offering documents of the KKR Credit Funds or management agreements with Other Clients or suffer mandatory liquidation of the pledged collateral to compensate for the decline in value. Liquidation of their investments at an inopportune time in order to satisfy a "margin call" would adversely impact the performance of KKR Credit Funds and Other Clients and could, if the value of their collateral has declined enough, cause KKR Credit Funds and Other Clients to lose all or a substantial amount of their capital. Moreover, if additional capital contributions were required to satisfy a "margin call," this would effectively reduce the amount of capital available for other investments if permitted by the constitutional or offering documents of the KKR Credit Funds or management agreements with Other Clients and could adversely affect the diversification of KKR Credit Funds' or Other Clients' portfolios. In the event of a sudden, precipitous drop in the value of KKR Credit Funds' or Other Clients' assets, KKR Credit Funds or Other Clients might not be able to liquidate assets quickly enough to pay off their debts.

KKR Credit Funds' and Other Clients' assets, including any investments made by KKR Credit Funds and Other Clients and any capital held by KKR Credit Funds and Other Clients, may be available to satisfy all liabilities and other obligations of KKR Credit Funds and Other Clients. If KKR Credit Funds or Other Clients default on secured indebtedness, the lender may foreclose and KKR Credit Funds or Other Clients could lose their entire investment in the collateral for such loan. If KKR Credit Funds or Other Clients themselves become subject to a liability, parties seeking to have the liability satisfied may have recourse to KKR Credit Funds' or Other Clients' assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. KKR Credit Funds' or Other Clients' financing arrangements may be structured generally as a portfolio financing where all investments are cross-collateralized and multiple investments may be subject to the risk of loss. As a result, KKR Credit Funds or Other Clients could lose their interests in several performing investments in the event any investment is cross-collateralized with poorly performing or non-performing investments.

Capital Calls and Use of Subscription Lines and Asset-Backed Facilities

Certain KKR Credit Funds or Other Clients may apply leverage, including subscription facilities or asset-based leverage, to enhance the return profile of certain investments (the collateral for which can be, for example, one or more assets of a KKR Credit Fund or Other Client (i.e., asset-backed facilities), or the unused capital commitments of investors (i.e., subscription lines). For administrative convenience, drawdowns, including those used to pay interest on subscription lines, asset-backed facilities and other indebtedness, are generally expected to be "batched" together into larger, less frequent capital calls (although actual timing and amounts may vary), with KKR Credit Funds' or Other Clients' interim capital needs being satisfied by KKR Credit Funds or Other Clients borrowing money from such credit facilities and investment proceeds. Furthermore, KKR Credit Funds or Other Clients if permitted by the constitutional or offering documents of the KKR Credit Funds or management agreements with Other Clients may borrow money from such credit facilities for the purposes of making portfolio investments with no intention of calling capital from investors to repay such borrowings. In respect of certain KKR Credit Funds and Other Clients, there generally is no limitation on the amount of time any such

borrowing may remain outstanding and the interest expense and other costs of any such borrowings will be fund expenses and, accordingly, may decrease net returns of a KKR Credit Fund or Other Client. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the applicable preferred return (with the applicable preferred return beginning to accrue when capital contributions to repay borrowings used to fund such portfolio investments are actually made to KKR Credit Funds or Other Clients). In light of the foregoing, a KKR Credit GP may have an incentive to permanently fund an acquisition and ongoing capital needs of portfolio investments and the relevant KKR Credit Funds or Other Clients with the proceeds of such borrowings in lieu of drawing down unused capital commitments on a just-in-time basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of disposition of portfolio investments.

To the extent that KKR Credit Funds or Other Clients are unable to obtain a subscription line, or a KKR Credit GP determines that the terms of such facility would not be appropriate for a KKR Credit Fund or Other Client or otherwise determines not to use such facility or access to such facility otherwise becomes unavailable, a KKR Credit GP may draw down capital commitments in advance as pooled contributions and hold them in reserve in order to make portfolio investments, satisfy fees and expenses and other capital needs as such needs arise in the future.

Bridge Financings

KKR Credit Funds and Other Clients may provide bridge financing in connection with one or more of their investments. KKR Credit Funds and Other Clients will bear the risk of any changes in capital markets that may adversely affect the ability of an issuer of a portfolio investment to refinance any bridge financing investments. If the issuer were unable to complete a refinancing, KKR Credit Funds and Other Clients could have a long-term investment in a junior security or that junior security might be converted to equity.

Energy Related Investments

General

KKR Credit Funds and Other Clients may invest in debt related securities of the energy industry. Electric generation and transmission, as well as oil, natural gas, and coal storage, handling, processing and transportation, are typically regulated to varying degrees. In addition to restrictions imposed by environmental regulators, statutory and regulatory requirements may include those imposed by energy, zoning, land use, safety, labor and other regulatory or political authorities. It is possible that changes to applicable regulations or regulatory practice could have adverse consequences for an investment by a KKR Credit Fund or Other Client.

Ordinary operation or the occurrence of an accident with respect to an energy asset could cause major environmental damage, which may result in significant financial distress to such asset, if not covered by insurance. Certain environmental laws and regulations may require that an owner or operator of an energy asset address prior environmental contamination, which could involve substantial cost. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination. As a result, certain of KKR Credit Funds' or Other Clients' investments in the energy sector may be exposed to substantial risk of loss from environmental claims. Furthermore, changes in environmental laws or regulations or the environmental condition of an energy investment may create liabilities that did not exist at the time of the investment by the KKR Credit Fund or Other Client and that could not have been foreseen. Community and environmental groups may protest about the development or operation of energy assets, which may induce government action to the detriment of KKR Credit Funds or Other Clients. New and more

stringent environmental or health and safety laws, regulations and permit requirements, or stricter interpretations of current laws, regulations or requirements, could impose substantial additional costs on the issuer of a portfolio investment, or could otherwise place such issuers at a competitive disadvantage compared to other companies, and failure to comply with any such requirements could have an adverse effect on such issuers and any related KKR Credit Fund or Other Client. Some of the most onerous environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements may particularly affect companies in the power and energy industry.

Energy Industry Regulation

The energy industry is subject to comprehensive federal, state and local laws and regulations. In addition to restrictions imposed by environmental regulators, statutory and regulatory requirements may include those imposed by energy, zoning, land use, safety, labor and other regulatory agencies. Certain environmental laws and regulations may require that an owner or operator of an energy asset address prior environmental contamination, which could involve substantial cost. Such laws and regulations often impose liability without regard to whether the owner or operator knows of, or were responsible for, the release or presence of environmental contamination. As a result, investments by KKR Credit Funds and Other Clients in the energy sector may be exposed to substantial risk of loss from environmental claims. Furthermore, changes in environmental laws or regulations or the environmental condition of an energy investment may create liabilities that did not exist at the time of the investment by KKR Credit Funds and Other Clients and that could not have been foreseen. Present and new and more stringent environmental or health and safety laws, regulations and permit requirements, or stricter interpretations of current laws, regulations or requirements, could impose substantial additional costs on a portfolio company or could otherwise place such portfolio companies at a competitive disadvantage compared to other companies, and failure to comply with any such requirements could have an adverse effect on such companies. Some of the most onerous environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements may particularly affect companies in the power and energy industry.

Energy Industry Market Dislocation

Recent events in the energy markets have caused significant dislocations and illiquidity in the credit market for energy companies. To the extent that such events are not temporary and continue (or even worsen), this may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of borrowers in which KKR Credit Funds or Other Clients have invested and result in the inability of such borrowers to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, KKR Credit Funds or Other Clients may suffer a partial or total loss of their investment in such companies, which would, in turn, have an adverse effect on KKR Credit Funds' or Other Clients' returns. Such marketplace events also may restrict the ability of KKR Credit Funds or Other Clients to sell or liquidate portfolio investments at favorable times or for favorable prices (although such marketplace events may not foreclose KKR Credit Funds' or Other Clients' ability to hold such investments until maturity). A stabilization or improvement of the conditions in the global financial markets generally and the energy markets and credit markets specifically likely would aid KKR Credit Funds' or Other Clients' portfolio investments in these sectors. Absent such a recovery or in the event of a further market deterioration, the value of KKR Credit Funds' or Other Clients' portfolio investments in the energy section may not appreciate as projected (if applicable) or may suffer a loss. There can be no assurance as to the duration of any perceived current market dislocation.

Oil and Gas Prices

Prices for oil, natural gas and other hydrocarbons are subject to large fluctuations in response to relatively minor changes in the supply of and demand for hydrocarbons, including oil, natural gas, natural gas liquids and coal, market uncertainty and a variety of additional factors. These factors include, but are not limited to weather conditions; the level of consumer demand and the overall condition of the various domestic and international economies, including interest rates, levels of economic activity, the price of securities and/or loans and the participation by other investors in the financial markets; political conditions or armed conflict in the Middle East and other international oil producing regions; terrorist acts; the foreign and domestic production and exportation of hydrocarbons in relevant markets; the price, availability and acceptance of alternate fuel sources; the utilization and capacity of oil refineries or other hydrocarbon processing facilities; the availability of pipeline capacity; transportation interruption; domestic and foreign governmental regulations, price controls and taxes; domestic and foreign environmental laws and regulations; and the ability of members of the Organization of Petroleum Exporting Countries (“OPEC”) to agree to maintain oil prices and production controls. In recent years, oil and natural gas prices, and therefore the level of exploration, development and production activity experienced a sustained decline from the highs in the latter half of 2014 as a result of an increasing global supply of oil and a decision by OPEC to sustain its production levels in spite of the decline in oil prices and slowing economic growth in the Eurozone and China. Prices for oil weakened further into 2016 in response to continued high levels of global production and the corresponding buildup in inventories. OPEC announced in May 2017 its agreement to a framework for limiting crude output through March 2018, but the global supply excess may persist and while there has been some recovery, the volatility of the current environment could cause prices to remain at current levels or to fall to lower levels.

Any substantial and extended decline in hydrocarbon prices would have an adverse effect on the value of investments by KKR Credit Funds or Other Clients in this sector. In addition, estimates of hydrocarbon reserves by qualified engineers are often a key factor in valuing certain energy companies or oil and natural gas assets. These estimates are subject to wide variances based on the underlying technical assumptions and price forecasting models that such engineers use to estimate economically recoverable oil and natural gas reserves. Accordingly, volatile commodity prices will cause such estimates to be significantly revised from time to time, which will create significant changes in the value of such oil and natural gas assets. Such changes in value often disrupt the market for developed properties because it is difficult for buyers and sellers to agree on transaction value. Volatile commodity prices also make it difficult to budget for and project the return on acquisitions and development projects.

Proposed Environmental Legislation and Regulation

Numerous legislative and regulatory proposals affecting the oil and natural gas industry have been introduced, or are otherwise under consideration, by individual states, Congress and various federal agencies. The long-term trend toward stricter standards, increased oversight and regulation and more extensive permit requirements, along with any future laws and regulations or changes in laws, regulations and obligations relating to climate change could result in substantial capital expenditure, taxes and reduced profitability. In the future, these could potentially impact a KKR Credit Fund’s or Other Client’s assets, revenue generation and strategic growth opportunities.

The adoption of climate change legislation and regulations could result in increased operating costs and reduced demand for the oil and natural gas that energy assets produce. In response to findings that emissions of carbon dioxide, methane and other greenhouse gases (“GHGs”) present an endangerment to public health and the environment, the EPA has adopted regulations under existing provisions of the federal Clean Air Act that, among other things, require preconstruction and operating permits for certain large stationary sources. Facilities required to obtain preconstruction permits for their GHG emissions also will be required to meet “best available control technology” standards that will be established on a case-by-case basis. These EPA rulemakings could adversely affect operation on KKR Credit Funds’ and

Other Clients' properties and restrict or delay the ability of operators to obtain air permits for new or modified sources. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified onshore oil and natural gas production sources in the United States on an annual basis, which include operations on certain KKR Credit Fund properties. These requirements could increase the costs of development and production, reducing the profits available to a KKR Credit Fund or Other Client and potentially impairing a KKR Credit Fund's or Other Client's ability to economically develop properties.

Efforts have been made and continue to be made in the international community towards the adoption of international treaties or protocols that would address global climate change issues. For example, in April 2016, the United States was one of 175 countries to sign the Paris Agreement, which requires member countries to review and "represent a progression" in their intended nationally determined contributions, which set GHG emission reduction goals, every five years beginning in 2020. The Paris Agreement entered into force in November 2016. Although this agreement does not create any binding obligations for nations to limit their GHG emissions, it does include pledges from the participating nations to voluntarily limit or reduce future emissions. In June 2017, President Trump stated that the United States would withdraw from the Paris Agreement, but may enter into a future international agreement related to GHGs. Any new initiatives or regulatory changes related to the control of GHG emissions could result in increased costs of development and production, reducing profits available to KKR Credit Funds or Other Clients and potentially impairing a KKR Credit Fund's or Other Client's ability to economically develop properties.

Investments in Real Estate

KKR Credit Funds or Other Clients may make investments for which real estate is a significant portion of the relevant portfolio company's or other issuer's asset base or value. Real estate values are affected by a number of factors, including changes in the general economic climate, local conditions (such as an oversupply of or a reduction in demand for real estate), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties, financial condition of tenants, buyers and sellers of properties, quality of maintenance, insurance and management services and changes in operating costs. Real estate values are also affected by and sensitive to factors such as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws.

Real Estate Investments Generally

A KKR Credit Fund's or Other Client's real estate investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, domestic and general economic climate, local real estate conditions, the burdens of ownership of real property, general and local economic conditions; the supply and demand for properties, energy and supply shortages; competition from other properties; energy and supply shortages; fluctuations in average occupancy and room rates the financial resources of tenants; increased mortgage defaults; changes in interest rates and the availability of debt financing or mortgage funding which may render the sale or refinancing of properties difficult or impracticable; changes in building, environmental and other laws and/or regulations; zoning laws; changes in real property tax rates; negative developments in the economy that depress travel or leasing activity; environmental liabilities; contingent liabilities on disposition of assets; uninsured or uninsurable casualties; acts of God (including, without limitation, earthquakes, hurricanes and other natural disasters), operating problems arising out of the absence of certain construction material, terrorist attacks and war, competing properties in an area (as a result, for instance, of overbuilding); the financial condition of tenants, buyers and sellers of properties; changes in

availability of debt financing; energy and supply shortages and other factors which are beyond the control of KKR Credit or its affiliates.

In addition, a KKR Credit Fund's or Other Client's investments will be subject to various risks which may cause fluctuations in occupancy, rental rates, operating income and expenses or which may render the sale or financing of its properties difficult or unattractive. For example, following the termination or expiration of a tenant's lease there may be a period of time before a KKR Credit Fund or Other Client will begin receiving rental payments under a replacement lease. During that period, the KKR Credit Fund or Other Client will continue to bear fixed expenses such as interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions may impair a KKR Credit Fund's or Other Client's ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require a KKR Credit Fund or Other Client to make otherwise unplanned capital improvements to properties which would not have otherwise been planned. Any unbudgeted capital improvements that a KKR Credit Fund or Other Client undertakes may divert cash that would otherwise be available for distribution to investors or require additional capital commitments. Ultimately, to the extent that a KKR Credit Fund or Other Client is unable to renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which could adversely impact a KKR Credit Fund's or Other Client's operating results.

A KKR Credit Fund or Other Client may be required to expend funds to correct defects or to make improvements before a property can be sold. No assurance can be given that a KKR Credit Fund or Other Client will have funds available to correct those defects or to make those improvements. In acquiring a property, KKR Credit on behalf of a KKR Credit Fund or Other Client may agree to lock-out provisions that materially restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. These factors and others that could impede a KKR Credit Fund's or Other Client's ability to respond to adverse changes in the performance of its properties could significantly affect a KKR Credit Fund's or Other Client's financial condition and operating results.

In some instances, the principal asset of the lessee of a KKR Credit Fund or Other Client property may be only the tenant's improvements thereon, or the liability of the lessee may be limited to its interest in such improvements. In those cases, a KKR Credit Fund or Other Client will be required to rely on the lessee's equity interest in the improvements for its security. In the event of a default by a lessee or other premature termination of a lease, a KKR Credit Fund or Other Client may experience delays in enforcing its rights as lessor, may incur substantial costs in protecting its investment and may experience an impairment of value.

Further, because a KKR Credit Fund or Other Client may invest in REITs, the relevant KKR Credit Fund or Other Client may also be subject to certain risks associated with direct investments in REITs. REITs may also be affected by changes in the value of their underlying properties and by borrower or tenant defaults. Furthermore, REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. REITs depend generally on their ability to generate cash flow to make distributions to shareholders, and certain REITs have self-liquidation provisions by which mortgages held may be paid in full and distributions of capital returns may be made at any time. In addition, the performance of a REIT may be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

Real estate investments are relatively illiquid and, therefore, a KKR Credit GP's ability to vary a KKR Credit Fund's or Other Client's portfolio promptly in response to changes in economic or other conditions may be limited. While an investment may be sold at any time, it is not generally expected that a sale will occur for a number of years after the investment is made. Moreover, an investment that initially consists

of an interest in property may be exchanged, contributed or otherwise converted into private or publicly-traded stock of a corporation, interests in a limited liability company or other interests or property (and vice-versa), and any such exchange, contribution or conversion will likely not constitute a disposition under a KKR Credit Fund's or Other Client's governing documents of the type that results in investors receiving distributions, whether in-kind or otherwise.

Certain of a KKR Credit Fund's or Other Client's real estate debt investments may be unsecured and may be structurally or contractually subordinated to substantial amounts of indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness or the provision of collateral to other indebtedness, and there may be no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including, without limitation, investor demand, changes in the financial condition of companies in which a KKR Credit Fund or Other Client invests, government fiscal policy and domestic or worldwide economic conditions.

An investment in real estate related investments may subject the investors to taxation and tax return filings with respect to such investment in the jurisdiction in which the relevant real estate is located. There is no assurance that there will be a ready market for resale of any real estate related investments because investments in real estate generally are not liquid; holding periods accordingly are difficult to predict, particularly as business plans may be revised to adapt to changing economic, business and financial conditions. Significant expenditures associated with real estate assets, such as mortgage payments, real estate taxes and maintenance costs, are generally not reduced when circumstances cause a reduction in income from the underlying real estate assets.

The KKR Credit Funds or Other Clients may engage in the financing of real estate assets on a passive basis, giving a third-party operating partner and/or property manager and/or joint venture partner a large degree of authority and responsibility for daily management of the assets and, in such circumstances will, in large part be dependent on the ability of third parties to successfully operate the underlying real estate assets. In addition, the KKR Credit Funds or Other Clients will in such circumstances be unable to exercise sole decision-making authority and will be subject to the risk that a joint venture or partner or manager will act negligently or in a manner contrary to the KKR Credit Fund's or Other Client's best interests.

Insurance coverage applicable to real estate assets typically contains policy specifications and insured limits customarily carried for similar properties, business activities and markets. There may be certain losses, including losses from floods and losses from earthquakes, acts of war, acts of terrorism or riots, that are not generally insured against or that are not generally fully insured against because it is not deemed to be economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to a real estate asset in which the KKR Credit Fund or Other Client has an interest, the KKR Credit Fund or Other Client could experience a significant loss and could potentially remain obligated under any recourse debt associated with the property.

Under certain laws, ordinances and regulations, a current or previous owner, developer or operator of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, under or in its property. The costs of removal or remediation of such substances could be substantial. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. The KKR Credit GP or its affiliates will attempt to assess such risks as part of its due diligence activities in respect of any real estate related investments including in respect to its exposure to such liabilities as the provider of financing in respect of such assets, but cannot give any assurance that such conditions do not exist or may not arise in the

future. The presence of such substances on the real estate assets underlying the KKR Credit Fund or Other Client's investments could adversely affect the value of such investments.

Risks of Acquiring Real Estate Loans and Participations

Real estate loans or participation interests therein originated or otherwise acquired by KKR Credit Funds or Other Clients may be, at the time of their acquisition, or may become after acquisition, non-performing for a wide variety of reasons. Such non-performing real estate loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write down of the principal of such loans. However, even if a restructuring were successfully accomplished, a risk exists that upon maturity of such real estate loan, replacement "takeout" financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control. It is possible that KKR Credit may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by KKR Credit Funds or Other Clients. The foreclosure process varies jurisdiction by jurisdiction can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including, without limitation, lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. In some jurisdictions, foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, a borrower may have the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.

Investments in Land/New Development

A KKR Credit Fund or Other Client may acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing. To the extent that a KKR Credit Fund or Other Client invests in such assets, it will be subject to the risks normally associated with such assets and development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of such KKR Credit Fund or Other Client, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on a KKR Credit Fund or Other Client. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that makes such development less attractive than at the time it commenced.

Real Estate Market Conditions

A KKR Credit Fund's or Other Client's strategy may in some investments be based, in part, upon the premise that real estate businesses and assets will become available for purchase by a KKR Credit Fund or Other Client at prices that KKR Credit considers more favorable. Further, KKR Credit's strategy for a KKR Credit Fund or Other Client investment may rely, in part, upon the continuation of existing market conditions (including, for example, supply and demand characteristics) or, in some circumstances, recovery or improvement in market conditions over the projected holding period for the investments. No assurance can be given that real estate businesses and assets can be acquired or disposed of at favorable

prices or that the market for such assets will either remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the control of KKR Credit.

In addition to general economic conditions, the commercial real estate markets in which a KKR Credit Fund or Other Client operates are also affected by a number of other factors which may significantly impact the value of commercial real estate investments, including interest rates and credit spreads, levels of prevailing inflation, the availability of financing, the returns from alternative investments as compared to real estate and changes in planning, environmental, commercial lease, and tax laws and practices. In particular, commercial property values are dependent on current rental values and occupancy rates, prospective rental growth, lease lengths, tenant creditworthiness and solvency, and investment yields (which are, in turn, a function of interest rates, the market appetite for property investments in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned. Rental revenues and commercial real estate values are also affected by factors specific to each local market in which the property is located, including the supply of available space, demand for commercial real estate and competition from other available space. For example, as a result of the global economic downturn beginning in 2008, demand for commercial real estate decreased significantly, in part due to a significant reduction in the availability of new financing (including securitization of real estate assets). Such a decrease in tenant demand could increase vacant space and exert pressure on a KKR Credit Fund or Other Client to provide rental incentives to tenants resulting in a decrease in the rental income, rental growth and property values of a KKR Credit Fund's or Other Client's portfolio, which could have a material adverse effect on its business, financial condition, results of operations and future prospects.

As a result of the above or other factors, a KKR Credit Fund's or Other Client's ability to maintain or increase the occupancy levels of its properties through the execution of leases with new tenants and the renewal of leases with existing tenants, as well as its ability to increase rents over the longer term, may be adversely affected. In particular, tenants going into administration, non-renewal of existing leases or early termination by significant existing tenants in a KKR Credit Fund's or Other Client's office portfolio would result in a significant decrease in such KKR Credit Fund's or Other Client's net rental income. If a KKR Credit Fund's or Other Client's net rental income declines, it would have less cash available to service and repay its indebtedness and the value of its properties would decline further as well. In addition, significant expenditures associated with each property, such as real estate taxes, new regulations, compliance, work service charges and renovation and maintenance costs, generally are not reduced in proportion to any decline in rental revenue from that property. If rental revenue from a property declines while the related costs do not decline, a KKR Credit Fund's or Other Client's income and cash receipts could be adversely affected. Any significant deterioration in economic conditions or conditions in the commercial real estate market which contributes to a decline in rental revenues or further decline in market values of a KKR Credit Fund's or Other Client's assets may materially adversely affect the business, results of operations and financial condition of a KKR Credit Fund or Other Client.

Financial Condition of Tenants

Adverse changes in the operation of any property, or the financial condition of any tenant, could have an adverse effect on a KKR Credit Fund's or Other Client's ability to collect rent payments and, accordingly, on its ability to make distributions to investors. A tenant may experience, from time to time, a downturn in its business which may weaken its financial condition and result in its failure to make rental payments when due. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or other adverse consequences and thereby cause a reduction in the distributable cash flow. No assurance can be given that tenants will not file for bankruptcy protection in the future or, if they do, that their leases will continue in effect.

Construction and Other Capital Expenditures

KKR Credit Funds and Other Clients may make real asset investments that may include both existing assets and businesses and in “Greenfield” assets and other assets and businesses that require significant capital expenditure to bring them to fully commissioned and/or cash-flowing status or to otherwise optimize their operational capabilities. These real asset investments may face construction risks typical for businesses in infrastructure, energy or real estate, including, without limitation: (i) labor disputes, shortages of material and skilled labor, or work stoppages; (ii) difficulty in obtaining regulatory, environmental or other approvals and permits; (iii) slower than projected construction progress and the unavailability or late delivery of necessary equipment; (iv) less than optimal coordination with public utilities in the relocation of their facilities; (v) adverse weather conditions and unexpected construction conditions; (vi) accidents or the breakdown or failure of construction equipment or processes; (vii) catastrophic events such as explosions, fires, and terrorist activities, and other similar events; and (viii) risks associated with holding direct or indirect interests in undeveloped land or underdeveloped real property. These risks could result in substantial unanticipated delays or expenses (which may exceed expected or forecasted budgets) and, under certain circumstances, could prevent completion of construction activities once undertaken. Certain real asset investments may remain in construction phases for a prolonged period and, accordingly, may not be cash generative for a prolonged period. While the intention of a KKR Credit Fund or Other Client in respect of any investment may be for construction works to be contracted to a construction contractor on a fixed price basis with liquidated damages payable to such KKR Credit Fund or Other Client where delay is caused that is attributable to the contractor, the related contractual arrangements made by such KKR Credit Fund or Other Client may not be as effective as intended and/or contractual liabilities on the part of such KKR Credit Fund or Other Client may result in unexpected costs or a reduction in expected revenues for such KKR Credit Fund or Other Client. In addition, recourse against the contractor may be subject to liability caps or may be subject to default or insolvency on the part of the contractor.

Asset-Level Management

The management of the business or operations of a real asset (such as aviation or maritime assets) may be contracted to a third-party management company or operator unaffiliated with KKR Credit, a KKR Credit Fund or Other Client. The selection of a management company or operator is inherently based on subjective criteria, making the true performance and abilities of a particular management company or operator difficult to assess. Although it would be possible to replace any such operator, the failure of such an operator to perform its duties adequately or to act in ways that are in the portfolio company’s best interest, or the breach by an operator of applicable agreements or laws, rules, and regulations, could have an adverse effect on the portfolio company’s financial condition or results of operations. A third-party management company may suffer a business failure, become bankrupt, or engage in activities that compete with a portfolio company. These and other risks, including the deterioration of the business relationship between KKR Credit, a KKR Credit Fund or Other Client and the third-party management company, could have an adverse effect on a portfolio company. Should a third-party management company fail to perform its functions satisfactorily, it may be necessary to find a replacement operator, which may require the approval of a government or agency that has granted a concession with respect to the relevant portfolio company. It may not be possible to replace an operator in such circumstances, or do so on a timely basis or on terms that are favorable to a KKR Credit Fund or Other Client.

Subcontractors

Real asset investments may involve the subcontracting of design and construction activities in respect of projects. The subcontractors responsible for the construction of a project asset will normally retain

liability in respect of design and construction defects following the construction of the asset, subject to liability caps and statutory limitations. The contractual arrangements made by a KKR Credit Fund or Other Client or a third-party management company may not be as effective in passing on risks to its subcontractors as intended and this may result in unexpected costs or a reduction in expected revenues for such KKR Credit Fund or Other Client. Certain provisions in sub-contracts intended to pass risk could be ineffective. In addition to this financial liability, the construction subcontractors may also have an obligation to return to site in order to carry out any remedial works required for a pre-agreed period. A KKR Credit Fund or Other Client may not normally have recourse to any third party for any defects which arise after the expiry of limitation periods. If a subcontractor to a third-party management company fails to perform the services which it has agreed to provide, a KKR Credit Fund or Other Client may fail to meet the service standards it has agreed with certain counterparties and there may be a reduction in the actual income received that was anticipated by such KKR Credit Fund or Other Client and/or claims by the counterparties against such KKR Credit Fund or Other Client for damages. These reductions and/or claims are typically passed on to the relevant subcontractor, subject to any contractual liability caps. If there is a subcontractor service failure and the relevant subcontractor or its guarantors or insurers fail to meet their obligations in respect of the liabilities that have been passed on to them, then, to the extent the liability cannot be set off, such KKR Credit Fund or Other Client will not be compensated for any reductions in payments and/or claims made by counterparties which they may suffer as a result of the subcontractor's service failure. Ultimately such service failure could lead to termination of a project agreement. In some instances, a single subcontractor may be responsible for providing services to various real asset investments. In such instances, the default or insolvency of such single subcontractor could adversely affect a number of the real asset investments. If there is a subcontractor service failure which is sufficiently serious to cause a KKR Credit Fund or Other Client or third-party management company to terminate a subcontract, or an insolvency in respect of a subcontractor, or a counterparty requires a KKR Credit Fund or Other Client to terminate a sub-contract in such event, there may be a loss of revenue during the time taken to find a replacement subcontractor and the replacement subcontractor may levy a surcharge to assume the subcontract or charge more to provide the services. There will also be costs associated with the re-tender process. These may not be recoverable from the defaulting subcontractor.

Environmental Matters

Ordinary operation or the occurrence of an accident with respect to a real asset could cause major environmental damage, which may result in significant financial distress to such asset if not covered by insurance. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by those persons. Certain environmental laws and regulations may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination and may impose liability on KKR Credit Funds or Other Clients.

Furthermore, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of its acquisition and that could not have been foreseen. Community and environmental groups may protest about the development or operation of real assets, which may induce government action to the detriment of the relevant KKR Credit Fund or Other Client. New and more stringent environmental or health and safety laws, regulations, and permit requirements, or stricter interpretations of current laws, regulations, or requirements, could impose substantial additional costs on a portfolio company, or could otherwise place a portfolio company at a competitive disadvantage compared to alternative forms of investment, and failure to comply with any such requirements could have an adverse effect on a portfolio company. Even in cases where a KKR Credit Fund or Other Client is indemnified by the seller with respect to an investment against liabilities

arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of a KKR Credit Fund or Other Client to achieve enforcement of such indemnities.

Prolonged changes in climatic conditions may have significant impact on the revenues, expenses and conditions of certain KKR Credit Fund and Other Client investments. While the precise future effects of climate change are unknown, it is possible that climate change could affect precipitation levels, droughts, wind levels, annual sunshine, sea levels and the severity and frequency of storms and other severe weather events.

Reductions in precipitation levels, wind or sunlight could materially adversely affect the revenues and cash flows of renewable energy-related assets that depend on the capture of water flow, wind or sunlight to derive revenues. If such reductions are significant, any such assets may be rendered inoperable. Conversely, significant increases in precipitation or wind velocity could cause damage to such assets or create periods when such assets are not able to function.

In the event that climate change causes sea levels to rise, certain portfolio companies may be forced to incur expenses to prevent assets from being damaged or rendered unusable by such rising sea levels. Moreover, if the evidence supporting climate change continues to grow, various regulatory agencies may enact more restrictive environmental regulations. These more restrictive regulations could materially impact the revenues and expenses of a portfolio company.

Investments in the Airline Industry

KKR Credit Funds or Other Clients may make debt investments in companies and other issuers that acquire financial and/or hard assets relating to the airline industry. The airline industry is cyclical and highly competitive. Airlines and related companies may be affected by political or economic instability, terrorist activities, changes in national policy, competitive pressures on certain air carriers, fuel prices and shortages, labor stoppages, insurance costs, recessions, world health issues and other political or economic events adversely affecting world or regional trading. The airline industry is highly sensitive to general economic trends, and any downturn in the global economy or in the relevant local economy could adversely affect results of operations and financial conditions. The airline industry is subject to significant regulation, including increasing environmental regulations that could lead to increased costs and affect profitability.

Investments in the Shipping Industry

KKR Credit Funds or Other Clients may make debt investments in companies or other issuers that acquire financial and/or hard assets relating to the shipping industry, which are subject to, among others, the following risks, which may not be insurable: (i) extensive and changing safety, environmental protection and other international, national, state and local governmental laws, regulations, treaties and conventions in force in international waters, the jurisdictional waters of the countries in which a shipping company's vessels operate, as well as the countries of such vessels' registration, compliance with which may require ship modifications and changes in operating procedure; (ii) risks associated with non-U.S. investments and force majeure risks (for example, international sanctions, embargoes, restrictions, nationalizations, and wars or acts of piracy or terrorist attacks and severe weather and natural disasters, (iii) labor-related risks; (iv) adverse changes in maintenance and other fixed costs and/or capital expenditure requirements; and (v) counterparty risks, including risks of adverse changes affecting chartering agreements from which a shipping company derives income.

Infrastructure Risks

Government and Agency Risk

In many instances, the making or acquisition of infrastructure investments involves an ongoing commitment to a municipal, state or federal government and/or regulatory agencies (“**Government Agency**”). The nature of these obligations exposes the owners of infrastructure investments to a higher level of regulatory control than typically imposed on other businesses.

Government Agencies may impose conditions on the construction, operations, and activities of an investment as a condition to granting their approval or to satisfy regulatory requirements. This may include requirements that such investments remain managed by a KKR Credit Fund or Other Client or its investment manager or manager, as applicable, or their affiliates which may limit the ability of a KKR Credit Fund or Other Client to dispose of investments at opportune times.

Government Agencies may have considerable discretion to change or increase regulation of the operations of an infrastructure investment or to otherwise implement laws, regulations, or policies affecting its operations (including, in each case, with retroactive effect), separate from any contractual rights that the Government Agency counterparties may have. Accordingly, additional or unanticipated regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances, or similar actions, may be required to acquire infrastructure investments, and additional approvals may become applicable in the future due to, among other reasons, a change in applicable laws and regulations or a change in the investment’s customer base. There can be no assurance that a portfolio company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility owned by a portfolio company, the completion of a previously announced acquisition or sales to third parties, or could otherwise result in additional costs to a portfolio company.

Since many portfolio companies in this section will provide basic, everyday services and face limited competition, Government Agencies may be influenced by political considerations and may make decisions that adversely affect a portfolio company’s business. Certain types of infrastructure investments are very much in the “public eye” and politically sensitive, and as a result KKR Credit Fund or Other Client’s activities may attract an undesirable level of publicity. Additionally, pressure groups and lobbyists may induce Government Agency action to the detriment of a KKR Credit Fund or Other Client as the owner of the relevant asset or business. There can be no assurance that the relevant government will not legislate, impose regulations, or change applicable laws, or act contrary to the law in a way that would materially and adversely affect the business of a portfolio company. The profitability of certain types of investments may be materially dependent on government subsidies being maintained (for example, government programs encouraging the development of certain technologies such as solar and wind power generation). Reductions or eliminations of such subsidies may have a material adverse impact on a portfolio company.

Concessions, Leases and Public Ways

An infrastructure investment’s operations may rely on government licenses, concessions, leases, or contracts that are generally very complex and may result in a dispute over interpretation or enforceability. Even though most permits and licenses are obtained prior to the commencement of full project operations, many of these licenses and permits have to be maintained over the project’s life. If a KKR Credit Fund,

Other Client or a portfolio company fails to comply with these regulations or contractual obligations, it could be subject to monetary penalties or may lose its right to operate the affected asset, or both.

Where a KKR Credit Fund, Other Client or a portfolio company holds a concession or lease from a government body, such arrangements are subject to special risks as a result of the nature of the counterparty. The concession or lease may restrict the operation of the relevant asset or business in a way that maximises cash flows and profitability. The lease or concession may also contain clauses more favourable to the government counterparty than a typical commercial contract. In addition, there is the risk that the relevant government body will exercise sovereign rights and take actions contrary to the rights of a KKR Credit Fund or Other Client or a portfolio company under the relevant agreement. Poor performance and other events during construction or operating phases may lead to termination of the relevant concession or lease agreement, which may or may not provide for compensation to the relevant portfolio company. If it does, as the portfolio company would generally be deemed to have been “at fault”, then often the amount of any related senior debt may not be paid out in full and compensation for lost equity returns may not be provided.

Certain investments may require the use of public ways or may operate under easements. Governments may retain the right to restrict the use of such public ways or easements or require a portfolio company to remove, modify, replace, or relocate facilities relating to infrastructure assets at its own expense. If a government exercises these rights, a portfolio company could incur significant costs and its ability to provide service to its customers could be disrupted, which could adversely impact the performance of such investment.

Public Demand and Usage

A KKR Credit Fund or Other Client may invest in portfolio companies or investment that derives substantially all of their revenues from tolls, tariffs, or other usage or throughput-related fees. Users of the applicable service provided by a portfolio company may react negatively to any adjustments to the applicable rates, or public pressure may cause a government or agency to challenge such rates. In addition, adverse public opinion, or lobbying efforts by specific interest groups, could result in government pressure on a portfolio company to reduce its rates or to forego planned rate increases. It cannot be guaranteed that government entities with which a portfolio company has concession agreements will not try to exempt certain users from tolls, tariffs, or other fees or negotiate lower rates. If public pressure or government action forces a portfolio company to restrict its rate increases or reduce their rates, and it is not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, a portfolio company’s business, financial condition, and results of operations could be adversely affected. To the extent that assumptions regarding the demand, usage and patronage of assets prove incorrect, a KKR Credit Fund or Other Client’s financial returns could be adversely affected. Some of these investments may be subject to seasonal variations. Accordingly, a KKR Credit Fund or Other Client’s operating results for any particular investment in any particular quarter may not be indicative of the results that can be expected for such investment throughout the entire year.

Rate Risk

Services provided by portfolio companies in this sector may be subject to rate regulation by a government agency that determines or limits the prices that may be charged, particularly if the relevant portfolio company is the sole or predominant service provider in its service area or provides services that are essential to the community. A portfolio company or other investment of a KKR Credit Fund or Other Client may be subject to unfavorable regulatory determinations that may be final with no right of appeal or that, despite a right of appeal, could result in its profits being negatively affected and investments not meeting initial return expectations.

Corruption

Government Agency counterparties may have the right to terminate an agreement relating to a portfolio company where management, any related third-party management company, operator or any of their affiliates has committed bribery, corruption or other fraudulent act in connection with the investment by a KKR Credit Fund or Other Client in such portfolio company. Most capital put toward such an investment will not be compensated in these circumstances.

Documentation Risk

Due to the complex series of legal documents and contracts that are typically involved, infrastructure projects have a potentially greater risk of dispute over interpretation or enforceability of particular terms compared to other equity investments, although commensurate in nature to complex private equity investments

Issuers and Issuer Management

Control Person Liability

Each KKR Credit Funds and Other Clients may have controlling interests in a number of their portfolio companies. Exercising control over a company can impose additional risks of liabilities arising from activities of one or more portfolio companies, including liability for environmental damage, product defects, failure to supervise management, escheat or abandoned property laws, legal violations, pension and other fringe benefits, labor, tax, governmental regulation (including securities laws, anti-bribery anti-money laundering and anti-corruption laws and anti-trust laws) and other types of liabilities for which the limited liability characteristic of business ownership may be ignored. As a result, KKR Credit Funds or Other Clients could become jointly and severally liable for all or part of fines imposed on portfolio companies or be fined directly for violations committed by portfolio companies, and such fines imposed directly on KKR Credit Funds or Other Clients could be greater than those imposed on the portfolio company. For example, on April 2, 2014, the European Commission announced that it had fined 11 producers of underground and submarine high voltage power cables a total of 302 million euros for participation in a ten-year market and customer sharing cartel. Fines were also imposed on parent companies of the producers involved, including Goldman Sachs, the former parent company of one of the cartel members. In addition to claims by governmental agencies, exercising control over a portfolio company could expose the assets of KKR Credit Funds or Other Clients to claims by a portfolio company, its security holders and its creditors.

Investment in Small and Micro-Cap Companies and Early-Stage Businesses

KKR Credit Funds or Other Clients may from time to time invest in or otherwise be exposed to performance of small and micro-cap companies. Such investments involve greater risks in many respects than do investments in larger or more seasoned companies. Such companies may lack management depth and experience or the ability to generate internally or obtain externally the funds necessary for growth notwithstanding a KKR Credit Fund's or Other Client's investment. Such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events.

Further, such companies may be small factors in their industries and may face intense competition from larger companies. The prices of the securities and/or loans of small and micro-cap companies are generally more volatile than prices of the securities and/or loans of companies with large market

capitalizations and the risk of bankruptcy or insolvency of such companies is generally higher than for larger companies. Due to thin trading in securities and/or loans of many small and micro-cap companies, an investment in these companies may be relatively more illiquid than is the case for larger companies.

Investments in Platform Operators and Managers

KKR Credit Funds or Other Clients may make investments in newly formed operators and managers established to pursue direct lending opportunities through joint venture and other origination, investment or servicing platform arrangements. Such companies may have no or short operating histories, new technologies and products and their management teams may have limited experience working together, all of which enhance the difficulty of evaluating these investment opportunities. The management of such companies will need to implement and maintain successful finance personnel and other operational strategies and resources in order to become and remain successful. Other substantial operational risks to which such companies are subject include uncertain market acceptance of the company's services, a potential regulatory risk for new or untried and/or untested business models (if applicable), products and services to the extent they relate to regulated activities in the relevant jurisdiction, high levels of competition among similarly situated companies, lower capitalizations and fewer financial resources and the potential for rapid organizational or strategic change. Such companies will have no or short operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow.

Consumer Lending

KKR Credit Funds or Other Clients may engage in originating, lending and/or servicing loans, and may therefore be subject to state and federal regulation, borrower disclosure requirements, limits on fees and interest rates on some loans, state lender licensing requirements and other regulatory requirements in the conduct of their business. KKR Credit Funds or Other Clients may also be subject to consumer disclosures and substantive requirements on consumer loan terms and other federal regulatory requirements applicable to consumer lending that are administered by the Consumer Financial Protection Bureau. These state and federal regulatory programs are designed to protect borrowers.

State and federal regulators and other governmental entities have the authority to bring administrative enforcement actions or litigation to enforce compliance with applicable lending or consumer protection laws, with remedies that can include fines and monetary penalties, restitution of borrowers, injunctions to conform to law, or limitation or revocation of licenses and other remedies and penalties. In addition, lenders and servicers may be subject to litigation brought by or on behalf of borrowers for violations of laws or unfair or deceptive practices. Failure to conform to applicable regulatory and legal requirements could be costly and have a detrimental impact on KKR Credit Funds or Other Clients.

Derivatives

Generally, derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index, and may relate to individual debt or equity instruments, interest rates, currencies or currency exchange rates, commodities, related indexes and other assets. KKR Credit Funds or Other Clients may, directly or indirectly, use various derivative instruments including, but not limited to, options contracts, futures contracts, forward contracts, options on futures contracts, indexed securities and swap agreements for hedging and risk management purposes. KKR Credit Funds or Other Clients also may use derivative instruments to approximate or achieve the economic equivalent of an otherwise permitted investment (as if KKR Credit Funds or Other Clients directly invested in the loans, claims or securities of the subject issuer) or if such instruments are related to an otherwise permitted investment. KKR Credit Funds' or Other Clients' use of derivative instruments involves investment risks

and transaction costs to which KKR Credit Funds or Other Clients would not be subject absent the use of these instruments and, accordingly, may result in losses greater than if they had not been used. The use of derivative instruments may have risks including, among others, leverage risk, volatility risk, duration mismatch risk, correlation risk and counterparty risk. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent KKR Credit Funds or Other Clients from achieving the intended hedging effect or expose KKR Credit Funds or Other Clients to the risk of loss. It is not possible to hedge fully or perfectly against currency fluctuations affecting the value of investments denominated in non-U.S. currencies because the value of those investments is likely to fluctuate as a result of independent factors not related to currency fluctuations.

Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets KKR Credit Funds and Other Clients may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which KKR Credit Funds and Other Clients may conduct their transactions in derivative instruments may prevent prompt liquidation of positions, subjecting KKR Credit Funds and Other Clients to the potential of greater losses. Derivative instruments that may be purchased or sold by KKR Credit Funds or Other Clients may include instruments not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are not traded on an exchange. Additionally, when a company defaults or files for protection from creditors (e.g., U.S. chapter 11 proceedings), the use of derivative instruments presents special risks associated with the potential imbalance between the derivatives market and the underlying securities market. In such a situation, physical certificates representing such securities may be required to be delivered to settle trades and the potential shortage of such actual certificates relative to the number of derivative instruments may cause the price of the actual certificated debt securities to rise, which may adversely affect the holder of such derivative instruments. The risk of nonperformance by the counterparty on such an instrument may be greater and the ease with which KKR Credit Funds or Other Clients can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange traded instrument. The stability and liquidity of derivative investments depend in large part on the creditworthiness of the parties to the transactions. If there is a default by the counterparty to such a transaction, KKR Credit Funds or Other Clients will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in a loss to KKR Credit Funds or Other Clients. Furthermore, there is a risk that any of such counterparties could become insolvent. It should be noted that in purchasing derivative instruments, KKR Credit Funds or Other Clients typically will not have the right to vote on matters requiring a vote of holders of the underlying investment. Moreover, derivative instruments, and the terms relating to the purchase, sale or financing thereof, are also typically governed by complex legal agreements. As a result, there is a higher risk of dispute over interpretation or enforceability of the agreements. It should also be noted that the regulation of derivatives is evolving in the U.S. and in other jurisdictions and is expected to increase, which could impact KKR Credit Funds’ or Other Clients’ ability to transact in such instruments and the liquidity of such instruments. Portfolio companies and other issuers of KKR Credit Funds’ or Other Clients’ portfolio investments may also enter into hedging or other derivative transactions including in order to hedge risks applicable to them. Such transactions are subject to similar risks to those described herein. KKR Credit Funds or Other Clients may be exposed to such risks by reason of their investment in the relevant issuer.

Credit Default Swaps

KKR Credit Funds or Other Clients may invest in credit default swaps or acquire or sell credit-linked

notes secured by credit default swaps for hedging and investment purposes. A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. In essence, an institution which owns corporate debt instruments can purchase a limited form of default protection by entering into a credit default swap with another bank, broker-dealer or financial intermediary. Upon an event of default, the swap may be terminated in one of two ways: (i) by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value; or (ii) by the parties pairing off payments, with the purchaser of the protection receiving a payment equal to the par value of the reference security, less the price at which the reference security trades subsequent to default. The first way is the more common form of credit default swap termination. In the case of expected credit improvement the KKR Credit Funds or Other Clients may “write” or “sell” credit default protection in which it receives special income. The KKR Credit Funds and Other Clients may also “purchase” credit default protection even in the case in which it does not own the referenced obligation if, in the judgement of the KKR Credit GP, there is a high likelihood of credit deterioration.

In the manner described above, credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds. In particular, KKR Credit Funds or Other Clients may purchase credit default protection even in a case in which they do not own the referenced instrument if, in the judgment of the relevant KKR Credit GP, there is a high likelihood of credit deterioration.

The credit default swap market in high-yield securities is comparatively new and rapidly evolving compared to the credit default swap market for more seasoned and liquid investment grade securities. Swap transactions dependent upon credit events are priced incorporating many variables, including the pricing and volatility of the common stock, potential loss upon default and the shape of the U.S. Treasury yield curve, among other factors. As such, there are many factors upon which market participants may have divergent views. KKR Credit Funds or Other Clients also may enter into credit default swap transactions, even if the credit outlook is positive, if the relevant KKR Credit GP believes that participants in the marketplace have incorrectly valued the components which determine the value of a swap.

Total Return Swaps

KKR Credit Funds or Other Clients may enter into total return swap agreements. A total return swap is subject to market risk, liquidity risk and risk of imperfect correlation between the value of the total return swap and the loans and/or bonds underlying the total return swap. In addition, KKR Credit Funds or Other Clients may incur certain costs in connection with the total return swap that could in the aggregate be significant. A total return swap is also subject to the risk that a counterparty will default on its payment obligations under the arrangements or that one party will not be able to meet its obligations to the other. The party making periodic payments based on a fixed or variable interest rate would typically have to post collateral to secure its obligations to the other party to the total return swap. In addition, the party making periodic payments based on a fixed or variable interest rate bears the risk of depreciation with respect to the value of the assets underlying the total return swap and may be required under the terms of the total return swap to post additional collateral on a dollar-for-dollar basis in the event the value of the loans and/or bonds underlying the total return swap depreciate more than the amount of any cash collateral previously posted by such party. In the event that the party owning the assets underlying the total return swap chooses to exercise its termination rights under the total return swap, it is possible that the counterparty will owe more to such party or, alternatively, will be entitled to receive less from such party than it would have if such counterparty controlled the timing of such termination due to the existence of adverse market conditions at the time of such termination. In addition, because a total return swap is a form of synthetic leverage, such arrangements are subject to risks similar to those associated with the use of leverage.

Market, Economic and Political Risks

KKR Credit Funds or Other Clients and portfolio companies and other issuers in which they invest may be materially affected by market, economic and political conditions globally and in the jurisdictions and sectors in which they invest or operate, including economic outlook, factors affecting interest rates, the availability of credit, currency exchange rates and trade barriers. These factors are outside KKR Credit's and the relevant KKR Credit GP's control and could adversely affect the liquidity and value of KKR Credit Funds' or Other Clients' investments and may reduce the ability of KKR Credit Funds or Other Clients to make attractive new investments. Difficult market and economic conditions may adversely affect KKR Credit Funds and Other Clients by reducing the value or performance of their investments or by reducing their ability to raise or deploy capital or obtain appropriate financing, each of which could negatively impact returns to investors. Investments made by KKR Credit Funds and Other Clients may involve a high degree of business and financial risk that can result in substantial losses. Investors should not invest unless they can readily bear the consequences of partial or total loss of capital. Moreover, recent populist and anti-globalization movements, particularly in Western Europe and the United States, may result in material changes in economic, trade and immigration policies, all of which could lead to significant disruption of global markets and could have materially adverse consequence on the investments of KKR Credit Funds and Other Clients, including particular companies whose operations are directly or indirectly dependent on international trade. More generally, legislative acts, rulemaking adjudicatory or other activities, including in particular by the U.S. Congress, the SEC, the U.S. Federal Reserve Board, the Financial Industry Regulatory Authority, Inc. or other governmental, quasi-governmental or self-regulatory bodies, agencies and regulatory organizations, could make it more difficult (or less attractive) for KKR Credit Funds and Other Clients to achieve their investment objectives or for some or all of their portfolio companies to engage in their respective businesses.

KKR Credit Funds' or Other Clients' investment strategies and the availability of opportunities satisfying KKR Credit Funds' or Other Clients' risk-adjusted return parameters relies in part on the continuation of certain trends and conditions observed in the market for originated debt and bond markets as well as the larger financial markets and, in some cases, the improvement of such conditions. No assurance can be given that such conditions, trends or opportunities will arise or continue, as applicable. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made, or the beliefs and expectations currently held, by KKR Credit will prove correct and actual events and circumstances may vary significantly. In particular, the KKR Credit Fund or Other Client's investment strategy rely, in part, on the current stability of the conditions in the global economy and markets generally and credit markets specifically. Any instability in the global economy and markets could result in the KKR Credit Fund or Other Client's investments not generating expected current proceeds or failing to appreciate as anticipate and the investments may suffer losses.

Ongoing events in the subprime mortgage market and other areas of the fixed income markets have caused significant dislocations, illiquidity and volatility in the leveraged loan and bond markets, as well as in the wider global financial markets. To the extent portfolio companies and other issuers of KKR Credit Funds' or Other Clients' portfolio investments participate in or have exposure to such markets, the results of their operations may be adversely affected. In addition, to the extent that such economic and market events and conditions reoccur, this would have a further adverse impact on the availability of credit to businesses generally. Although financial markets have shown intermittent signs of improvement, global economic conditions remain tenuous, and to the extent that they do not improve, this may adversely impact the financial resources and credit quality of corporate and other borrowers in which KKR Credit Funds or Other Clients have invested and result in the inability of such borrowers to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, KKR Credit Funds or Other Clients may suffer a partial or total loss of their investment in such

borrowers, which would, in turn, have an adverse effect on KKR Credit Funds' or Other Clients' returns. Such economic and market events and conditions also may restrict the ability of KKR Credit Funds or Other Clients to sell or liquidate investments at favorable times or for favorable prices (although such events and conditions may not foreclose KKR Credit Funds' or Other Clients' ability to hold such investments until maturity). In particular, KKR Credit Funds' or Other Clients' investment strategies rely, in part, on the stabilization or improvement of the conditions in the global economy and markets generally and credit markets specifically. Absent such a recovery, the value of KKR Credit Funds' or Other Clients' investments may not generate expected current proceeds or appreciate as anticipated and may suffer a loss.

General fluctuations in the market prices of debt investments and interest rates may have a substantial negative impact on KKR Credit Funds' or Other Clients' investments and investment opportunities and accordingly may have a material adverse effect on KKR Credit Funds' or Other Clients' investment objectives and the rate of return on invested capital. Instability in the debt markets such as that experienced during the global financial crisis may also increase the risks inherent in KKR Credit Funds' or Other Clients' investments. The ability of portfolio companies and other issuers in which KKR Credit Funds or Other Clients invest to refinance debt obligations and for KKR Credit Funds or Other Clients to realize on their investments, will depend on the condition of public or private financing markets at the time of the proposed refinancing or other transaction. Moreover, to the extent KKR Credit Funds or Other Clients utilize third-party financing to make investments on a leveraged basis, a decrease in the value of KKR Credit Funds' or Other Clients' investments would increase the effective amount of leverage and could result in the possibility of a "margin call" by lenders, pursuant to which KKR Credit Funds or Other Clients must either deposit additional funds or collateral with the lender, which would require investors to make additional capital contributions in respect of such leverage, if provided for in the constitutional or offering documents of the KKR Credit Funds or management agreements with Other Clients or suffer mandatory liquidation of the pledged debt obligations to compensate for the decline in value.

Underlying Exposure to the Consumer Market

A portion of KKR Credit Funds' or Other Clients' portfolios may be directly or indirectly exposed to the consumer market. The financial condition of consumers is difficult to assess and predict as many consumer borrowers have no or very limited credit history. There is a greater risk of default in relation to the consumer market which may directly have an impact on returns to KKR Credit Funds or Other Clients.

Non-U.S. Investment Considerations

Non-U.S. Bankruptcy Laws

Portfolio companies and other issuers located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the Bankruptcy Code and/or that do not otherwise accommodate the rights of creditors afforded in U.S. jurisdictions. In certain cases, such non-U.S. laws and regulations may not provide KKR Credit Funds or Other Clients with equivalent rights and privileges necessary to promote and protect its interests and KKR Credit Funds' or Other Clients' investments in such portfolio investments may be materially adversely affected as a result.

While KKR Credit intends to manage KKR Credit Funds and Other Clients in a manner that will minimize exposure to the foregoing risks, there can be no assurance that adverse developments (with respect to such risks) will not adversely affect the assets of KKR Credit Funds or Other Clients that are held in certain countries.

Eurozone Risks

KKR Credit Funds or Other Clients may provide financing to and invest in European companies and companies that have operations that will be affected by the Eurozone economy. Recent concerns regarding the sovereign debt of various Eurozone countries and proposals for investors to incur substantial write-downs and reductions in the face value of certain countries' sovereign debt have given rise to new concerns about sovereign defaults, following the vote by the United Kingdom to leave the EU and the possibility that one or more further countries might leave the EU or the Eurozone and various proposals (still under consideration and unclear in material respects) for support of affected countries and the Euro as a currency. The outcome of this situation cannot yet be predicted. Sovereign debt defaults and EU and/or Eurozone exits, could have material adverse effects on investments by KKR Credit Funds or Other Clients in European companies, including, but not limited to, an immediate reduction of liquidity for particular investments in affected countries, uncertainty and disruption in relation to financing, customer and supply contracts denominated in Euro and wider economic disruption in markets served by those companies, while austerity and other measures introduced in order to limit or contain these issues may themselves lead to economic contraction and resulting adverse effects for KKR Credit Funds or Other Clients and their investments. It is possible that a number of KKR Credit Funds' or Other Clients' investments will be denominated in Euro. Greece, Ireland and Portugal received one or more "bailouts" from other members of the EU. Although several countries in the Eurozone have agreed to multi-year bailout loans with the ECB and the International Monetary Fund, it is unclear how much additional funding these countries, or other Eurozone countries, will require. To the extent that any of KKR Credit Funds' or Other Clients' investments are denominated in Euro, legal uncertainty about the funding of Euro denominated obligations following any breakup of, or exits from, the Eurozone (particularly in the case of investments in companies in affected countries) could also have material adverse effects on KKR Credit Funds or Other Clients and, consequently, returns to investors.

In addition, there is often a high degree of government regulation in European economies, including in the securities markets. Action by such governments may directly affect non-U.S. investment in securities, loans and/or other instruments issued by portfolio companies in those countries and may also have a significant indirect effect on the market prices of securities and/or loans and of the payment of dividends and interest.

Changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits, and other economic regulations are possible, any of which could have an adverse effect on private investments. The European economies may differ favorably or unfavorably from the U.S. economy with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments.

Many countries in Europe have undergone a substantial political and social transformation and there can be no assurance that the economic, educational and political reforms necessary to complete political and economic transformation will continue. The state of development of certain political systems in Europe makes them susceptible to changes and potential weakening from economic hardship and social instability. In certain European countries, the extent of the success of economic reform is difficult to evaluate. Information on these economies is often contradictory or absent. In certain countries, much of the workforce remains underemployed or unemployed. Continued unemployment could hinder the ability of various governments to keep deficit spending in check.

Changing political environments, regulatory restrictions, and changes in government institutions and policies in Europe could adversely affect private investments. Civil unrest, ethnic conflict or regional hostilities may contribute to instability in some countries of Europe. Such instability may impede business

activity and adversely affect the environment for non-U.S. investments. KKR Credit Funds and Other Clients may not obtain political risk insurance. Actions in the future of one or more European governments could have a significant effect on the various economies, which could affect market conditions, prices and yields of securities and/or loans in KKR Credit Funds' or Other Clients' portfolios. Political and economic instability in any of the countries in Europe in which KKR Credit Funds or Other Clients invest could adversely affect the KKR Credit Funds' or Other Clients' investments.

Shadow Banking Regulation

There has been increasing commentary among regulators and intergovernmental institutions, including the Financial Stability Board and International Monetary Fund, on the topic of so called "shadow banking" (a term generally to refer to credit intermediation involving entities and activities outside the regulated banking system).

The Financial Stability Board issued a report that recommended strengthening oversight and regulation of the "shadow banking" system in Europe. The report outlined initial steps to define the scope of the shadow banking system and proposed general governing principles for a monitoring and regulatory framework. While, at this stage, it is difficult to predict the scope of any new regulations, if during the investment period of a KKR Credit Fund or Other Client such regulations were to extend the regulatory and supervisory requirements, such as capital and liquidity standards, currently applicable to banks, or the KKR Credit Funds or Other Clients were considered to be engaged in "shadow banking," the regulatory and operating costs associated therewith could adversely impact the implementation of KKR Credit Funds' or Other Clients' investment strategies and returns and may become prohibitive. In an extreme eventuality, it is possible that such regulations could render the continued operation of KKR Credit Funds and Other Clients unviable and lead to their premature termination or restructuring.

European Market Infrastructure Regulation

KKR Credit Funds or Other Clients may enter into OTC derivative contracts for hedging purposes. European Market Infrastructure Regulation ("**EMIR**") establishes certain requirements for OTC derivatives contracts, including mandatory clearing obligations, bilateral risk management requirements and reporting requirements and a margin posting obligation for OTC derivative contracts not subject to clearing.

The potential implications of EMIR for KKR Credit Funds or Other Clients include, without limitation, the following:

- clearing obligation: certain standardized OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a "**CCP**"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
- risk mitigation techniques: for those of their OTC derivatives which are not subject to central clearing, KKR Credit Funds or Other Clients will be required to put in place risk mitigation requirements, which include the collateralization of all OTC derivatives. These risk mitigation requirements may increase the cost of KKR Credit Funds or Other Clients pursuing their hedging strategy; and
- reporting obligations: each of KKR Credit Funds' or Other Clients' OTC derivative transactions must be reported to a trade depository or the European Securities and Markets Authority. This

reporting obligation may increase the costs to KKR Credit Funds or Other Clients of utilizing OTC derivatives.

These requirements of EMIR are already in place. No assurance can be given that any changes made to EMIR would not impact the KKR Credit Funds or Other Clients.

Securitisation Regulation

EU risk retention and due diligence requirements (the “**EU Risk Retention Requirements**”) have been in effect in Europe since 2011. These requirements are based on the indirect approach that requires various types of EU-regulated investors, including credit institutions, authorized alternative investment fund managers, investment firms and insurance and reinsurance undertakings (rather than the arrangers or securitization issuers) to satisfy themselves that certain securitization transactions they intend to invest in is compliant with the EU Risk Retention Requirements. Among other things, such requirements restrict a relevant investor from investing in securitizations unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its investment position, the underlying assets and (in the case of certain types of investors) the relevant sponsor, original lender or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitization has explicitly disclosed to the investor that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the EU Risk Retention Requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor.

On 17 January 2018 the new Securitisation Regulation (Regulation EU 2017/2402) (the “**Securitisation Regulation**”) came into force and will apply across the EU from 1 January 2019. The Securitisation Regulation replaces the existing sector-specific approach to securitization regulation with a new set of rules that apply to all European securitizations. Alternative investment funds such as a KKR Credit Funds will be within scope of the Securitisation Regulation. Prospective investors should be aware that there are material differences between the current EU risk retention requirements and the requirements which will apply under the Securitisation Regulation.

The definition of “securitization” is intended to capture any transaction or scheme where the credit risk associated with an exposure or a pool of exposures is tranced. Essentially, the definition includes any investment with tranches or classes where payments in the transaction or scheme are dependent on the performance of the exposure or of the pool of exposures and the participation in losses differs between the tranches during the life of the transaction or scheme.

An alternative investment fund manager must ensure that the originator, sponsor or original lender of a securitisation retains at least a 5% net economic interest in the securitization. These rules will mean that the relevant KKR Credit GP of a KKR Credit Fund or Other Client will need to conduct due diligence before an investment is made in a securitization position and continue to perform due diligence during the period the investment continues in a securitization. This new direct approach is intended to complement the existing due diligence requirements on institutional investors to verify before investing whether or not the securitizing entity has retained risk. As a consequence, the new direct approach requires securitizing entities established in the EU to retain risk even if the investors are located outside of the EU and are not institutional investors.

The Securitisation Regulation applies to securitizations the securities of which are issued on or after 1 January 2019 or which create new securitization positions on or after that date. Pre-existing securitizations will be required to continue to apply the rules in place immediately prior to the effective

date of the Securitisation Regulation unless new securities are issued or new positions created. Though the Securitisation Regulation will apply to securitizations the securities of which are issued on or after 1 January 2019, there can be no assurance as to whether the investments described herein made by a Fund will be affected by the Securitisation Regulation or any change thereto or review thereof.

U.S. Commodity Exchange Act

To the extent a KKR Credit Fund or Other Client acquires instruments which may be treated as commodity interests, KKR Credit or the relevant KKR Credit GP may claim an exemption from registration as a commodity pool operator (“CPO”) with the U.S. Commodity Futures Trading Commission (the “CFTC”), including pursuant to certain no-action relief or pursuant to CFTC Rule 4.13(a)(3) with respect to the KKR Credit Fund or Other Client, on the basis that, among other things, (a) the pool’s trading in commodity interest positions (including both hedging and speculative positions, and positions in security futures) is limited so that either (i) no more than 5% of the liquidation value of the pool’s portfolio is used as initial margin, premiums and required minimum security deposits to establish such positions, or (ii) the aggregate net notional value of the pool’s trading in such positions does not exceed 100% of the pool’s liquidation value and (b) interests in the pool are exempt from registration under the 1933 Act and, unless the relevant KKR Credit GP determines otherwise in their sole discretion and subject to applicable regulatory requirements, are offered and sold without marketing to the public in the United States. Therefore, unlike a registered CPO, the relevant KKR Credit GP will not be required to provide prospective investors with a CFTC compliant disclosure document, nor will the relevant KKR Credit GP be required to provide Shareholders with periodic account statements or certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

As an alternative to the exemption from registration as a CPO, the relevant KKR Credit GP may register as a CPO with the CFTC and avail itself of certain disclosure, reporting and record-keeping relief under CFTC Rule 4.7 or another exemption.

Registration with the CFTC as a “commodity pool operator” or any change in the KKR Credit Fund’s or Other Client’s operations necessary to maintain the relevant KKR Credit GP’s ability to rely upon the exemption from registration could adversely affect the KKR Credit Fund or Other Client’s ability to implement its investment program, conduct its operations and/or achieve its objectives and subject the KKR Credit Fund or Other Client to certain additional costs, expenses and administrative burdens. Furthermore, any determination by the relevant KKR Credit GP to cease or to limit investing in interests which may be treated as “commodity interests” in order to comply with the regulations of the CFTC may have a material adverse effect on the KKR Credit Fund’s or Other Client’s ability to implement its investment objectives and to hedge risks associated with their operations.

Depository Risks

A depository appointed by a KKR Credit Fund or Other Client and its delegates, (if any), will have custody of the KKR Credit Fund or Other Client’s securities, cash, distributions and rights accruing to the KKR Credit Fund or Other Client’s securities accounts (if any). If a depository or a delegate holds cash on behalf of the KKR Credit Fund or Other Client, the KKR Credit Fund or Other Client may be an unsecured creditor in the event of the insolvency of the depository or delegates. Although this is generally done to reduce or diversify risk, there can be no assurance that holding securities through the depository or its delegates will eliminate custodial risk. The KKR Credit Fund or Other Client will be subject to credit risk with respect to the depository and the delegates, if any.

The KKR Credit Fund or Other Client may invest to some degree in markets where custodial and/or settlement systems are not fully developed. Increased risks are associated with such investments. In

particular, investors should be aware that there is a heightened depositary risk for the KKR Credit Fund or Other Client if it invests in certain countries outside of the EU or U.S. (“third countries”) where the law of the third country requires that the financial instruments are held in custody by a local entity and no local entities satisfy the delegation requirements in the AIFMD. Accordingly, such entities may not be subject to effective prudential regulation and supervision in the third country or subject to external audit to ensure that the financial instruments are in its possession. In such circumstances, the depositary may delegate its custody duties to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the delegation requirements and the depositary may discharge itself of liability for the loss of such financial instruments.

Investor Interests; Dispositions and Distributions

Dilution from Subsequent Closings

Investors admitted to certain closed-ended KKR Credit Funds or increasing their capital commitment to such KKR Credit Funds following their initial closing date will generally participate in existing investments of such KKR Credit Funds prior to such admission or increase, diluting the interests of existing investors. Although such investors will contribute their respective pro rata share of previously contributed capital for such investments at original cost plus a cost of carry, there can be no assurance that this payment will reflect the fair value (including any post-investment losses) of the KKR Credit Fund’s existing investments at the time such additional investors subscribe for interests. Open –ended KKR Credit Funds typically allow investors to buy into existing investments at fair market value. In KKR Credit KKR Credit Fund or Other Clients that are not closed-ended and accept subscription and redemptions, Shareholders subscribing for Shares in the KKR Credit Fund or Other Client will generally participate in existing investments of the KKR Credit Fund or Other Client, diluting the Shares of existing Shareholders therein

Trade Errors

KKR Credit, the KKR Credit GPs, and their respective affiliates will not be responsible for any losses resulting from any trade errors made by KKR Credit or its affiliates, in respect of KKR Credit Funds’ or Other Clients’ investments, except to the extent such parties are liable pursuant to the exculpation provisions set forth in the applicable governing documents of such KKR Credit Funds or Other Clients. Trading errors might include, for example, keystroke errors that occur when entering trades into an electronic system or typographical or drafting errors related to derivatives contracts or similar agreements. Investors should assume that trade errors (and similar errors or deviations from accuracy or correctness in the trade process) will occur and that none of KKR Credit, any KKR Credit GP, or their respective affiliates will be responsible for any resulting losses unless it has breached its standard of care as set out in applicable laws or regulations as well as the applicable investment management, other offering document or prospectus of KKR Credit Funds or Other Clients.

KKR Credit or the relevant KKR Credit GP may be biased when determining whether losses resulting from a trade error will be borne by the KKR Credit Fund or Other Client. Generally, in determining whether the KKR Credit or the relevant KKR Credit GP is liable, KKR Credit or the KKR Credit GP or its affiliates will evaluate and consider, among other things, the adequacy of the supervisory procedures in place to prevent such errors from recurring with any frequency. From time to time, KKR Credit or the KKR Credit GP may elect to voluntarily reimburse the KKR Credit Fund or Other Client for losses suffered as a result of certain trade errors. However, investors should not carry the expectation that a reimbursement will ever take place, and, in evaluating the KKR Credit Fund or Other Client, no decisions should be made in reliance on any such reimbursements. Any decision to reimburse is not precedential and should not create the expectation of any reimbursement in the future.

Risks of Multi-Step Acquisitions

In the event that KKR Credit chooses to effect an investment transaction by means of a multi-step acquisition (such as a first-step cash tender offer or stock purchase followed by a merger), there can be no assurance that the remainder of the relevant investment can be successfully acquired. This could result in a KKR Credit Fund or Other Client having only partial control over the investment or partial access to its cash flow to service debt incurred in connection with the acquisition.

Board Participation

KKR Credit employees may serve as directors of some portfolio companies and, as such, may have duties to persons other than a KKR Credit Fund or Other Client, including other stockholders of such portfolio companies. Although holding board positions may be important to the KKR Credit Fund's or Other Client's investment strategy and may improve KKR Credit's management ability, board positions could impair KKR Credit's ability to sell the relevant securities and/or loans when and upon the terms it wants, and may subject KKR Credit and KKR Credit Funds and Other Clients to claims they would otherwise not be subject to as an investor, including claims of breach of duty of loyalty, corporate waste, securities claims and other director-related claims.

Failure to Make Capital Contributions

A KKR Credit Fund or Other Client may be incapable of paying its obligations if an investor does not fund its commitments to a KKR Credit Fund or Other Client and other investors' capital contributions and borrowings by such KKR Credit Fund or Other Client are insufficient to cover the defaulted capital contribution. As a result, such investment vehicle may be subject to significant penalties that could materially and adversely affect investor returns (including non-defaulting investors).

Failure to Vote by a Limited Partner

From time to time during the term of certain KKR Credit Funds or Other Clients, a KKR Credit GP may require or otherwise solicit the vote, consent or waiver of investors or an advisory committee in connection with any proposed action or event relating to the relevant KKR Credit Fund, Other Client, the KKR Credit GP or its affiliates, including without limitation, any proposed amendment of the governing documents of such KKR Credit Fund or Other Client. The outcome of any such vote, consent or waiver may potentially adversely impact any investor. For certain KKR Credit Funds or Other Clients, any such vote, waiver or consent will be tabulated or made as if any investor that abstains from, or fails to vote, consent or decide prior to any deadline established by the relevant KKR Credit GP for such response, is not an investor in the KKR Credit Fund or Other Client. In that event the wishes of the relevant investor will not be taken into account in determining the outcome of any such solicitation by the KKR Credit GP.

FOIA/Public Disclosure

As a result of the U.S. Freedom of Information Act ("FOIA"), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, KKR, investors in KKR Credit Funds or Other Clients or any of their respective affiliates may be required to disclose information relating to a KKR Credit Fund or Other Client, or their affiliates, and/or any entity in which an investment is made, which disclosure could, for example, affect such KKR Credit Fund's or Other Client's competitive advantage in finding attractive investment opportunities. In addition, the identify of and certain information regarding investors in KKR

Credit Funds and Other Clients, such as public pension plans and listed investment vehicles may be subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years and that trend may continue. To the extent that disclosure of confidential information relating to KKR Credit Funds or Other Clients or their portfolio investments results from interests being held by public investors, KKR Credit Funds or Other Clients may be adversely affected.

Cybersecurity Risks; System Failures

KKR Credit Funds, Other Clients, KKR and their affiliates and service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users, as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, including, without limitation, information regarding investors and KKR Credit Fund's and Other Client's investment activities, and corruption of data. Such damage or interruptions to information technology systems may cause losses to KKR Credit Funds, Other Clients or their or their investors, including, without limitation, by interfering with the processing of transactions, affecting a KKR Credit Fund's or Other Client's ability to conduct valuations or impeding or sabotaging trading. KKR Credit Funds and Other Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose a KKR Credit Fund, Other Client and KKR Credit to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to losses resulting from unauthorized use or dissemination of their personal information.

KKR Credit Funds, Other Clients, KKR Credit and their affiliates rely extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes, including trading, clearing and settling transactions, evaluating certain investments, monitoring a KKR Credit Fund's or Other Client's portfolio and net capital and generating risk management and other reports that are critical to oversight of a KKR Credit Fund's or Other Client's activities. KKR Credit's and certain KKR Credit Funds' and Other Clients' operations will be dependent upon systems operated by third parties, including prime-brokers, administrators, market counterparties and their sub- custodians and other service providers. KKR Credit Funds' and Other Clients' service providers may also depend on information technology systems and, notwithstanding the diligence that KKR Credit may perform on its service providers, KKR Credit may not be in a position to verify the risks or reliability of such information technology systems. KKR Credit's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems may arise in KKR Credit's internally developed systems and the systems of third-party service providers.

In addition to the above cybersecurity related issues, information and technology systems of KKR Credit Funds, Other Clients and their affiliates may otherwise be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Notwithstanding measures to manage risks relating to these types of events, if these systems are compromised, become

inoperable for extended periods of time or cease to function properly, KKR Credit and its affiliates may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of KKR Credit and its affiliates and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the reputation of KKR Credit and its affiliates, subject KKR Credit and its affiliates to legal claims and otherwise affect their business and financial performance.

The above considerations also apply to the portfolio companies of KKR Credit Funds and Other Clients and other counterparties with which KKR Credit Funds and Other Clients conduct investment activities.

Investments in Technology

Investments in Technology Companies

A KKR Credit Fund or Other Client may make investments in companies involved in the technology industry or heavily dependent on new technologies. Technology companies confront various specific challenges, including rapidly changing market conditions and/or participants, new competing products, changing consumer preferences, short product life cycles, services and/or improvements in existing products or services. Portfolio companies of KKR Credit Funds or Other Clients in the technology sector will compete in this volatile environment. There is no assurance that products or services sold by such portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges. Barriers to entry in the software and technology industries are low, and new products and services can be distributed broadly and quickly at relatively low cost. Moreover, competition in this sector can result in significant downward pressure on pricing. Valuations of technology companies are volatile, and in the event that technology sector valuations as a whole decline, returns to investors from any portfolio companies involved in the technology industry may decrease.

Third-party Infringement Claims

KKR Credit Funds or Other Clients or a portfolio company may, from time to time, receive notices from others claiming a KKR Credit Fund or Other Client or such portfolio company has infringed their intellectual property rights. The number of these claims may grow because of the rapid rate of change in the technology industry, increased user-generated content, the extensive patent coverage of existing technologies, and the rapid rate of issuance of new patents. Additionally, portfolio companies may use “open source” software in their products, or may use such software in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. Licensing authors or third parties may allege that a portfolio company has not complied with the conditions of one or more of these licenses. To resolve these and other intellectual property infringement claims, a KKR Credit Fund or Other Client and/or portfolio companies may enter into royalty and licensing agreements on terms that are less favorable than currently available, stop selling or redesign affected products, or pay damages to satisfy indemnification commitments with customers. These outcomes may cause operating margins to decline. In addition to money damages, in some jurisdictions plaintiffs can seek injunctive relief that may limit or prevent importing, marketing and selling products that have infringing technologies. In some countries, such as Germany, an injunction can be issued before the parties have fully litigated the validity of the underlying patents.

Dependence on Patents, Trademarks and Other Intellectual Property

Many technology companies depend heavily on intellectual property rights, including patents, trademarks, trade secret protection, non-disclosure agreements and service marks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a portfolio company's particular product. In addition, if a portfolio company infringes on third-party patents or other proprietary rights, it could be prevented from using certain third-party technologies or forced to acquire licenses in order to obtain access to such technologies. In such a case, the portfolio company might not be able to obtain all licenses required for the success of its business, which could have a material adverse effect on its value. Moreover, if the patents and other proprietary rights of a portfolio company are infringed by third parties, then it may not be able to take full advantage of existing demand for its products. There can be no assurance that KKR Credit Funds or Other Clients or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a portfolio company's technologies. While piracy adversely affects portfolio company revenue, the impact on revenue from outside the EU and the U.S. could be significant, particularly in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for intellectual property rights could adversely affect portfolio companies.

Software Code Protection

Source code is often critical to portfolio companies in the technology sector. If an unauthorized disclosure of a significant portion of source code occurs, a portfolio company could potentially lose future trade secret protection for that source code. This could make it easier for third parties to compete with such portfolio company products by copying functionality, which could adversely affect revenue and operating margins. Unauthorized disclosure of source code could also increase security risks (i.e., viruses, worms, and other malicious software programs that may attack portfolio company products and services). Costs for remediating the unauthorized disclosure of source code and other cyber-security breaches, may include, among other things, increased protection costs, reputational damage and loss of market share, liability for stolen assets or information and repairing system damage that may have been caused. Remediation costs may also include incentives offered to portfolio company customers or other business partners in an effort to maintain the business relationships after a security breach.

Health Care Industry Investments

Investments in the Health Care Sector

Investing in early-stage health care companies involves substantial risks, including, but not limited to, the following: limited operating histories and limited experience instituting compliance policies; rapidly changing technologies and the obsolescence of products; change in government policies and governmental investigations; potential litigation alleging negligence, products liability, breaches of warranty, intellectual property infringement and other legal theories; extensive and evolving government regulation; disappointing results from preclinical testing; indications of safety concerns; insufficient clinical trial data to support the safety or efficacy of the product candidate; difficulty in obtaining all necessary regulatory approvals in each proposed jurisdiction; inability to manufacture sufficient quantities of the product candidate for development or commercialization in a timely or cost-effective manner; and the fact that, even after regulatory approval has been obtained, the product and its manufacturer are subject to continual regulatory review, and any discovery of previously unknown problems with the product or the manufacturer may result in restrictions or recalls. The products of

pharmaceutical companies are often protected for a certain period by various patents or regulatory forms of exclusivity, and the loss of market exclusivity following the expiration of such a period can open the products to competition from generic substitutes that are typically priced significantly lower than the original products, which can have an adverse effect on the value of the product and the company. In particular, generic substitutes have high market shares in the U.S., and accordingly the adverse effects of the launch of generic products are particularly significant in the U.S. Each of these risks could have a material adverse effect on the investments of a KKR Credit Fund or Other Client.

Political and Regulatory Risk

Health care policy and changes in health care policy and related laws and regulations could have a material and adverse impact on the health care companies in which a KKR Credit Fund or Other Client intends to invest, and the U.S. or non-U.S. government's role in the health care industry could adversely impact a KKR Credit Fund's or Other Client's performance.

Obtaining governmental approval for new products from governmental agencies can be lengthy, expensive and uncertain. In some cases, products of health care companies are approved by regulatory authorities on a conditional basis with full approval conditioned upon fulfilling the requirements of regulators. Regulatory authorities are placing greater focus on monitoring products originally approved on a conditional basis and on whether the sponsors of such products have met the conditions of the conditional approval. If a portfolio company is unable to fulfill the conditions of its products' conditional approval, it may not receive full approval for these products and may be required to change the products' labeled indications or withdraw the products from the market, which could have an adverse effect on the value of the company. Moreover, even after approval, products may still be the subject of regulatory action if new facts concerning their safety and efficacy come to light. Health care regulation is subject to change and can have a considerable impact on the marketing of products and services by companies in which a KKR Credit Fund or Other Client intends to invest. Such regulatory changes could affect a portfolio company's ability to obtain or maintain approval of its products, even forcing such companies to withdraw their products from the market. In some cases, new regulations can substantially change the marketing conditions for certain health care products, such as pharmaceuticals. Accordingly, investments made in reliance on an existing market structure could prove to be not cost effective or worthless, and existing market positions could be endangered.

In addition, in both U.S. and non-U.S. markets, sales of health care products and their success will depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers and other organizations. The continuing efforts of governmental and third-party payors to contain or reduce the costs of health care affects the revenues and profitability of health care companies. Significant uncertainty exists as to the reimbursement status of newly approved health care products. There can be no assurance that a portfolio company's proposed products will be considered cost-effective or that adequate third-party reimbursement will be available to enable a company to maintain price levels sufficient to realize an appropriate return on its investment in product development. Moreover, if reimbursement rates are reduced, or if health care providers anticipate reimbursement being reduced, providers may narrow the circumstances in which they prescribe or administer a portfolio company's products, which could reduce the use or sales of such products and thereby have a material adverse effect on the value of the company.

Many health care companies are subject to rigorous regulation in their operations. Compliance with these regulations can be costly. Even when health care companies develop and institute comprehensive compliance programs, they are not able to guarantee that they, their employees, their consultants and their contractors will be in compliance with all potentially applicable regulations. If a health care company fails to comply with applicable regulations, the company could be subject to monetary and administrative

penalties, increased compliance costs or a curtailment of its authority to conduct business, any of which could have a material adverse effect on the value of the company.

Competition in the Health Care Sector

Competitors of a KKR Credit Fund or Other Client and its portfolio companies within the healthcare sector range in size from diversified global companies with significant research and development resources to small, specialized firms whose narrower product lines may increase their ability to deploy technical, marketing and/or financial resources. Many of the areas in which a KKR Credit Fund or Other Client and its portfolio companies are expected to participate evolve rapidly with changing and disruptive technologies and products and frequent introductions of new products and services.

Valuation of Health Care Investments Pending Regulatory Approval

KKR Credit Funds or Other Clients will rely on KKR Credit and its affiliates for valuation of its portfolio companies. In addition, KKR Credit's valuations of investment opportunities will play a key role in a KKR Credit Fund's or Other Client's investment decisions. The valuation of early-stage health care companies, including those pursuing regulatory approvals required for commercialization, may be less predictable than later-stage companies or companies in other sectors. Valuations of early-stage companies invested in by a KKR Credit Fund or Other Client may not be as reliable as valuations of later-stage companies with more observable valuation inputs or readily available market pricing. Moreover, certain financial and scientific challenges specific to early-stage health care companies, such as the inherent uncertainty in the evaluation of the cost, risk and time of research and development, the outcomes of clinical testing, receipt of regulatory approvals and achievement of key milestones, may further adversely affect the reliability of KKR Credit's or a KKR Credit GP's valuations of a KKR Credit Fund's or Other Client's investments.

There is no guarantee that KKR Credit or its affiliates will be able to value accurately potential portfolio companies or current portfolio companies. This may result, in the case of acquired portfolio companies, in a loss or substantial loss to a KKR Credit Fund or Other Client and its investors or, in the case of potential portfolio companies, a KKR Credit Fund's or Other Client's failing to pursue what would have been an ultimately successful investment.

Health Care Royalties

Certain KKR Credit Funds or Other Clients may invest in health care royalties. Some of the revenue generated by such investments consists of royalties paid by licensees or, in the case of bonds or other securities collateralized by debt assets, payments supported by royalties paid by licensees. These licensees will generally not be owned by or affiliated with KKR Credit, KKR Credit Funds or Other Clients, and some of these licensees may have divergent interests from KKR Credit Funds or Other Clients. While KKR Credit Funds and Other Clients may under certain circumstances be able to receive certain information relating to sales of products through the exercise of audit rights and review of royalty reports, KKR Credit Funds and Other Clients will generally not have oversight rights with respect to the licensees' operations and will not have the right to review or receive certain information, including the results of any studies conducted by the licensees or complaints from doctors or users of products that the licensees may have. The right of KKR Credit Funds and Other Clients to receive royalty payments for products (whether under the terms of any debt asset (for example, priority royalty tranches) or upon enforcement of any security granted in relation to any debt asset) generally depends on the existence of valid and enforceable claims of registered and/or issued patents in the U.S. and elsewhere throughout the world. In most cases, KKR Credit Funds and Other Clients will have no ability to control the prosecution, maintenance, enforcement or defense of patent rights, but must rely on the willingness and ability of the

relevant borrower to do so. Generally, the holders of royalties have granted exclusive regulatory approval, commercialization, manufacturing and marketing rights to the marketers of health care products. Accordingly, if a marketer does not devote adequate resources to the ongoing regulatory approval, commercialization and manufacture of a product for any reason, the product's sales may not generate sufficient royalties for KKR Credit Funds or Other Clients to be paid interest and principal in respect of related debt assets. In addition, if a marketer were to become insolvent or liquidate, such event could delay the payment of the amounts due under a license agreement pending a resolution of the bankruptcy proceedings, and consequently may materially and adversely affect the returns of a KKR Credit Fund or Other Client.

Amendments; Written Agreements

The applicable management agreement and other governing documents of KKR Credit Funds and Other Clients may be amended from time to time generally with the consent of the relevant KKR Credit GP or KKR Credit, as applicable, and a majority in interest of investors, subject to certain exceptions set forth in the applicable governing documents. The applicable governing documents set forth certain other procedures for their amendment, including provisions allowing a KKR Credit GP to amend the applicable governing document without the consent of investors in certain circumstances. In addition, lenders to KKR Credit Funds or Other Clients may, under the terms of financing arrangements put in place with them, have the right to review or approve certain amendments to the applicable governing documents prior to a KKR Credit GP adopting any such amendment.

KKR Credit or a KKR Credit GP may enter into side letters or other similar agreements with certain investors with respect to KKR Credit Funds or Other Clients without the approval or vote of any other investor, which would have the effect of establishing rights under, altering or supplementing the terms of the applicable governing documents of the relevant KKR Credit Fund or Other Client with respect to such investors in a manner more favorable to such investors than those applicable to other investors. Any rights established, or any terms of the applicable governing documents of the relevant KKR Credit Fund or Other Client altered or supplemented in a side letter or other similar agreement with an investor will govern solely with respect to such investor notwithstanding any other provision of the applicable governing documents of the relevant KKR Credit Fund or Other Client. Such rights or terms in any such side letter or other similar agreement may include, without limitation: (i) excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments); (ii) reporting obligations of a KKR Credit GP; (iii) waiver of certain confidentiality obligations; (iv) consent of a KKR Credit GP to certain transfers by such investor; or other exercises by a KKR Credit GP of its discretionary authority under the applicable partnership agreement for the benefit of such investor; (v) withdrawal rights due to legal, regulatory or policy matters, including matters related to political contributions, gifts or others such policies; (vi) other rights or terms necessary in light of particular legal, tax, regulatory or public policy characteristics of an investor; or (vii) additional obligations, and restrictions on KKR Credit Funds or Other Clients with respect to the structuring of any investment (including with respect to alternative vehicles).

KKR Credit and its affiliates may from time to time enter into agreements or arrangements with investors, which agreements or arrangements are entered into with such investors other than in their respective capacities as investors of KKR Credit Funds or Other Clients. Such agreements or arrangements do not constitute side letters since they do not establish rights under or alter or supplement the terms of the applicable governing documents of the relevant KKR Credit Fund or Other Client and therefore will not be disclosed or offered to other investors of KKR Credit Funds or Other Clients. Such agreements or arrangements may include, without limitation, strategic partnerships with investors and certain other multi-asset class investment programs, arrangements regarding investments with KKR Credit in one or

more investment strategies, which may include co-investments alongside KKR Credit Funds or Other Clients and investment funds, vehicles and accounts, and similar arrangements established by KKR Credit and its affiliates with investors other than in their respective capacities as investors in KKR Credit Funds or Other Clients.

Certain Additional Legal and Regulatory Risks

Legal and Regulatory Risks

The regulatory considerations affecting the ability of a KKR Credit Fund or Other Client to achieve its investment objectives are complicated and subject to change. In the U.S., certain parts of Europe and other jurisdictions, the private funds industry has, over the last several years, been subject to criticism by some politicians, regulators and market commentators. The recent negative perception of this industry in certain countries could make it harder for funds and accounts sponsored by alternative management firms, such as a KKR Credit Fund or Other Client, to successfully bid for and complete investments.

This increased political and regulatory scrutiny of the private funds industry has been particularly acute during the global financial crisis. For example, the U.S. Congress passed into law extensive financial regulatory reform legislation as a direct response to the crisis. While it is now falling to the U.S. Department of Treasury, the SEC and other U.S. regulatory agencies to implement these reforms, such reforms will require, among other things, increased registration and regulation of alternative management firms and disclosure with respect to such firms and the funds they sponsor that could impact KKR's management of KKR Credit Funds or Other Clients. Other jurisdictions, including the EU, have passed and are in the process of implementing similar measures. Such increased regulatory burdens and reporting requirements may divert the attention of personnel and the management teams of portfolio companies, and may furthermore place a KKR Credit Fund or Other Client at a competitive disadvantage to the extent that KKR or portfolio companies are required to disclose sensitive business information. In addition, certain countries have sought to tax (or have taxed) the investment gains derived by non-resident investors, including private funds, from the disposition of the equity in companies operating in those countries. In some cases, this is the result of new legislation or changes in the interpretation of existing legislation and in other cases tax authorities have challenged investment structures that benefit from tax treaties between countries. There is, therefore, the risk that burdensome new laws (including tax laws) or regulations or changes in applicable laws or regulations or in the interpretation or enforcement thereof, specifically targeted at the private funds industry, or other related regulatory developments could adversely affect private fund managers and the funds and accounts they sponsor, including KKR Credit Funds or Other Clients.

Absence of Regulatory Oversight

Certain KKR Credit Funds and certain Other Clients are not registered investment companies under the Investment Company Act, or otherwise registered under the securities laws, or with the securities regulatory authority or commission, of any other jurisdiction, and KKR Credit Funds and such Other Clients have no current intention of being so registered. Accordingly, the provisions of the Investment Company Act and of similar legislation in other jurisdictions regulating the relationship between an investment fund and its asset manager and otherwise protecting the interests of investors in an investment fund are generally not expected to be applicable to an investment in KKR Credit Funds or such Other Clients.

Increased Regulatory Oversight

The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight and enforcement actions in recent years. Such scrutiny may increase the exposure of KKR Credit Funds or Other Clients, the KKR Credit GPs, KKR Credit and its affiliates to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on the KKR Credit GPs and KKR Credit, including, without limitation, those arising from responding to investigations and implementing new policies and procedures. Such burdens may divert the KKR Credit GPs' and KKR Credit's time, attention and resources from portfolio management activities. The passage of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**") has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Pursuant to the Dodd-Frank Act, the SEC has adopted rules that require additional reporting by registered investment advisers to private funds, which has added costs to the legal, operations and compliance obligations of KKR Credit and increased the amount of time that the management company spends on non-investment-related activities.

The Dodd-Frank Act also affects a broad range of financial market intermediaries and other market participants with whom KKR Credit Funds or Other Clients interact or may interact. Regulatory changes that will affect other market participants are likely to change the way in which KKR Credit Funds or Other Clients can conduct business with counterparties. Parts of the Dodd-Frank Act, such as the "Volcker Rule" and the "Push-Out Provision," may affect the number and type of participants in the markets who can invest in KKR Credit Funds or Other Clients. It is difficult to anticipate the impact of these and other regulatory changes on KKR Credit GPs, KKR Credit Fund, Other Clients and their affiliates. The financial services industry continues to adapt to the Dodd-Frank Act, and it may take years to fully understand its impact. The continued uncertainty may make markets more volatile, and it may be more difficult for KKR Credit Funds and Other Clients to execute on their investment strategies.

The current U.S. regulatory environment may be further impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act. The full scope of President Trump's legislative agenda is not yet fully known, but it may include deregulatory measures and new regulations for the U.S. financial services industry and other industries in which KKR Credit Funds and Other Clients make investments.

Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry and the industries in which KKR Credit Funds and Other Clients make investments, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on KKR Credit Funds, Other Clients and their investments.

Enhanced oversight and regulation has created uncertainty in the financial markets and, in particular, the private funds industry. Many of the regulators to which KKR Credit, KKR Credit Funds, Other Clients or their respective affiliates are subject to globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against KKR Credit, KKR Credit Funds, Other Clients or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm KKR Credit, KKR Credit Funds, Other Clients or their respective affiliates' reputations which may adversely affect KKR Credit Funds' or Other Clients' investment performance by hindering their ability to obtain favorable financing or consummate a potentially profitable investment. There is also a material risk that regulatory agencies in the U.S., the EU, and elsewhere will continue to adopt burdensome new laws or regulations (including tax

laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations. Any such events or changes could occur during KKR Credit Funds' or Other Clients' terms and may adversely affect their ability to operate and/or pursue their investment strategies. Such risks are often difficult or impossible to predict, avoid or mitigate in advance.

In addition, as alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the alternative investment industry has been subject to criticism by some politicians, regulators and market commentators. For example, various federal, state and local agencies have been examining the role of placement agents, finders and other similar private fund service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Moreover, as a result of highly publicized financial scandals, investors have exhibited concerns over the integrity of the U.S. financial markets. There has been an active debate both nationally and internationally over the appropriate extent of regulation and oversight of private investment funds and their managers. Any changes in the regulatory framework applicable to KKR Credit Funds and Other Clients may impose additional expenses, require the attention of senior management or result in limitations in the manner in which KKR Credit Funds' and Other Clients' business is conducted.

In summary, regulations generally as well as those more specifically addressed to the alternative investment industry, including tax laws and regulation, whether in the U.S., Europe or elsewhere, could increase the cost of acquiring, holding or divesting investments, the profitability of enterprises and the cost of operating KKR Credit Funds or Other Clients. Additional regulation could also increase the risk of third-party litigation. The transactional nature of the business of KKR Credit Funds or Other Clients exposes KKR Credit Funds, Other Clients, KKR Credit GPs, KKR Credit and each of their respective affiliates (including the investment teams) generally to the risks of third-party litigation.

It is anticipated that, in the normal course of business, KKR Credit GPs and KKR Credit will have contact with governmental authorities and/or may be subjected to responding to inquiries or examinations. KKR Credit Funds or Other Clients may also be subject to regulatory inquiries concerning their investments.

Ongoing Regulatory Actions

Other ongoing regulatory reforms and actions (i.e., Basel III and the U.S. Interagency Guidance on Leveraged Lending) also continue to have a material impact on KKR Credit's private equity investment business, and other European bank regulatory initiatives, including the European Banking Authority's guidelines on limits to exposures to shadow banking entities which carry out banking activities outside a regulated framework under EU law (including funds employing leverage on a substantial basis, within the meaning of AIFMD and its implementing rules), which entered into force on January 1, 2017, and guidance on leveraged lending which were published by the EBC in May 2017 and are modeled on U.S. leveraged lending guidelines, may also create a more challenging borrowing environment for KKR Credit Funds. Reforms and actions with respect to the banking industry may result in KKR Credit Funds or Other Clients being unable to obtain committed debt financing for potential acquisitions or only obtaining debt at an increased interest rate or on unfavorable terms. KKR Credit Funds or Other Clients may therefore have difficulty completing otherwise profitable acquisitions or may generate profits that are lower than would otherwise be the case.

Pay-to-Play

A number of U.S. states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities,

including those seeking investments by public retirement funds, and which require investment advisers to adopt recordkeeping and reporting programs that monitor the adviser's and its employees' activities. In addition, the SEC has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives, employees or agents makes a contribution to certain elected officials or candidates. Several states have followed suit by issuing similar restrictions at the state level. In addition, the SEC has reportedly investigated whether certain financial firms made improper payments to secure investments from sovereign wealth funds. If KKR Credit, a KKR Credit GP or any of its employees or affiliates or any service providers acting on its behalf fails to comply with such laws, regulations or policies, such non-compliance could have a materially adverse effect on such persons and on KKR Credit Funds or Other Clients.

Political Uncertainty

As a result of the lingering effects of the recent global financial crisis and the limited global recovery, the rise of populist political parties and economic nationalist sentiments has led to increasing political uncertainty and unpredictability throughout the world. Among the attendant risks are greater regulatory uncertainty, for example regarding the posture of governments with respect to taxation and international trade and law enforcement.

Compliance with AIFMD

AIFMD came into force in July 2011 and has been implemented in most EU member states as of July 22, 2013. The AIFMD applies to (i) alternative investment fund managers ("AIFMs") established in the EU who manage EU or non-EU alternative investment funds ("AIFs"), (ii) non-EU alternative investment fund managers who manage EU AIFs and (iii) non-EU alternative investment fund managers which market their AIFs within the EU. The AIFMD has also been extended generally to the non-EU countries forming part of the European Economic Area (the "EEA"), i.e. Liechtenstein, Iceland and Norway and already applies to EEA alternative investment fund managers and AIFs under the national implementing legislation of some EU member states. The AIFMD allows authorized AIFMs to market AIFs to professional investors throughout the EU under an "EU passport." Although KKR Credit is affiliated with an Irish AIFM authorized under the AIFMD, KKR Credit may not be able to benefit from the EU passport for all KKR Credit Funds and Other Clients under the AIFMD and the EU passport may not apply to marketing to investors in the United Kingdom if and when its withdrawal from the EU becomes effective.

KKR Credit is affiliated with KKR AIM, an AIFM which is subject to various requirements under the AIFMD. The operating requirements imposed by the AIFMD include, among other things, rules relating to the remuneration of certain personnel, minimum regulatory capital requirements, restrictions on the use of leverage and restrictions on distributions that may impact an AIF's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership ("asset stripping" rules) limiting KKR Credit's use of investment and realization strategies such as dividend recapitalizations and reorganizations, rule on the exposure that may be taken by an AIF to securitizations, disclosure and reporting requirements to both investors and home state regulators, and independent valuation of an AIF's assets which may lead to delays in the fundraising process and thus decrease the speed with which KKR Credit can deploy capital. As a result, the AIFMD could have an adverse effect on KKR Credit Funds and/or Other Clients by, among other things, increasing the regulatory burden and costs of doing business in the EU or EEA member states, imposing extensive disclosure obligations on the KKR Credit Fund's or Other Client's portfolio entities located in the EU or EEA member states, potentially requiring KKR Credit to change its compensation structures for key personnel, thereby affecting KKR Credit's ability to recruit and retain these personnel, and disadvantaging KKR Credit

Funds or Other Clients with respect to investments in portfolio companies located in the EU or EEA member states when compared to non-AIF/alternative investment fund manager competitors which may not be subject to the requirements of the AIFMD. The AIFMD could also limit a KKR Credit GP's operating flexibility and a KKR Credit Fund's or Other Client's investment opportunities, as well as expose a KKR Credit Fund, Other Client, KKR Credit GP and/or KKR Credit to conflicting regulatory requirements in the United States and the EU or EEA member states. Some aspects of the requirements of the AIFMD remain uncertain due to lack of judicature, official regulatory guidance and established market practice. The interpretation and application of the AIFMD is subject to change as a result of, for example, the issuance of further national guidance by a member state, the issuance of binding guidelines by the European Securities and Market Authority, further EU legislation amending the AIFMD, or a change to the national private placement regime of any member state. For example, a subsidiary of a KKR Credit Fund or Other Client could itself be characterized as an AIF, thus requiring an alternative investment fund manager to be appointed in respect of that subsidiary, limiting the operational flexibility of that subsidiary and increasing the costs and regulatory burden of running that subsidiary. In addition, a recent update to the AIFMD Q&A issued by the European Securities and Markets Authority may result in EU member state regulators requiring that the AIFM assume greater responsibility for, and mandate direct contractual relationships with administrators, distributors and other service providers, performing functions relating to the administration, marketing and other activities relating to AIFs. If the home member state regulator of the AIFM and/or a KKR Credit Fund or Other Client took such steps this may result in additional regulatory burdens and costs for the KKR Credit Fund or Other Client. The AIFMD is currently subject to legislative review by the European Commission. The outcome of that review is expected during the course of 2018 and it is not currently clear what changes to the AIFMD, if any, may be implemented and what impact any such changes would have on KKR Credit or KKR Credit Funds and Other Clients.

Laws of Other Jurisdictions Where KKR Credit Funds are Marketed

Interests in KKR Credit Funds may be marketed in various jurisdictions. In order to market interests in a KKR Credit Fund in certain jurisdictions (or to investors who are citizens of or resident in such jurisdictions), a KKR Credit Fund, the relevant KKR Credit GP, KKR Credit and its affiliates will be required to comply with applicable laws and regulations relating to such activities. Compliance may involve, among other things, making notifications to or filings with local regulatory authorities, registering a KKR Credit Fund, a KKR Credit GP, KKR Credit and its affiliates or the interests with local regulatory authorities or complying with operating or investment restrictions and requirements, including with respect to prudential regulation. Compliance with such laws and regulations may limit the ability of KKR Credit Funds to participate in investment opportunities and may impose onerous or conflicting operating requirements on a KKR Credit Fund, a KKR Credit GP, KKR Credit and its affiliates. The costs, fees and expenses incurred in order to comply with such laws and regulations, including, without limitation, related legal fees and filing or registration fees and expenses, will be borne by the KKR Credit Fund and may be substantial. In addition, if a KKR Credit Fund, a KKR Credit GP, KKR Credit and its affiliates were to fail to comply with such laws and regulations, any or all of them could be subject to fines or other penalties, the cost of which typically would be borne by the relevant KKR Credit Fund.

ERISA Considerations

KKR Credit intends to limit investment in KKR Credit Funds or Other Clients by pension or other employment benefit plans in order to avoid having the assets of KKR Credit Funds or Other Clients constitute "plan assets" of any plan subject to Title I of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Tax Code**"). Unless an exception applies, if 25% or more of the total value of any class of equity interest in KKR Credit Funds or Other Clients is owned by "benefit plan investors" within the meaning of ERISA, the assets of KKR Credit Funds or Other Clients will be

deemed to constitute “plan assets.” If the assets of KKR Credit Funds or Other Clients were deemed to be “plan assets” for purposes of ERISA, transactions involving assets of KKR Credit Funds or Other Clients could be subject to the fiduciary responsibility rules of ERISA and to the prohibited transactions provisions of Section 4975 of the Tax Code and, in certain instances, the fiduciary of a pension or other employment benefit plans which is responsible for the pension’s or other employment benefit plan’s investment in the relevant KKR Credit Fund or Other Client could be liable for prohibited transactions or other ERISA violations as a result of their investment in such KKR Credit Funds or Other Clients or as a co-fiduciary for actions taken by or on behalf of KKR Credit Funds or Other Clients, a KKR Credit GP or KKR Credit. In addition, under the applicable governing documents of the relevant KKR Credit Fund or Other Client, KKR Credit will have the power to take certain actions to avoid having the assets of KKR Credit Funds or Other Clients characterized as “plan assets,” including, without limitation, the right to cause an investor that is a pension or other employment benefit plan to completely or partially withdraw from KKR Credit Funds or Other Clients or to transfer its interest in KKR Credit Funds or Other Clients.

Tax Considerations

Tax Risks

An investment in KKR Credit Funds or Other Clients involves complex U.S. federal income tax and non-U.S. tax considerations that will differ for each investor depending on such investor’s particular circumstances. There can be no assurance that the structure of KKR Credit Funds or Other Clients or of any investment will be tax-efficient for any particular investor. On December 22, 2017, legislation was enacted that includes significant changes to U.S. federal income tax law. The legislation, as well as potential future U.S. tax legislation and administrative guidance, could materially impact the tax consequences of an investor’s investment in a KKR Credit Fund or Other Client and the tax treatment of a KKR Credit Fund’s or Other Client’s investments. While some of these changes may be beneficial, others could negatively impact the after-tax returns of a KKR Credit Fund or Other Client and their respective investors.

Certain Tax Legislation

Recently enacted tax reform legislation requires KKR Credit GPs to hold an investment for more than three years in order for the carried interest related to such investment to be treated as long-term capital gains for tax purposes. Such requirement could adversely affect employees or other individuals performing services for a KKR Credit Fund or Other Client who hold direct or indirect interests in KKR Credit GPs and benefit from carried interest, which could make it more difficult for KKR Credit and its affiliates to incentivize, attract and retain individuals to perform services for KKR Credit Funds and Other Clients. In addition, the manner in which a KKR Credit GP’s entitlement to carried interest or management fees is determined may result in a conflict between its interests and the interests of investors with respect to the sequence and timing of disposals of investments. For example, the ultimate beneficial owners of a KKR Credit GP are generally subject to U.S. federal and local income tax (unlike certain of the investors in a KKR Credit Fund that it may manage). A KKR Credit GP may be incentivized to operate a KKR Credit Fund or Other Client, including to hold and/or sell investments, in a manner that takes into account the tax treatment of its carried interest. Recently enacted U.S. tax legislation relating to the taxation of carried interest provides for a lower capital gains tax rate in respect of investments held for more than three years, whereas certain investors are eligible for such treatment after a holding period of only more than one year. While KKR Credit GPs generally intend to seek to maximize pre-tax returns of KKR Credit Funds and Other Clients as a whole, a KKR Credit GP may nonetheless be incentivized to hold investments for a longer period than would be the case if such three (3) year holding period requirement did not exist and/or to realize investments prior to any future change in law that results in a higher effective income tax rate on its carried interest. A KKR Credit GP may also be incentivized to

structure investments in a manner that mitigates the impact of the three (3) year holding period requirement applicable to carried interest, which may adversely impact the after-tax returns of, or otherwise result in increased costs for, a KKR Credit Fund or Other Client and their investors

Taxation in Other Jurisdictions

In addition to U.S. federal income tax consequences, prospective investors should consider the potential U.S. state and local tax consequences of an investment in KKR Credit Funds or Other Clients in the U.S. state or locality in which they are a resident for tax purposes. An investor may also be subject to tax return filing obligations and income, franchise or other taxes, including withholding taxes, in jurisdictions in which KKR Credit Funds or Other Clients operate. If a KKR Credit Fund or Other Client makes investments in jurisdictions outside the U.S., a KKR Credit Fund or Other Client or the investors may be subject to income or other tax in such jurisdictions. Additionally, withholding tax or branch tax may be imposed on earnings of a KKR Credit Fund or Other Client from investments in such jurisdictions. Local tax incurred in non-U.S. jurisdictions by KKR Credit Funds, Other Clients or vehicles through which they invest also may not be creditable to or deductible by an investor under the tax laws of the jurisdiction where such investor resides. Investors that wish to claim the benefit of an applicable tax treaty may be required to submit information to tax authorities in such jurisdictions. Further, changes to (or changes in the interpretation of) such tax treaties or tax treaties between the countries in which a KKR Credit Fund or Other Client is organized, operates, or makes investments may result in additional taxation to a KKR Credit Fund or Other Client or investors.

KKR Credit Funds and Other Clients May Be Liable for Adjustments to Tax Returns as a Result of Recently Enacted Legislation

Legislation was recently enacted that significantly changes the rules for U.S. federal income tax audits of partnerships. Such audits will continue to be conducted at the partnership level, but with respect to tax returns for taxable years beginning after December 31, 2017, and, unless a partnership qualifies for and affirmatively elects an alternative procedure, any adjustments to the amount of tax due (including interest and penalties) will be payable by the partnership. Under the elective alternative procedure, a partnership would issue information returns to persons who were partners in the audited year, who would then be required to take the adjustments into account in calculating their own tax liability, and the partnership would not be liable for the adjustments. There can be no assurance that KKR Credit Funds or Other Clients will be eligible to make such an election or that it will, in fact, make such an election for any given adjustment. If a KKR Credit Fund or Other Client does not or is not able to make such an election, then (1) the then current investors of the KKR Credit Fund or Other Client, in the aggregate, could indirectly bear income tax liabilities in excess of the aggregate amount of taxes that would have been due had the KKR Credit Fund or Other Client elected the alternative procedure, and (2) a given investor may indirectly bear taxes attributable to income allocable to other investors or former investors, including taxes (as well as interest and penalties) with respect to periods prior to such investor's ownership of interests of the KKR Credit Fund or Other Client. Amounts available for distribution to the investors of a KKR Credit Fund or Other Client may be reduced as result of the KKR Credit Fund's or Other Client's obligations to pay any taxes associated with an adjustment. Many issues and the overall effect of this new legislation on KKR Credit Funds and Other Clients are uncertain, and investors should consult their own tax advisors regarding all aspects of this legislation as it affects their particular circumstances.

Potential Changes in Tax Legislation Affecting KKR Credit and its Affiliates

KKR Credit's ability to achieve the investment objectives of KKR Credit Funds and Other Clients depends to a substantial degree on KKR Credit's ability to retain and motivate its investment

professionals and other key personnel, and to recruit talented new personnel. KKR Credit's ability to recruit, retain and motivate its professionals is dependent on its ability to offer highly attractive incentive compensation. Recently enacted tax reform legislation required a KKR Credit GP to hold an investment for three years in order for the carried interest related to such investment to be treated as capital gains for tax purposes. Further, in previous years, legislation has been repeatedly introduced to treat all or part of the capital gain and dividend income that is recognized by an investment partnership and allocable to a partner affiliated with the sponsor of the partnership (i.e., carried interest) as ordinary income to such partner for U.S. federal income tax purposes, and President Trump has expressed his support for such legislation. If any such legislation or regulation were to be enacted and apply with respect to KKR Credit or its affiliates, KKR Credit's investment professionals would incur a material increase in their tax liability with respect to their entitlement to carried interest. This might make it harder for KKR Credit to retain and motivate these professionals, which may have an adverse effect on KKR Credit's ability to achieve the investment objectives of KKR Credit Funds and Other Clients.

BEPTS & ATAD Considerations

On October 5, 2015, the Organisation for Economic Co-operation and Development (the "**OECD**") published final recommendations for new, or amendments to existing, tax laws arising from its Base Erosion and Profit Shifting ("**BEPS**") project. One of the recommendations of the OECD in relation to the BEPS project is that double tax treaties modelled on the OECD model convention (such as those of Ireland) should include enhanced anti-abuse provisions such as a limitation of benefit or principal purpose clause (BEPS Action 6). The nature and timing of any change in tax laws that may occur (whether as a result of such recommendations or otherwise) is not clear and until further clarity is obtained, a KKR Credit Funds and Other Clients and their subsidiaries, as the case may be, will continue to be subject to uncertainty as to any potential tax risk in the jurisdictions in which they are incorporated or resident for tax purposes and in each jurisdiction where their assets are located. Although KKR Credit in the context of any KKR Credit Fund and Other Client will be of the view that it or its subsidiaries, if any, have a good commercial purpose for operating, and maintain sufficient substance, in the jurisdictions in which they operate, if the KKR Credit Fund or Other Client or any subsidiary were denied treaty benefits following the implementation of BEPS Action 6 by a relevant jurisdiction, this may have a material and adverse effect on the KKR Credit Fund or Other Client's financial condition, financial returns and results of operations.

In addition, the publication by the OECD of its BEPS recommendations, the EU Member States adopted the Directive 2016/1164/EU - the so-called anti-tax avoidance directive ("**ATAD**") on July 12, 2016 to implement in the EU Member States' domestic legal frameworks common measures to tackle tax avoidance practices. ATAD lays down (i) controlled foreign corporation rules, (ii) rules regarding anti-hybrid mismatches within the EU (iii) general interest limitation rules, and (iv) a general anti-abuse rule ("**GAAR**").

Following the adoption of ATAD, the EU Member States decided to go further as regards hybrid-mismatches with third countries, and adopted the Directive 2017/952/EU ("**ATAD 2**") amending the ATAD provisions, on May 29, 2017.

No official draft of the Irish law implementing ATAD and ATAD 2 is available yet; however, ATAD has to be implemented by the EU Member States as of January 1, 2019, and ATAD 2 as of 1 January 2020.

On November 24, 2016, the OECD published the text of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (the "**MLI**"), which is intended to expedite the interaction of the tax treaty changes of the BEPS project. On June 6, 2017, 67 signatories covering 68 jurisdictions

signed the MLI, and an additional nine jurisdictions expressed their intent to sign the MLI. It is currently anticipated that the MLI will enter into force after five countries have ratified it. The MLI will then enter into effect for a specific tax treaty after all parties to that treaty have ratified the MLI.

Certain Tax Positions KKR Credit Funds or Other Clients Have Taken May Be Successfully Challenged; Audit Related Matters

KKR Credit Funds or Other Clients may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the applicable tax authorities or the courts. Should any such positions be successfully challenged by an applicable taxing authority, there could be a material adverse effect on KKR Credit Funds or Other Clients or investors in KKR Credit Funds or Other Clients. An audit of a tax return of KKR Credit Funds or Other Clients for any given year might result in an adjustment to the tax liability of KKR Credit Funds or Other Clients for the year in question. Such an audit might result in the audit of the tax return of an investor and could result in the adjustment of items not related to KKR Credit Funds or Other Clients as well as items related to KKR Credit Funds or Other Clients. The cost of an audit, if any, at the fund level will be borne by KKR Credit Funds or Other Clients. However, the cost of any resulting audits of an investor will be borne solely by the affected investor.

FATCA

Under the Foreign Account Tax Compliance Act provisions of the U.S. Internal Revenue Code of 1986, as amended (“**Internal Revenue Code**”) and related U.S. Treasury guidance (“**FATCA**”), a withholding tax of 30% will be imposed in certain circumstances on (i) payments of certain U.S. source income (including interest and dividends) and gross proceeds from the sale or other disposition after December 31, 2018, of property that can produce U.S. source interest or dividends (“**Withholdable Payments**”) and (ii) payments made after December 31, 2018, (or, if later, the date on which the final U.S. Treasury regulations that define “foreign passthru payments” are published) by certain foreign financial institutions (such as banks, brokers, investment funds or certain holding companies) that are “attributable” to Withholdable Payments (“**Foreign Passthru Payments**”). It is uncertain at present when payments will be treated as “attributable” to Withholdable Payments.

Under FATCA, a foreign financial institution or certain other foreign entities generally will be subject to a 30% U.S. federal withholding tax, unless certain reporting and other applicable requirements are satisfied. Non-U.S. KKR funds and certain non-U.S. entities in which KKR Credit Funds and Other Clients may invest (each, including the relevant KKR Credit Funds and Other Clients, an “**Offshore Entity**”) will generally be treated as a “foreign financial institution” for this purpose. As a foreign financial institution, in order to be permitted to receive Withholdable Payments without deduction of this 30% withholding tax, it each Offshore Entity generally may need to be a party to an agreement (a “**Withholding Agreement**”) with the U.S. Internal Revenue Service (the “**IRS**”) requiring such Offshore Entity to provide certain information on its account holders to the IRS and to meet other requirements. Alternatively, each Offshore Entity may be permitted to receive Withholdable Payments without a 30% withholding tax deduction if it complies with the terms of an intergovernmental agreement, if any, between the U.S. government and the government of the country in which the Offshore Entity is a resident.

To avoid being subject to this U.S. federal withholding tax, non-U.S. KKR Credit Funds and relevant Other Clients will require their investors to provide information regarding themselves and their investors. Such KKR Credit Funds or Other Clients may be unable to satisfy their reporting obligations (including, if they cannot collect the requisite information from some or all of their investors) and, as a result, payments received by such KKR Credit Funds or Other Clients may be subject to this withholding tax.

Each Offshore Entity may be required to disclose to foreign fiscal authorities certain information in relation to its investors and certain information relating to the investors' investment. Such foreign fiscal authorities may be required to automatically exchange information as outlined above with the IRS and other foreign fiscal authorities.

U.S. Federal Income Tax Reform

The recently enacted Tax Cuts and Jobs Act (the “**Tax Reform Bill**”) has fundamentally changed the U.S. Internal Revenue Code of 1986. Among the numerous changes included in the Tax Reform Bill are (i) a permanent reduction to the corporate income tax rate, (ii) a partial limitation on the deductibility of business interest expense, (iii) a new maximum tax rate for individuals receiving certain business income from “pass-through” entities, (iv) a partial shift of the U.S. taxation of multinational corporations from a tax on worldwide income to a territorial system (along with a transitional rule which taxes certain historic accumulated earnings and rules which prevent tax planning strategies which shift profits to low-tax jurisdictions) and (v) the suspension of certain miscellaneous itemized deductions, including deductions for investment fees and expenses, until 2026. The impact of the Tax Reform Bill on an investment in a KKR Credit Fund or Other Client is uncertain. Prospective investors should consult their own tax advisors regarding potential changes in tax laws.

KKR Credit Advisors (Ireland) Activities

Misconduct of Employees and of Third-Party Service Providers

Misconduct by employees of KKR Credit or by third-party service providers could cause significant losses to KKR Credit Funds or Other Clients. Employee misconduct may include binding KKR Credit Funds or Other Clients to transactions that exceed authorized limits or present unacceptable risks and unauthorized investment activities or concealing unsuccessful investment activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting KKR Credit Funds' or Other Clients' business prospects or future marketing activities. No assurances can be given that the due diligence performed by KKR Credit will identify or prevent any such misconduct.

Item 9 Disciplinary Information

Except as described below, neither KKR Credit Advisors (Ireland) nor any of its executive officers, members of its investment committees or portfolio management committees or other “management persons” as defined in Form ADV has been subject to legal or disciplinary events related to this Item.

On June 29, 2015, without admitting or denying the SEC's findings, KKR consented to the entry of an order to cease and desist from committing or causing any violations and future violations of sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. According to the SEC order, during the period from 2006 to 2011 KKR did not expressly disclose in its flagship private equity fund limited partnership agreements that it did not allocate broken deal expenses to its co-investment vehicles (including co-investment vehicles established for third party co-investors and co-investment vehicles established for executives, certain consultants and others) and this lack of disclosure resulted in a misallocation of expenses to KKR's flagship private equity funds for that period. The order also finds that KKR did not adopt and implement a written compliance policy or procedure governing its fund expense allocation practices until 2011. KKR agreed in the settlement to pay disgorgement of \$14,165,968, prejudgment interest of \$4,511,441 and a civil monetary penalty of \$10,000,000.

Neither KKR Credit Advisors (Ireland) nor any of its current executive officers, members of its investment committees or portfolio management committees or other “management persons” as defined in Form ADV has been subject to the legal or disciplinary events related to this Item or is otherwise required to disclose any event required by this Item.

In the ordinary course of business, KKR and its affiliates are party to litigation, investigations, inquiries, employment-related matters, disputes and other potential claims. Additional information regarding such matters may also be available in current public filings with the SEC for the Public Company. For further information, please see: http://ir.kkr.com/kkr_ir/kkr_sec.cfm.

Item 10 Other Financial Industry Activities and Affiliations Affiliated Broker-Dealers

KKR Credit Advisors (Ireland) is an affiliate of KKR Capital Markets LLC and MCS Capital Markets LLC, each of which is registered as a broker-dealer in the U.S. with the SEC and the Financial Industry Regulatory Authority, Inc. (“**FINRA**”). KKR Credit Advisors (Ireland) is also affiliated with KKR Capital Markets Limited located in London, which is authorized and regulated by the U.K. Financial Conduct Authority to conduct broker-dealer activities in the United Kingdom; with KKR Capital Markets Japan Limited, which is a certified Type I and Type II Financial Instruments Business Operator (broker-dealer) licensed by the Japanese Financial Services Agency; with KKR Capital Markets Asia Limited, which is licensed by the Hong Kong Securities and Futures Commission to conduct certain broker-dealer activities; and with KKR Capital Markets India Private Limited, which is licensed by the Securities and Exchange Board of India (“**SEBI**”) as a merchant bank that is authorized to execute capital market mandates, underwrite issues, offer investment advisory and other consultancy/advisory services. In addition, KKR Credit Advisors (Ireland) is affiliated with KKR Australia Pty Limited, KKR Australia Investment Management Pty Limited, KKR MENA Limited, and KKR Saudi Limited, which hold financial services licenses from the Australian Securities and Investment Commission, the Dubai Financial Services Authority, and the Capital Market Authority in Saudi Arabia, respectively, permitting them among other things to conduct capital raising and other broker-dealer activities (collectively, the “**Affiliated Brokers**”).

Certain of the Affiliated Brokers (including their respective related lending vehicles) may, from time to time, manage or otherwise participate in underwriting syndicates and/or selling groups with respect to the securities and debt instruments of portfolio companies and other non-controlled entities in or through which KKR Credit Advisors (Ireland) Funds or Other Clients invest, including in respect of securities or other instruments of such portfolio companies in which KKR Credit Advisors (Ireland) Funds or Other Clients have not invested and with respect to securities and other instruments held directly or indirectly by certain co-investment vehicles. Affiliated Brokers may otherwise be involved in the public or private placement of such securities and other instruments, and/or may provide capital markets advisory services to portfolio companies and other non-controlled entities in or through which KKR Credit Advisors (Ireland) Funds or Other Clients invest, including in connection with mergers and acquisitions, and may provide acquisition financing and other corporate lending services to such entities in addition to financing provided through a KKR Credit Advisors (Ireland) Fund’s or Other Client’s investment. In addition, Affiliated Brokers may alone or with other lenders (including other KKR Credit Advisors (Ireland) affiliated entities), arrange lines of credit to portfolio companies and other non-controlled entities in or through which KKR Credit Advisors (Ireland) Funds, Other Clients and other third party borrowers invest. Affiliated Brokers (through their respective related lending vehicles) may also provide loans and lines of credit to KKR Credit Advisors (Ireland) Fund and Other Client portfolio companies and other third party borrowers. Affiliated Brokers may also provide syndication services to such entities including in respect of co-investments in transactions participated in by KKR Credit Advisors (Ireland) Funds or Other Clients. Such Affiliated Brokers may receive fees, commissions, including upfront placement fees,

financing fees, interest payments and other compensation, which may be payable in cash or securities and/or loans, in respect of the activities described above and/or may waive such fees. Affiliated Brokers and other KKR Credit Advisors (Ireland) affiliated entities may, as a consequence of such activities, from time to time hold positions in instruments or securities and/or loans issued by portfolio companies, including, for example, where a KKR proprietary entity commits to a fund the shortfall amount, if any, resulting from the incomplete syndication by an Affiliated Broker of a portfolio co-investment opportunity. Under such circumstances, a KKR proprietary entity may commit to provide capital support for the syndication on a short-term basis (i.e. to provide certainty to KKR Credit Advisors (Ireland) Funds and Other Clients that there will be sufficient capital to complete the proposed transaction) or fund a different instrument or security in the portfolio company than that held by KKR Credit Advisors (Ireland) Funds and Other Clients to facilitate the syndication, which KKR proprietary entities may in either scenario sell down prior to KKR Credit Advisors (Ireland) Funds or Other Clients disposing of their respective investments in the portfolio company.

An Affiliated Broker also may act as placement agent or underwriter of securities and/or loans of a third party that a KKR Credit Advisors (Ireland) Fund or Other Client may purchase (for example, a co-investment vehicle). An Affiliated Broker may act as the placement agent for a KKR Credit Advisors (Ireland) Fund in certain jurisdictions and such Affiliated Broker does not generally receive compensation for such service; however if compensation is received, such compensation would be made on a fully disclosed basis. The Affiliated Brokers do not otherwise execute transactions on behalf of KKR Credit Advisors (Ireland) Funds or Other Clients. While fees, commissions, upfront placement fees, interest payments and other compensation paid to the Affiliated Brokers are generally believed by KKR Credit Advisors (Ireland) to be reasonable and charged at rates that are market rates for the relevant activities, such compensation is generally determined through negotiation with related parties. KKR Credit Advisors (Ireland) Funds or Other Clients generally do not have the right to share in the compensation received by an Affiliated Broker for its role in any transaction. Affiliated Brokers do not share in any transaction fees, which are generally allocated among KKR Credit Advisors (Ireland) Funds, Other Clients and KKR Credit Associates Vehicles as discussed in Item 5.

The relationship KKR Credit Advisors (Ireland) has with its Affiliated Brokers may give rise to a potential conflict of interest between KKR Credit Advisors (Ireland) and KKR Credit Advisors (Ireland) Funds or Other Clients that have an interest in any portfolio companies or investment vehicles with respect to which the Affiliated Brokers provide services (please see the discussion below for further information as to how such conflicts are addressed). In particular, KKR Credit Advisors (Ireland) may be seen as incentivized to seek to influence the decision by a portfolio company's management to retain an Affiliated Broker, or to borrow from or otherwise transact with an Affiliated Broker, instead of other unaffiliated broker-dealers or other service providers or counterparties that may be more appropriate or offer better terms. Where an Affiliated Broker (or another KKR entity) acts as a lender to a portfolio company in which a KKR Credit Advisors (Ireland) Fund or Other Client holds investments in the same or different levels of the capital structure, the arrangement may lead to a conflict between the Affiliated Broker and the KKR Credit Advisors (Ireland) Fund or Other Client in the event of a default by, or the liquidation of, the portfolio company or a restructuring or renegotiation of the terms of the loan (similar conflicts may also arise where KKR is a lender to a portfolio company out of its proprietary assets). In certain circumstances, including without limitation, where a portfolio company becomes distressed and the participants in the relevant offering have a valid claim against the underwriter, the participating KKR Credit Advisors (Ireland) Fund or Other Client may have a conflict in determining whether to seek recourse or sue an Affiliated Broker. KKR Credit Advisors (Ireland) could also be seen as incentivized to structure portfolio company transactions, including related co-investment opportunities, so that they require the use of a broker-dealer (and consequently provide an opportunity for an Affiliated Broker to be retained by a portfolio company or acquisition company established for the relevant transaction and

generate commissions, syndication fees, arranging fees or other compensation for such an Affiliated Broker).

Affiliated Brokers also provide financing and capital markets services to third parties that are not portfolio companies including third parties that are competitors of portfolio companies of particular KKR Credit Advisors (Ireland) Funds or Other Clients, or that are service providers, suppliers, customers, or other counterparties with respect to such companies (“**competitor companies**”) and may act as placement agent in respect of investment funds that are sponsored and managed by other third party investment managers, including funds that may compete with KKR Credit Advisors (Ireland) Funds or Other Clients. Affiliated Brokers also act as placement agent in respect of investment funds that are sponsored and managed by third parties (for example, certain investee companies of KKR Credit Advisors (Ireland) as described in Item 4) and receive consideration for such services. In providing such services to, or with respect to, such funds or companies, Affiliated Brokers will not take into consideration the interests of the relevant portfolio companies or KKR Credit Advisors (Ireland) Funds or Other Clients. In addition, Affiliated Brokers may also be engaged to provide financing or other capital markets services to third parties in connection with transactions that may also be appropriate for a KKR Credit Advisors (Ireland) Fund or for Other Clients. In some cases, these services offered to third parties in connection with a transaction may be provided concurrently with services being provided in a similar manner to a KKR Credit Advisors (Ireland) Fund or Other Client even if the KKR Credit Advisors (Ireland) Fund or Other Client has a competing interest with the third party. Affiliated Brokers providing services to third parties, including to competitor companies, may come into possession of information that they are prohibited from acting on (including on behalf of a KKR Credit Advisors (Ireland) Fund or Other Client) or disclosing to KKR Credit Advisors (Ireland) as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure would be in the best interests of a KKR Credit Advisors (Ireland) Fund or of Other Client.

An Affiliated Broker’s ability to receive commissions or other transactional compensation in certain capital markets transactions on the basis of a KKR Credit Advisors (Ireland) Fund’s or Other Client’s participation may be limited in certain circumstances. As a result, in the event that such services are provided to an issuer that is or becomes a potential investment opportunity for a KKR Credit Advisors (Ireland) Fund or Other Client, KKR Credit Advisors (Ireland), through the Affiliated Brokers, may have a conflict of interest between a KKR Credit Advisors (Ireland) Fund or Other Client investment opportunity or a related capital markets transaction. Where an Affiliated Broker serves as underwriter with respect to a security in which a KKR Credit Advisors (Ireland) Fund or Other Client invests, such KKR Credit Advisors (Ireland) Fund or Other Client may be subject to a “lock-up” period following the offering under applicable regulations during which time its ability to sell the security that it continues to hold is restricted. This may prejudice the KKR Credit Advisors (Ireland) Funds’ or Other Clients’ ability to dispose of such security at an opportune time. Affiliated Brokers may have access to confidential and/or material non-public information regarding KKR Credit Advisors (Ireland) Funds, Other Clients or their portfolio companies and, subject to applicable law and confidentiality agreements, may use such information in connection with financing and other services provided by the Affiliated Brokers.

Transactions involving a KKR Credit Advisors (Ireland) Fund or Other Client and an Affiliated Broker are reported periodically to KKR’s Global Conflicts Committee. In addition, KKR Credit Advisors (Ireland) reviews such transactions to ensure that the requirements of Section 206(3) of the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) in respect of principal transactions between any KKR Credit Advisors (Ireland) Fund or Other Client and KKR or its affiliates (including any Affiliated Broker) are complied with in the context of such transactions. Transactions involving a KKR Credit Advisors (Ireland) Fund or Other Client and an Affiliated Broker are reported periodically to KKR Credit Conflicts Committee.

Kohlberg Kravis Roberts & Co. L.P.

KKR Credit Advisors (Ireland) is also affiliated with KKR, which is its parent company, and KKR's other subsidiaries and affiliated entities that manage KKR's private equity funds and other funds, investment vehicles and accounts ("**KKR Funds**"). KKR is separately registered under the Advisers Act as an investment adviser. KKR Credit Advisors (Ireland) may also, from time to time, act as sub-adviser in respect of capital allocated within KKR Funds to strategies implemented by KKR Credit Advisors (Ireland) and may delegate sub-advisory authority to KKR in respect of capital allocated within certain KKR Credit Advisors (Ireland) Funds or Other Clients to strategies implemented by KKR (in each case, at no incremental cost to the relevant KKR Fund, KKR Credit Advisors (Ireland) Fund or Other Client). See Item 11 for a discussion of the relationship of KKR Credit Advisors (Ireland), KKR Credit Advisors (Ireland) Funds and Other Clients and the KKR Funds. Certain employees of KKR Credit Advisors (Ireland) have become employees of KKR. Certain KKR Credit Advisors (Ireland) \ personnel may also participate in KKR Credit Associates Vehicles.

KKR Credit

KKR Credit Advisors (Ireland) is also affiliated with KKR Credit Advisors (US) LLC, which is separately registered as an investment adviser under the Advisers Act. Certain executives of KKR Credit Advisors (US) LLC participate in investment decisions or serve on investment committees established by KKR Credit Advisors (Ireland) for particular KKR Credit Advisors (Ireland) Funds or Other Clients. KKR Credit Advisors (Ireland) may also, from time to time, act as sub-adviser in respect of capital allocated within investment vehicles and accounts managed and advised by KKR Credit Advisors (US) LLC ("**KKR Credit Funds**"). KKR Credit Advisors (Ireland) may also delegate sub-advisory authority to KKR Credit Advisors (US) LLC in respect of capital allocated within certain KKR Credit Advisors (Ireland) Funds to strategies implemented by KKR Credit Advisors (US) LLC (in each case, at no incremental cost to the relevant KKR Credit Advisors (Ireland) Fund or KKR Credit Fund). See Item 11 for a discussion of the relationship of KKR Credit Advisors (Ireland), KKR Credit Advisors (Ireland) Funds, Other Clients, and KKR Credit Funds.

PAAMCO Prisma Holdings LLC

On June 1, 2017, Prisma Capital Partners LP ("**Prisma**") became a subsidiary of PAAMCO Prisma Holdings LLC ("**PAAMCO Prisma**"), a new liquid alternatives firm. Under the terms of the agreement, the entire businesses of both Pacific Alternative Asset Management Company, LLC ("**PAAMCO**") and Prisma were contributed to PAAMCO Prisma, which operates independently of KKR Credit. KKR Topaz LLC, a subsidiary of KKR & Co., retains a 39.9% stake in PAAMCO Prisma.

Prisma and PAAMCO are separately registered as investment advisers under the Advisers Act. Although KKR operates independently of PAAMCO and Prisma, KKR's ownership interests in them may in certain circumstances create conflicts of interest or the appearance of conflicts of interest. PAAMCO Prisma and KKR have implemented an information barrier policy that restricts the flow of information between PAAMCO Prisma, on the one hand, and KKR and KKR Credit, on the other, to ensure the independent operation of PAAMCO Prisma from KKR and KKR Credit Advisors (Ireland), and to mitigate the potential for conflicts of interest. See Item 11 which discusses the relationship of KKR Credit Advisors (Ireland), KKR Credit Advisors (Ireland) Funds, Other Clients, Stakes and Seed Managers, and Stakes and Seed Funds for further information.

KKR Alternative Investment Management Unlimited Company

KKR Credit Advisors (Ireland) is affiliated with KKR Alternative Investment Management Unlimited Company (i.e., (“**KKR AIM**”), which is regulated by the Central Bank of Ireland, is an authorized EU alternative investment manager and separately files reports as an exempt reporting adviser with the SEC. KKR AIM may enter into delegation and/or sub-advisory agreements with KKR Credit Advisors (Ireland) under which KKR Credit Advisors (Ireland) will provide certain portfolio management services to KKR AIM in connection with investment funds with respect to which KKR AIM serves as alternative investment manager for the purposes of the AIFMD.

Pooled Investment Vehicles and Regulated Subsidiaries and Sponsors of Limited Partnerships

KKR, KKR Credit Advisors (Ireland) and certain of their respective affiliates serve as sponsors or syndicators of a number of limited partnerships, including KKR Funds and KKR Credit Advisors (Ireland) Funds. KKR Credit Advisors (Ireland) also primarily serves as investment adviser to KKR Funds that are pooled investment vehicles. In addition, its affiliates and KKR also serve as investment advisers of investment vehicles and accounts (i.e., KKR Funds) that are, for the most part, pooled investment vehicles. While primarily unregulated, certain of such pooled vehicles may be registered with regulatory authorities in their home jurisdiction such as the Cayman Islands or Ireland or in jurisdictions in which interests in such pooled investment vehicles are marketed, such as Korea or Japan. As discussed more fully above and in response to Item 11, KKR Credit Advisors (Ireland) Funds and KKR Funds may engage in transactions with or alongside each other that may give rise to material conflicts of interest. KKR and KKR Credit Advisors (Ireland) have adopted investment allocation policies and procedures and conflict of interest policies and procedures designed to facilitate proper management of conflicts of interest arising between KKR Funds and KKR Credit Advisors (Ireland) Funds. KKR and certain KKR Credit Advisors (Ireland) Funds have established regulated subsidiaries as required under applicable law in order to permit such subsidiaries or KKR Credit Advisors (Ireland) Funds to make portfolio investments in certain jurisdictions. As discussed in Item 11, KKR Credit Advisors (Ireland)’s relationship with KKR may also give rise to additional conflicts of interest.

Please refer to Item 11 for a discussion of the potential conflicts that may be raised by KKR Credit Advisors (Ireland)’s relationship with these and other affiliates and the policies and procedures KKR Credit Advisors (Ireland) has adopted to address these conflicts.

Please refer to Item 11 for a discussion of the potential conflicts that may be raised by KKR’s relationship with these and other affiliates and the policies and procedures KKR Credit Advisors (Ireland) has adopted to address these conflicts.

Please also refer to Item 11 for a discussion of the Stakes and Seed Managers and Stakes and Seed Funds.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

KKR Credit Advisors (Ireland) is subject to a Code of Ethics (the “**Code**”) in accordance with Rule 204A-1 under the Advisers Act.

The Code has been established by its affiliate, KKR, for all of its investment advisory subsidiaries, including KKR Credit Advisors (Ireland). The Code sets out standards of business and personal conduct for each Employee (which for these purposes includes other persons as set out in the Code, including certain consultants, advisors, temporary employees and other persons and addresses conflicts that may arise from personal trading by such persons and provides for disciplinary sanctions for Code violations.

The Code is available upon written request of current or prospective investors in KKR Credit Advisors (Ireland) Funds and Other Clients.

The policies and procedures set forth in the Code recognize that as an investment adviser, KKR Credit Advisors (Ireland) is in a position of trust and confidence with respect to the KKR Credit Advisors (Ireland) Funds and Other Clients and has a duty to place the interests of the KKR Credit Advisors (Ireland) Funds and Other Clients before the interests of KKR Credit Advisors (Ireland) and its Employees (which for these purposes includes other persons as set out in the Code, including certain consultants, advisors, temporary employees and other persons). This duty includes an obligation to address or mitigate both conflicts of interest and the appearance of any conflicts of interest. The Code also recognizes that as an investment adviser registered under the Advisers Act, KKR Credit Advisors (Ireland) has a further obligation to comply with the provisions of the Advisers Act as well as the other U.S. federal securities laws.

The Code includes a code of conduct adopted by KKR Credit Advisors (Ireland) which requires Employees to (i) act with integrity, honesty, competence, and in an ethical manner when dealing with the public, regulators, clients, investors, prospective investors and their fellow Employees; (ii) adhere to the highest standards with respect to any potential material conflicts of interest with KKR Credit Advisors (Ireland) Funds and Other Clients; and (iii) preserve the confidentiality of information that they may obtain in the course of KKR Credit Advisors (Ireland)'s business and use such information properly, consistent with applicable legal standards, and not in any way adverse to the interests of any KKR Credit Advisors (Ireland) Funds or Other Clients.

Under the Code and Firm policy, Employees are prohibited from trading in securities and/or loans of any company while in possession of material, non-public information regarding the company. This prohibition applies to KKR-related securities and the securities of KKR affiliates, as well as other issuers. The Code also includes a personal securities investment and reporting policy. This policy, among other things, significantly restricts an Employee's ability to engage in personal securities transactions with respect to publicly-trade equity or debt of corporate issuers to avoid conflicts of interest and preclude the potential misuse of proprietary and material non-public information with respect to such issuers, as well as certain restrictions on investments in private companies and non-KKR Credit Advisors (Ireland) Funds, and requires Employees to disclose all brokerage or securities accounts held in the Employee's name or over which the Employee has any direct or indirect beneficial ownership, including accounts over which investment discretion is exercised either directly or indirectly.

Certain investment personnel of KKR Credit Advisors (Ireland) maintain personal private investment holdings which may include investments in private assets that are or subsequently become targeted for acquisition by KKR Credit Advisors (Ireland) or KKR Credit Advisors (Ireland) Funds or Other Clients (or investments in private assets that compete with KKR Credit Fund or Other Client acquisition targets) and/or private funds that invest in or own assets that compete with assets or businesses targeted by KKR Credit Advisors (Ireland) Funds or Other Clients (i.e. through the acquisition of or investment in an asset of an unaffiliated private fund sponsor). Certain of these investments are maintained with third-party investment managers who sponsor investment vehicles that may compete with KKR or KKR Credit Advisors (Ireland), or that KKR, KKR Credit Advisors (Ireland) or certain KKR affiliates may recommend to their respective clients. Furthermore, certain of these personal investments may have terms that are more favorable than those routinely offered by the unaffiliated investment manager (for example, reduced fees). These personal investments may give rise to potential or actual conflicts of interest between KKR Credit Advisors (Ireland) Funds and Other Clients on the one hand, and KKR, KKR Credit Advisors (Ireland) and their respective affiliates, on the other hand. In addition, KKR Credit Advisors (Ireland) personnel may hold investments in entities that become service providers to KKR Credit Advisors (Ireland) or portfolio companies of KKR Credit Advisors (Ireland) Funds or Other Clients.

Although the relevant KKR Credit Advisors (Ireland) personnel may not have control or other influence over the decisions of the relevant service provider, a conflict of interest may nevertheless arise in connection with engaging the relevant entity as a service provider in light of the personal benefits that may accrue through the investment held in the service provider. KKR Credit Advisors (Ireland)'s personal securities investment and reporting policies, which require the pre-approval from KKR's Compliance Group on any personal private fund or private investments, seek to address any potential or actual conflicts of interest relating to personal private investments.

The Code restricts Employees' ability to conduct activities outside the Firm that may conflict with the interests of the KKR Credit Advisors (Ireland) Funds or Other Clients, requires preapproval for Employees to engage in certain outside business activities or receive and/or provide gifts and entertainment in excess of certain values and restricts Employees' ability to make political donations. However, employees, Senior Advisors, Industry Advisors, KKR Advisors, KKR Capstone, RPM and other Consultants may also serve as directors or interim executives, or otherwise be associated with companies that are competitors of portfolio companies of certain KKR Credit Advisors (Ireland) Funds or Other Clients (as discussed below).

KKR's Compliance Group receives and reviews trading and other reports and Employee certifications, questionnaires and pre-approval requests submitted pursuant to the Code to determine that personal trading (as well as other activities subject to compliance oversight) conducted by Employees and other covered persons is consistent with the requirements and restrictions set forth in the Code. Employees also engage in outside business activities, including serving on boards of directors of third party entities, which may give rise to certain conflicts of interests. KKR's Compliance Group reviews Employee certifications, questionnaires and pre-approval requests to identify such conflicts of interest.

Additionally, KKR Credit Advisors (Ireland) has adopted inside information barrier and other policies and procedures to provide for the proper handling of confidential information (i.e., nonpublic information received or created by KKR Credit Advisors (Ireland) in connection with its activities) to prevent violations of laws and regulations prohibiting the misuse of such information and to avoid situations that might create an appearance of such misuse. KKR's Compliance Group is responsible for monitoring the information barriers established by the Firm, administering the information sharing policies and procedures, overseeing potential conflicts of interest, and escalating to an established oversight committee, as appropriate.

The Code is available upon written request of KKR Credit Advisors (Ireland) Funds or Other Clients and their current or prospective investors.

Participation or Interest in Client Transactions

Principal Transactions

In accordance with the anti-fraud provisions of the Advisers Act and with KKR Credit Advisors (Ireland)'s internal compliance policies and procedures, KKR Credit Advisors (Ireland) and its affiliates will not, as principal, sell a security to, or buy a security from, any KKR Credit Advisors (Ireland) Fund or Other Client without providing appropriate disclosure and obtaining the informed consent of such KKR Credit Advisors (Ireland) Fund or Other Client prior to the settlement of each such transaction, as well as the prior authorization of KKR Credit Advisors (Ireland)'s Chief Compliance Officer. Other regulated entities will generally not engage in principal transactions, except as permitted under the Investment Company Act and SEC guidance thereunder.

Principal transactions may occur, for example, where KKR Credit Advisors (Ireland) warehouses an investment, in whole or in part, in one of its proprietary entities for the benefit of one or more KKR Credit Advisors (Ireland) Funds or seeds the initial portfolio of a KKR Credit Advisors (Ireland) Fund by making the initial commitment and capital contributions to the KKR Credit Advisors (Ireland) Fund pending the admission of third party investors to such KKR Credit Advisors (Ireland) Fund and the acquisition by the KKR Credit Advisors (Ireland) Fund of the investment from the proprietary entity or the participation by such third party investors in such seeded initial portfolio of investments. In these cases, a KKR Credit Advisors (Ireland) Fund or Other Client may, for example, require that (i) the transaction price be determined to be fair by an independent valuation expert (the cost of which would be borne by the KKR Credit Advisors (Ireland) Fund or Other Client) or be calculated in accordance with a formula provided for in the governing documents of the KKR Credit Advisors (Ireland) Fund; and/or (ii) the consent of the respective KKR Credit Advisors (Ireland) Fund's limited partner advisory committee, independent client representative or investors or the consent of the Other Client be obtained prior to the completion of the relevant transaction or in connection with the investors' subscriptions to the KKR Credit Advisors (Ireland) Fund or the establishment of the Other Client relationship. For warehoused assets, the consent to transfer such assets to KKR Credit Advisors (Ireland) Funds or Other Clients is generally obtained through the signed approval of the subscription agreement or limited partnership agreement of the KKR Credit Advisors (Ireland) Fund or Other Client. As indicated in Item 10, Affiliated Brokers may act as principal in underwriting or placing the securities of KKR Credit Advisors (Ireland) Funds or Other Clients.

Prior to the receipt by a KKR Credit Advisors (Ireland) Fund of capital contributions from its investors for which a capital call notice has been given, a KKR Credit Advisors (Ireland) GP may fund such amounts on a temporary basis in order to permit the KKR Credit Advisors (Ireland) Fund to make an investment. In addition, KKR Credit Advisors (Ireland), a KKR Credit Advisors (Ireland) GP or one of their affiliates may fund certain general and administrative expenses of a portfolio company on a temporary basis in order to avoid a de minimis capital call to investors or to ensure timely payment of a KKR Credit Advisors (Ireland) Fund obligation, or may provide an interest free loan to a platform portfolio company to cover its start-up and operating costs prior to the receipt by a KKR Credit Advisors (Ireland) Fund or Other Client of a capital call in respect of such expenses. Such amounts will be reimbursed to the KKR Credit Advisors (Ireland) GP at cost as and when such capital contributions are made by the investors in the KKR Credit Advisors (Ireland) Fund or through a reduction of subsequent distributions by the KKR Credit Advisors (Ireland) Fund. KKR Credit Advisors (Ireland) does not consider such temporary arrangements to be principal transactions.

Stakes and Seed Managers

Affiliates of KKR Credit Advisors (Ireland) may acquire or hold from time to time a non-controlling interest in a third-party hedge fund manager or fund of hedge fund manager ("**Stakes and Seeds Managers**") and funds or other vehicles sponsored or advised by such managers (referred to herein collectively as ("**Stakes and Seeds Funds**"). For example, affiliates of KKR have acquired, an investment manager focused on investing in natural catastrophe and weather risk, and BlackGold Capital Management L.P., a credit-oriented investment manager focused on energy and hard asset investments, a 29.9% interest in Marshall Wace LLP, a global alternative investment manager specializing in long/short equity products, and following the business combination of PAAMCO and Prisma discussed above, affiliates of KKR retain a 39.9% interest in PAAMCO Prisma, which constitutes an investment in a Stakes and Seed Manager. KKR Credit has also invested in Acion Partners Limited, a Hong Kong-based investment manager that manages Asian event-driven investments.

Cross Transactions and Agency Cross Transactions

Under certain circumstances, KKR Credit Advisors (Ireland) may arrange for purchases and sales of securities between two KKR Credit Advisors (Ireland) Funds and/or Other Clients (a “**cross transaction**”) (see also discussion of “**Rebalancing Transactions**” below). KKR Credit Advisors (Ireland) has adopted a specific cross-trading policy (“**Cross Transactions Policy**”) for such transactions which requires complying with applicable law, as well as governing documents for the relevant KKR Credit Advisors (Ireland) Fund or Other Client. The Cross Transactions Policy establishes that a cross transaction may only be effected if the cross transaction provides a clear benefit to each participating KKR Credit Advisors (Ireland) Fund or Other Client and further requires certain procedures are followed prior to the execution of the cross transaction. Cross transactions may create conflicts of interest because, by not exposing buy and sell transactions to market forces, a KKR Credit Advisors (Ireland) Fund or Other Client may not receive the best price otherwise possible, or KKR Credit Advisors (Ireland) may have an incentive to improve the performance of one KKR Credit Advisors (Ireland) Fund or Other Client by selling underperforming assets to another KKR Fund or Other Client, for example, to earn fees. KKR Credit Advisors (Ireland) will not arrange for a cross transaction to be implemented unless the requirements of the Cross Transaction Policy are fulfilled. KKR Credit Advisors (Ireland) may engage in agency cross transactions between Other Clients and KKR Credit Advisors (Ireland) Funds and an unaffiliated third party in a manner consistent with the Advisers Act and the rules promulgated thereunder. In an agency cross transaction, KKR Credit Advisors (Ireland) or one of its affiliates including, in particular, an Affiliated Broker, earns a fee for arranging a transaction between KKR Credit Advisors (Ireland) Funds or Other Clients.

KKR proprietary entities may acquire an asset of a portfolio company on terms negotiated with the management of the portfolio company. These transactions do not constitute principal transactions or cross trades that are subject to the restrictions and policies detailed above. To the extent that such transactions are appropriate investments for KKR Credit Advisors (Ireland) Funds or Other Clients as well as a KKR proprietary entity, KKR Credit Advisors (Ireland) will allocate such transactions in accordance with the procedures described in “Allocation of Investments” below.

Rebalancing Transactions

Subject to certain terms and conditions, on occasion and to the extent permitted by law and specific KKR Credit Advisors (Ireland) policies, KKR Credit Advisors (Ireland) may effect rebalancing transactions between a KKR Credit Advisors (Ireland) Fund or Other Client and one or more other KKR Credit Advisors (Ireland) Funds or Other Clients pursuing similar investments. In such case, a KKR Credit Advisors (Ireland) Fund or Other Client may, directly or indirectly, purchase a security held by another KKR Credit Advisors (Ireland) Fund or Other Client or may sell a security to another KKR Credit Advisors (Ireland) Fund or Other Client (each a “**Rebalancing Client**”). From time to time, one or more KKR Credit Advisors (Ireland) Funds or Other Clients may commit to an investment before an allocation decision is made, and such commitments may be aggregated in an underlying pooled investment vehicle (a “**Rebalancing Vehicle**”) that rebalances the investment among such KKR Credit Advisors (Ireland) Funds or Other Clients after the allocation decision is made. KKR Credit Advisors (Ireland) will determine, in its sole discretion, whether a particular KKR Credit Advisors (Ireland) Fund or Other Client is a Rebalancing Client, provided that KKR Credit Advisors (Ireland) Funds and Other Clients invested in a Rebalancing Vehicle will be treated as Rebalancing Clients. KKR Credit Advisors (Ireland) will not undertake a rebalancing transaction with a Rebalancing Client if it determines, in its sole discretion that such a transaction is not in the best interests of the Rebalancing Clients involved. KKR Credit Advisors (Ireland) effects these transactions based on the then-current independent market price and consistent with valuation procedures established by KKR Credit Advisors (Ireland). Neither KKR Credit Advisors (Ireland) nor any of its affiliates receive any compensation in connection with such rebalancing transactions. These rebalancing transactions generally will be effected without brokerage

commissions being charged. To the extent that such transactions may be viewed as principal transactions due to KKR Credit Advisors (Ireland)'s or its affiliates' ownership interest in a particular KKR Credit Advisors (Ireland) Fund, KKR Credit Advisors (Ireland) will either not effect such transaction or comply with the requirements of Section 206(3) of the Advisers Act.

Participation of Affiliated Broker-Dealers in KKR Credit Advisors (Ireland) Fund or Other Client Transactions

As described in response to Item 10, KKR Credit Advisors (Ireland) is affiliated with several broker-dealers. As further noted, these Affiliated Brokers (including their respective related lending vehicles) may manage or otherwise participate in underwriting syndicates and/or selling groups with respect to securities and debt instruments issued by portfolio companies, holding companies and other controlled or non-controlled entities in or through which KKR Credit Advisors (Ireland) Funds or Other Clients may invest (including securities that are senior or junior within the capital structure of those held by KKR Credit Advisors (Ireland) Funds or Other Clients) or may otherwise be involved in the public or private placement of securities or debt instruments issued by KKR Credit Advisors (Ireland) Fund or Other Client portfolio companies and other controlled or non-controlling entities in or through which a KKR Credit Advisors (Ireland) Fund or Other Client may invest, including in connection with mergers and acquisitions or the syndication of portfolio company co-investment opportunities alongside certain KKR Credit Advisors (Ireland) Funds or Other Clients, and may provide acquisition financing and other corporate lending services to such entities in addition to financing provided through a KKR Credit Advisors (Ireland) Fund or Other Client's investment. In addition, Affiliated Brokers may arrange lines of credit for (i) portfolio companies and other controlled or non-controlled entities in or through which KKR Credit Advisors (Ireland) Funds or Other Clients may invest; (ii) KKR Credit Advisors (Ireland) Funds; (iii) Other Clients; and (iv) other third parties. Affiliated Brokers (through their respective lending related vehicles) may also provide loans and lines of credit to such entities. Affiliated Brokers may, as a consequence of such activities hold positions in instruments and securities issued by a KKR Credit Advisors (Ireland) Fund's or Other Client's portfolio companies (or controlled or non-controlled entities through which they invest), including securities issued in different parts of the capital structure of such companies, and may engage in transactions that may also be appropriate investments for a KKR Credit Advisors (Ireland) Fund or Other Client. Subject to applicable law, Affiliated Brokers may receive underwriting fees, placement commissions, financing fees, interest payments or other compensation with respect to such activities, which are not required to be shared with KKR Credit Advisors (Ireland) Funds or Other Clients. In certain circumstances, where an Affiliated Broker is participating in the above underwriting and financing transactions, it may do so as lead or sole arranger in which case it will be responsible for negotiating its customary fees with the company for services provided. In addition, certain KKR Credit Advisors (Ireland) Funds or Other Clients (for example, KKR Credit Advisors (Ireland) Funds or Other Clients that are regulated under ERISA or the Investment Company Act) that would otherwise participate in an investment in respect of the relevant company may be restricted from doing so as a result of an Affiliated Broker participating in such arranging, underwriting or financing transactions. Where an Affiliated Broker serves as underwriter with respect to a portfolio company's securities, the relevant KKR Credit Advisors (Ireland) Fund, Other Client or portfolio company may be subject to a "lock-up" period following the offering under applicable regulations or agreements during which time its ability to sell any securities that it continues to hold is restricted. This may prejudice such KKR Credit Advisors (Ireland) Fund's or Other Client's ability to dispose of such securities at an opportune time.

KKR Credit Advisors (Ireland) has conflicts of interest policies and procedures in place, where transactions involving a KKR Credit Advisors (Ireland) Fund or Other Client and an Affiliated Broker or its respective lending vehicles are appropriately reviewed and reported to the KKR's Global Conflicts Committee. In addition, KKR reviews such transactions to ensure that the requirements of Section 206(3) of the Advisers Act and Rule 206(3)-2 under the Advisers Act, as applicable, in respect of principal

transactions between any KKR Credit Advisors (Ireland) Fund or Other Client and KKR Credit Advisors (Ireland) or its affiliates (including any Affiliated Broker) are complied with in the context of such transactions. Affiliated Brokers may have access to confidential and/or material non-public information regarding KKR Credit Advisors (Ireland) Funds, Other Clients or their portfolio companies and, subject to applicable law, may use such information in connection with financing and other services provided by the Affiliated Brokers.

Affiliated Brokers may provide investment banking, advisory and other services to affiliated or unaffiliated corporations, financial sponsors, management or other persons. Such services may relate to transactions that could give rise to investment opportunities that are suitable for KKR Credit Advisors (Ireland) Funds or Other Clients. In such case, the Affiliated Broker's particular client would typically require the Affiliated Broker to act exclusively on its behalf, thereby precluding KKR Credit Advisors (Ireland) Funds or Other Clients from participating in such investment opportunities. No Affiliated Broker would be obligated to decline any such engagements in order to make an investment opportunity available to KKR Credit Advisors (Ireland) Funds or Other Clients. In addition, an Affiliated Broker may come into the possession of information through these new businesses that limits a KKR Credit Advisors (Ireland) Fund's or Other Client's ability to engage in potential transactions.

Financial Interest in KKR Credit Advisors (Ireland) Fund, Portfolio Company or Other Client Transactions

As described in Item 5, KKR Credit Advisors (Ireland) and its affiliates (including, in particular, KKR) may receive monitoring fees, financial advisory fees, loan administrative agent fees, transaction fees, and other compensation for services provided to portfolio companies, holding companies and other entities in or through which a KKR Credit Advisors (Ireland) Fund or Other Client invests. Such parties may also receive break-up fees and other compensation with respect to KKR Credit Advisors (Ireland) Fund or Other Client portfolio company investments (including unconsummated or terminated transactions). As noted above, such compensation may be shared with the relevant KKR Credit Advisors (Ireland) Funds or Other Clients, as described in their offering materials, documents and/or the governing documents.

KKR Credit Advisors (Ireland) may also earn fees as a result of its subsidiaries' providing loan servicing services to certain KKR Credit Advisors (Ireland) Funds or Other Clients that invest in loan participations, which fees will generally not be shared with KKR Credit Advisors (Ireland) Funds or Other Clients, depending on the particular governing documents of a particular KKR Credit Advisors (Ireland) Fund or Other Client. In negotiating originated loans and certain other originated credit investments on behalf of KKR Credit Advisors (Ireland) Funds and or Other Clients, KKR Credit Advisors (Ireland) or its affiliates may have the ability to negotiate the payment of arranging and other transaction related fees by the relevant counterparty to KKR Credit Advisors (Ireland) and its affiliates and/or an original issue discount ("OID"). In such circumstances, KKR Credit Advisors (Ireland) may face a conflict of interest to the extent that a portion of any arranging or transaction related fees payable to KKR Credit Advisors (Ireland) and its affiliates may be retained by KKR Credit Advisors (Ireland) and its affiliates, whereas any OID provided by the relevant counterparty would solely benefit a KKR Credit Advisors (Ireland) Fund or Other Client. As noted above, such compensation may or may not be shared with the relevant KKR Credit Advisors (Ireland) Funds or Other Clients, as described in their offering materials, disclosure documents and/or governing documents.

Portfolio companies of KKR proprietary investments, KKR Credit Advisors (Ireland) Funds or Other Clients may be counterparties to or participants in agreements, transactions or other arrangements with the portfolio companies of a separate KKR Credit Advisors (Ireland) Fund or Other Client (for example a portfolio company of a KKR proprietary investment or KKR Credit Advisors (Ireland) Fund may retain a company in which another KKR Credit Advisors (Ireland) Fund has invested to provide services or

products). Agreements, transactions and other arrangements entered into by portfolio companies of KKR proprietary investments, different KKR Credit Advisors (Ireland) Funds or Other Clients may indirectly benefit KKR Credit Advisors (Ireland), the relevant KKR Credit Advisors (Ireland) Fund or Other Client as an investor in such companies or may adversely impact the other KKR Credit Advisors (Ireland) Fund or Other Client portfolio companies with which they do business. The interest of KKR, any KKR Credit Advisors (Ireland) Fund or Other Client in maximizing its return on such investments may give rise to a conflict of interest in particular, but not limited to, where KKR Credit Advisors (Ireland), the KKR Credit Advisors (Ireland) Fund or Other Client has the ability through its investments to influence the activities of such companies or encourages portfolio companies of a KKR Credit proprietary investment, KKR Credit Advisors (Ireland) Fund or Other Client to transact therewith.

Such portfolio companies may also compete with a KKR Credit Advisors (Ireland) Fund's or Other Client's investments. For example, KKR Credit Advisors (Ireland) (through its proprietary investment activities) or a KKR Credit Advisors (Ireland) Fund may invest in a company which competes with, is a customer of, or is a service provider or supplier to another KKR Credit Advisors (Ireland) Fund portfolio company. In providing advice and recommendations to, or with respect to such portfolio companies' business dealings, KKR Credit Advisors (Ireland), any KKR Credit Advisors (Ireland) Fund or Other Client are not obligated to and may not take into consideration the interests of the other relevant KKR Credit Advisors (Ireland) Fund or Other Client or their portfolio companies and other investments. Accordingly, these circumstances give rise to certain potential conflicts of interest. A portfolio company of a KKR proprietary investment, KKR Credit Advisors (Ireland) Fund or Other Client may do something for commercial reasons that has adverse consequences for another KKR Credit Advisors (Ireland) Fund or Other Client or its portfolio company, such as seeking to expand its market share at the expense of the other KKR Credit Advisors (Ireland) Fund portfolio company, withdrawing business from the other KKR Credit Advisors (Ireland) Fund portfolio company in favor of another company, offering the same product or service at a lower price, increasing its own prices along with other enterprises in the industry, or commencing litigation against another KKR Credit Advisors (Ireland) Fund's portfolio company. A KKR Credit Advisors (Ireland) Fund or Other Client may also obtain confidential information regarding its portfolio companies that it cannot act on or disclose to another KKR Credit Advisors (Ireland) Fund or Other Client or its portfolio companies due to confidentiality requirements or applicable law, though such action or disclosure might be in the latter's interests. Accordingly, such business dealings may result in adverse consequences to such other KKR Credit Advisors (Ireland) Funds or Other Clients or their investments.

In addition, portfolio companies of KKR proprietary entities, KKR Credit Advisors (Ireland) Funds or Other Clients that provide financial services ("**Controlled Financial Service Companies**") may enter into agreements, transactions or other arrangements with KKR Credit Advisors (Ireland), certain KKR proprietary entities, and Affiliated Brokers. For example, from time to time, investments originated by KKR Credit Advisors (Ireland), certain KKR proprietary entities, or Affiliated Brokers may be sold to, purchased from, or distributed by a Controlled Financial Service Company. Agreements, transactions, and other arrangements entered into by a Controlled Financial Service Company may directly or indirectly benefit KKR Credit Advisors (Ireland), KKR proprietary entities and Affiliated Brokers, or may adversely impact the relevant KKR Credit Advisors (Ireland) Fund or Other Client with which they do business. The interest of KKR Credit Advisors (Ireland), the KKR proprietary entities, or Affiliated Brokers in maximizing its return on such investments may give rise to a conflict of interest including, but not limited to, where KKR Credit Advisors (Ireland), the KKR proprietary entity or Affiliated Broker may have the ability to influence the activities of such Controlled Financial Service Companies. KKR Credit Advisors (Ireland) has established policies and procedures to address these conflicts, including policies and procedures designed to ensure that any fees paid to or received from the Controlled Financial Service Company are negotiated at arms-length, and that any potential conflicts are disclosed.

Certain KKR proprietary entities and Affiliated Brokers, on behalf of their proprietary and client accounts, make investments in minority or majority interests in companies, businesses or other investments in which KKR Credit Advisors (Ireland) Funds or Other Clients have no interest but which may be counterparties to or participants in agreements, transactions or other arrangements with portfolio companies of, a KKR Credit Advisors (Ireland) Fund or Other Client (for example a portfolio company of a KKR Credit Advisors (Ireland) Fund may retain a company in which KKR or KKR Credit Advisors (Ireland) has a proprietary interest to provide services or products or may acquire an asset from such company). KKR's ownership (indirect) of KKR Capital Markets LLC (see Item 10) is an example. Agreements, transactions and other arrangements entered into by KKR Credit Advisors (Ireland) Fund or Other Client portfolio companies and any such companies may indirectly benefit KKR Credit as an owner of such companies or may adversely impact any KKR Credit Advisors (Ireland) Fund or Other Client portfolio companies with which they do business. KKR Credit Advisors (Ireland)'s interest in maximizing its return on such investments may give rise to a conflict of interest in particular, but not limited to, where KKR Credit Advisors (Ireland) has the ability through its investments to influence the activities of such companies or encourages KKR Credit Advisors (Ireland) Fund or Other Client portfolio companies to transact therewith. Transactions between companies in which KKR acquires such proprietary interests, on the one hand, and KKR Credit Advisors (Ireland) Funds or Other Clients or their respective portfolio companies, on the other, are generally not expected to constitute the types of transactions that will entitle such companies to fees or other compensation that will reduce management fees payable by the KKR Credit Advisors (Ireland) Fund or Other Client. For example, insurance brokerage fees or IT licensing fees payable by a KKR Credit Advisors (Ireland) Fund portfolio company for related services of an affiliate of KKR Credit Advisors (Ireland) are not expected to reduce management fees.

Certain KKR proprietary entities and Affiliated Brokers, on behalf of their proprietary and client accounts, may also make investments in companies, businesses or other investments that compete with a KKR Credit Advisors (Ireland) Fund's or Other Client's investments. For example, KKR Credit Advisors (Ireland) or its affiliates may invest in a company which competes with a KKR Credit Advisors (Ireland) Fund portfolio company. In providing advice and recommendations to, or with respect to such investments and in dealing in such investments on behalf of the relevant proprietary or client accounts, KKR Credit Advisors (Ireland) and its affiliates will not take into consideration the interests of the relevant KKR Credit Advisors (Ireland) Fund or Other Client or their portfolio companies and other investments. Accordingly, such advice, recommendations and dealings may result in adverse consequences to such KKR Credit Advisors (Ireland) Funds or Other Clients or their investments (see also Item 10 for a discussion of services provided by Affiliated Brokers to competitor companies).

As noted in response to Item 5, Employees, Senior Advisors, Industry Advisors, KKR Advisors, KKR Capstone, RPM and other Consultants may serve on the boards of KKR Credit Advisors (Ireland) Fund or Other Client portfolio companies and in such capacity currently and may in the future receive director's fees, which may be retained in whole or in part by the relevant Employee, Senior Advisor, Industry Advisor, KKR Advisor, KKR Capstone, RPM or Other Consultant. Serving in such capacity may give rise to conflicts to the extent that an Employee's fiduciary duties to a portfolio company as a director may conflict with the interests of KKR Credit Advisors (Ireland) Funds or Other Clients. As the KKR Credit Advisors (Ireland) Funds or Other Clients will generally be significant investors in such companies, it is expected that such interests will generally be aligned. Employees, Senior Advisors, Industry Advisors, KKR Advisors, KKR Capstone, RPM and other Consultants may also serve as directors or interim executives, or otherwise be associated with, companies that are competitors of portfolio companies of certain KKR Credit Advisors (Ireland) Funds or Other Clients. It would be expected that the interests of a competitor company would often not be aligned with those of a KKR Credit Advisors (Ireland) Fund, Other Client or their portfolio company, and consistent with the fiduciary duty owed by Employees, KKR

Capstone, RPM, Senior Advisors, Industry Advisors, KKR Advisors and other Consultants to such competitor companies when serving on their boards, they will act in the best interests of the competitor companies, and not in the best interests of KKR Credit Advisors (Ireland) Funds or Other Clients. Having KKR Credit Advisors (Ireland) Employees serve as directors or interim executives of a portfolio company of a KKR Credit Advisors (Ireland) Fund or Other client or another company (including a portfolio company of another KKR Credit Advisors (Ireland) Fund, Other Client or KKR proprietary entity) may restrict the ability of a KKR Credit Advisors (Ireland) Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

As discussed below under “KKR Credit Advisors (Ireland) Purchases/Sales of Securities Recommended to KKR Credit Advisors (Ireland) Funds or Other Clients”, Employees and other persons associated with KKR Credit Advisors (Ireland) and executives of KKR Credit Advisors (Ireland) Fund portfolio companies are permitted to invest in KKR Credit Associates Vehicles established as co-investment vehicles to facilitate participation by such persons in portfolio investments made by KKR Credit Advisors (Ireland) Funds or Other Clients (which vehicles typically will not be charged management fees or carried interest allocations, performance fees or certain expenses). Employees and other persons associated with KKR Credit Advisors (Ireland) as well as KKR proprietary entities also may be permitted to co-invest in “opportunistic” investments by the Balance Sheet (described below), which may also be made alongside KKR Credit Advisors (Ireland) Funds or Other Clients. Please refer to “KKR Credit Advisors (Ireland) Purchases/Sales of Securities Recommended to KKR Credit Advisors (Ireland) Funds and Other Clients – *Proprietary Investments*” and “Allocations of Investment Opportunities – *Balance Sheet Investments*” for further information regarding such investments.

Certain KKR proprietary entities also make capital contributions to KKR Credit Advisors (Ireland) Funds and co-investments in portfolio companies. The Public Company indirectly holds limited partnership interests in a number of KKR Credit Advisors (Ireland) Funds and co-investments in portfolio companies, each of which it has transferred or sold and may in the future transfer or sell (in whole or in part), to third parties (including other investors in KKR Credit Advisors (Ireland) Funds) in negotiated transactions. Please refer to “KKR Credit Advisors (Ireland) Purchases/Sales of Securities Recommended to KKR Credit Advisors (Ireland) Funds and Other Clients – *Proprietary Investments*” for further information regarding such investments.

KKR Credit Advisors (Ireland) Funds and Other Clients may sell a portfolio company interest to a limited partner of a KKR Credit Advisors (Ireland) Fund or Other Client, including a limited partner or Other Client already directly or indirectly holding an interest in the same portfolio company or a limited partner in another KKR Credit Advisors (Ireland) Fund or Other Client that is not invested in the portfolio company. Because such proposed sales are from KKR Credit Advisors (Ireland) Funds or Other Clients (and not KKR Credit Advisors (Ireland)) and to limited partners of KKR Credit Advisors (Ireland) Funds or Other Clients and not “clients” as defined under the Advisers Act, KKR does not consider such sale transactions to be principal transactions. KKR Credit Advisors (Ireland) has policies and procedures to manage conflicts of interest that may arise in these circumstances.

Investments in which KKR Credit Advisors (Ireland), KKR Credit Advisors (Ireland) Funds, Other Clients, and KKR and/or KKR Funds Invest in Different Securities of the Same Issuer or Invest in the Same Issuer on Same or Different Dates

Certain KKR Funds and KKR proprietary entities have or may in the future have, an investment focus that is, at least in part, similar to the focus of certain KKR Credit Advisors (Ireland) Funds, Other Clients and KKR Credit Associates Vehicles. In particular, certain KKR Credit Advisors (Ireland) Funds or Other Clients may co-invest in private equity and other investments made by KKR Funds may co-invest in

credit investments alongside KKR Credit Advisors (Ireland) Funds or Other Clients. The overlap of investment focus may be viewed as giving rise to conflicts of interest between KKR Credit Advisors (Ireland) Funds and Other Clients.

Certain KKR Credit Advisors (Ireland) Funds, KKR Funds, KKR Credit Associates Vehicles and other KKR proprietary entities, Other Clients and KKR affiliates, including an Affiliated Broker, may also invest in different parts of the capital structure of the same portfolio company. For example, a KKR Credit Advisors (Ireland) Fund or a KKR Credit Advisors (Ireland) affiliate, including an Affiliated Broker, may invest in debt securities issued by a portfolio company in which a KKR Fund has a controlling or other equity interest or an Affiliated Broker may underwrite an offering of debt securities issued by a portfolio company that are more senior or junior to those held by a KKR Credit Advisors (Ireland) Fund or Other Client or a KKR Credit Advisors (Ireland) Fund or Other Client may hold preferred equity in a portfolio company in which another KKR Credit Advisors (Ireland) Fund or Other Client holds ordinary shares. The interests of the KKR Credit Advisors (Ireland) Fund and such KKR Fund or KKR Credit Advisors (Ireland) affiliate, including any Affiliated Broker, may not always be aligned, which may give rise to actual or potential conflicts of interest, or the appearance of such conflicts of interest. Actions taken for a KKR Credit Advisors (Ireland) Fund or Other Clients may be adverse to those taken for a KKR Fund, a KKR Credit Advisors (Ireland) affiliate, or vice versa and actions taken by an Affiliated Broker may be adverse to the interests of a KKR Credit Advisors (Ireland) Fund or Other Client, or vice versa. KKR has policies and procedures to mitigate potential conflicts of interest involved in investments by such entities in different parts of a portfolio company's capital structure.

Additionally, the investment programs employed by KKR Credit Advisors (Ireland), KKR for KKR Funds or KKR proprietary entities, as applicable, will conflict from time to time with the transactions and strategies employed by KKR Credit Advisors (Ireland) in managing KKR Credit Advisors (Ireland) Funds and Other Clients (or, as applicable, other KKR Credit Advisors (Ireland) Funds or Other Clients). For example, where a KKR Credit Advisors (Ireland) Fund, Other Client, KKR Fund or KKR proprietary entities including Seed Investments, hold portfolio investments in the same issuer, their interests will in many cases be in conflict irrespective of whether their investments are at different levels of the capital structure. In addition, KKR Credit Advisors (Ireland) and KKR may give advice or take action (including entering into short sales or other "opposite way trading" activities) with respect to the investments held by, and transactions of, certain KKR Credit Advisors (Ireland) Funds, Other Clients, KKR Funds or KKR proprietary entities that are different from, or otherwise inconsistent with, the advice given or timing or nature of any action taken with respect to the investments held by, and transactions of, KKR Credit Advisors (Ireland) Funds or Other Clients (or, as applicable, other KKR Credit Advisors (Ireland) Funds or Other Clients). Such advice and actions may adversely impact a KKR Credit Advisors (Ireland) Fund or Other Client.

The timing of entry into or exit from a portfolio investment may vary as among KKR Credit Advisors (Ireland) Funds, Other Clients, KKR Funds and KKR proprietary entities for reasons such as differences in strategy, existing portfolio or liquidity needs. Similarly, the form of consideration received in connection with an exit of an investment may also vary among these parties if, for example, KKR proprietary entities were to receive and retain an in-kind distribution of securities, for example, through an in-kind distribution by a KKR Credit Advisors (Ireland) Fund, Other Client or KKR Credit Advisors (Ireland) Fund to its general partner, where such securities are otherwise disposed of by such KKR Credit Advisors (Ireland) Fund, Other Client or KKR Fund for cash, in whole or in part. These variations in timing or form of consideration may be detrimental to another KKR Credit Advisors (Ireland) Fund or Other Client or any such other investing entities. There can be no assurance that the terms of, or the return on, such KKR Credit Advisors (Ireland) Fund's or Other Client's investment will be equivalent to, or better than, the terms of, or the returns obtained by, a different KKR Credit Advisors (Ireland) Fund or Other Client, or a KKR Fund or KKR proprietary entity, including in respect of any category of

investments, nor can there be any assurance that a different KKR Credit Advisors (Ireland) Fund or Other Client, or a KKR Fund or KKR proprietary entity with similar investment objectives, programs or strategies, including, without limitation, any Seed Investments, will hold the same positions, obtain the same financing or perform in a substantially similar manner as such KKR Credit Advisors (Ireland) Fund or Other Client.

Different advice and/or inconsistent actions may be due to a variety of reasons, including, without limitation, the differences between the investment objective, program, strategy or tax treatment of certain KKR Credit Advisors (Ireland) Funds or Other Clients, KKR Funds or KKR proprietary entities on the one hand and different KKR Credit Advisors (Ireland) Funds or Other Clients on the other, the regulatory status of certain KKR Credit Advisors (Ireland) Funds or Other Clients, KKR Funds and any related restrictions or obligations imposed on KKR Credit Advisors (Ireland) (or any affiliate) as a fiduciary thereof (including, for example, certain KKR Credit Advisors (Ireland) Funds or Other Clients or KKR Funds invested in by pension plans and employee benefit plans and constituting “plan assets” under ERISA or certain KKR Credit Advisors (Ireland) Funds or Other Clients or KKR Funds that are registered as investment companies under the Investment Company Act). For example, a KKR Credit Advisors (Ireland) Fund may engage in *bona fide* hedging transactions in connection with its investments, while KKR proprietary entities may enter into such transactions for speculative purposes or, alternatively, may hedge a given risk related to a given investment more or less fully than such KKR Credit Advisors (Ireland) Fund. KKR proprietary entities may enter into such hedging arrangements in connection with investments alongside a KKR Credit Advisors (Ireland) Fund and, like other investors in such KKR Credit Advisors (Ireland) Fund, may also enter into hedging arrangements in connection with their investments made through such KKR Credit Advisors (Ireland) Fund (including with respect to the applicable KKR Credit Advisors (Ireland) GP’s entitlement to receive carried interest distributions), which arrangements are not employed by such KKR Credit Advisors (Ireland) Fund itself. These differences in hedging strategy could result in such KKR proprietary entities achieving more or less favorable returns with respect to an investment relative to the returns achieved by the KKR Credit Advisors (Ireland) Fund or Other Client or other investors in the KKR Credit Advisors (Ireland) Fund or Other Client. In the future, certain KKR Credit Advisors (Ireland) Funds or Other Clients, KKR Funds or a KKR proprietary entity may concurrently, or in close proximity in time with such acquisition by a different KKR Credit Advisors (Ireland) Fund or Other Client, establish a short position in a security acquired by such KKR Fund or Other Client (for example as collateral) or that otherwise relates to such an investment held by such KKR Credit Advisors (Ireland) Fund or Other Client and such short sale may result in a decrease in the price of the security acquired by or otherwise held by such KKR Credit Advisors (Ireland) Fund or Other Client or may otherwise benefit the execution of the transaction entered into by another KKR Credit Advisors (Ireland) Fund or Other Client, or a KKR Fund and/or KKR proprietary entity.

With respect to portfolio companies of KKR Credit Advisors (Ireland) Funds, Other Clients or KKR proprietary entities that are private equity investments of KKR and/or KKR Funds (if any), such KKR Funds and/or KKR will seek to acquire controlling or other significant influence positions and will also seek to make some investments in which they do not acquire control or significant influence. KKR Funds or Other Clients will frequently have the ability to elect some or all of the members of the board of directors of their portfolio companies and thereby control their policies and operations, including the appointment of management, future issuances of common stock, or other securities, the payments of dividends, if any, on their common stock, the incurrence of debt, amendments to their certificates of incorporation and bylaws, and entering into extraordinary transactions. Certain actions of a portfolio company that KKR is in a position to control or influence either directly by reason of a KKR Fund’s, Other Client’s or KKR proprietary entity’s interest in such company may be in the interests of the KKR Fund or Other Client or KKR proprietary entity but adverse to the interests of a KKR Credit Advisors (Ireland) Fund or Other Client, or vice versa. For example, a KKR Fund or KKR proprietary entity could

have an interest in pursuing an acquisition that would increase indebtedness, a divestiture of revenue-generating assets, or another transaction that, in KKR's judgment, could enhance the value of the KKR Fund's investment, but would subject debt investments made by a KKR Credit Advisors (Ireland) Fund to additional or increased risk.

In addition, to the extent that a KKR Fund, Other Client or KKR proprietary entity is the controlling shareholder of a portfolio company of a KKR Credit Advisors (Ireland) Fund or Other Client, KKR or a KKR affiliate is likely to have the ability to determine (or significantly influence) the outcome of all matters requiring stockholder approval and to cause or prevent a change of control of such company or a change in the composition of its board of directors and could preclude any unsolicited acquisition of that company. A KKR Fund, Other Client or KKR proprietary entity interests with respect to the management, investment decisions, or operations of a portfolio company may at times be in direct conflict with those of KKR Credit Advisors (Ireland) Funds or Other Clients that do not have the same level of control or influence over the company. As a result, KKR may face actual or apparent conflicts of interest, in particular in exercising powers of control over KKR Fund portfolio companies.

KKR Credit Advisors (Ireland)'s ability to implement any KKR Credit Advisors (Ireland) Fund's or Other Client's strategy effectively may also be limited to the extent that contractual obligations entered into in respect of investments made by a different KKR Credit Advisors (Ireland) Fund or Other Client, a KKR Fund or a KKR proprietary entity. Limitations on strategy implementation may also result from regulatory obligations or restrictions imposed on KKR Credit Advisors (Ireland) as a result of the regulatory status of KKR proprietary entities and/or different KKR Credit Advisors (Ireland) Funds or Other Clients, or a KKR Fund (for example, under ERISA or the Investment Company Act), including restrictions on the ability of any KKR Credit Advisors (Ireland) Fund or Other Client (or KKR Credit Advisors (Ireland) on their behalf) to invest in securities or interests that such KKR Credit Advisors (Ireland) Fund or Other Client may otherwise be interested in pursuing or to otherwise take actions in respect of such KKR Credit Advisors (Ireland) Fund's or Other Client's investments that may be beneficial to such KKR Credit Advisors (Ireland) Fund or Other Client. For example, in certain instances in connection with the sale of investments by KKR proprietary entities or KKR Credit Advisors (Ireland) Funds and Other Clients, KKR Credit Advisors (Ireland) may enter into agreements prohibiting KKR Credit Advisors (Ireland) Funds, Other Client and KKR proprietary entities from engaging in activities that are deemed to compete with the disposed of investment for a certain period of time. Such agreements may prevent KKR Credit Advisors (Ireland) Funds or Other Clients from acquiring investments in certain sectors or regions, including investments that otherwise would have been appropriate for KKR Credit Advisors (Ireland) Funds or Other Clients.

For example, with respect to a KKR Credit Advisors (Ireland) Fund's or Other Client's debt investments in certain companies, KKR Funds may invest in equity issued by the same companies. The interests of the KKR Credit Advisors (Ireland) Fund or Other Client may not be aligned in all circumstances with the interests of the KKR Funds to the extent that they hold equity interests, which could create actual or potential conflicts of interest or the appearance of such conflicts. In that regard, actions may be taken by KKR (or any affiliate) or the KKR Funds that are adverse to the KKR Credit Advisors (Ireland) Fund or Other Client. The interests of the KKR Credit Advisors (Ireland) Fund, Other Client and/or KKR Funds investing in different parts of the capital structure of a portfolio company are particularly likely to conflict in the case of financial stress or distress of the company and such conflicts will be increased where KKR and/or KKR Funds hold material equity interests in a portfolio company or otherwise have a material influence on its management. For example, if additional financing is necessary as a result of financial or other difficulties of a portfolio company, it may not be in the best interests of a KKR Credit Advisors (Ireland) Fund or Other Client, as a holder of debt issued by such company, to provide such additional financing and the ability of KKR to recommend such additional financing as being in the best interests of KKR Credit Advisors (Ireland) Funds or Other Clients might be impaired. In addition, it is possible that,

in a bankruptcy proceeding, KKR Credit Advisors (Ireland) Funds or Other Client's interests may be subordinated or otherwise adversely affected by virtue of KKR Fund's or Other Client's involvement and actions relating to their investments. There can be no assurance that the term of or the return on a KKR Credit Advisors (Ireland) Fund's or Other Client's investment in a portfolio company will be equivalent to or better than the term of or the returns obtained by a KKR Fund participating in the transaction. Actions taken by KKR in respect of any KKR Fund's interest in a portfolio company may result in a loss or substantial dilution of KKR Credit Advisors (Ireland) Fund's or Other Client's investment in the same portfolio company, while such KKR Fund recovers all or part of amounts due to it. Similarly, KKR Credit Advisors (Ireland)'s. Similarly, KKR Credit Advisors (Ireland)'s ability to implement a KKR Credit Advisors (Ireland) Fund's or Other Client's strategies effectively may be limited to the extent that contractual obligations entered into in respect of the activities of KKR (or an affiliate), a KKR Fund impose restrictions on such KKR Credit Advisors (Ireland) Fund or Other Client engaging in transactions that KKR Credit Advisors (Ireland) may be interested in otherwise pursuing.

KKR Credit Advisors (Ireland) has established policies and procedures intended to mitigate potential conflicts of interest inherent in investments by KKR Credit Advisors (Ireland) Funds, Other Clients and KKR Funds in portfolio companies of other KKR Credit Advisors (Ireland) Funds or Other Clients. These policies and procedures, which include limitations on both the maximum amounts and types of such investment and procedures relating to transacting in the securities of such companies when they become distressed, are intended to supplement such restrictions and other requirements relating to such investments as may be disclosed in the offering materials, disclosure documents and/or governing documents of any KKR Credit Advisors (Ireland), Other Client or KKR Fund. However, no assurance can be made that any such conflict of interest will be resolved in favor of the KKR Credit Advisors (Ireland) Funds or Other Clients.

To the extent KKR Credit Advisors (Ireland) Funds, Other Clients or KKR Funds and any relevant dedicated single or multiple asset co-investment vehicles (and their related co-investors) co-invest in the same securities of the same issuer, KKR also will generally seek to ensure that all participants in such co-investments participate on comparable terms. This may not be practicable or appropriate in all circumstances, however, and, subject to applicable law, a KKR Credit Advisors (Ireland) Fund or Other Client or co-investment vehicle may participate in such investments on different and potentially less favorable terms than other participants if KKR Credit Advisors (Ireland) deems such participation as being otherwise in the best interests of any relevant KKR Credit Advisors (Ireland) Fund or Other Client.

CLO Transactions

Affiliates of KKR Credit Advisors (Ireland) and KKR may invest in CLOs managed by KKR Credit Advisors (Ireland) and may hold interests with priority and other rights different (and in some cases, better) than those held by unaffiliated investors in different levels of the CLO's capital structure. The differences in rights may create a conflict of interest for KKR Credit Advisors (Ireland) in determining whether to take certain actions on behalf of the CLO, as a KKR Credit Advisors (Ireland) client, as a whole which may have a different impact on a particular investor. KKR Credit Advisors (Ireland) has adopted a policy designed to avoid any such conflicts, or to mitigate a conflict that arises.

KKR/KKR Credit Advisors (Ireland) Purchases/Sales of Securities Recommended to KKR Credit Advisors (Ireland) Clients

Proprietary Investments

The Public Company uses the balance sheet (the “**Balance Sheet**”) of its subsidiaries as a significant source of capital to further grow and expand its business, increase its participation in existing businesses, improve the liquidity profile of the Firm. The Balance Sheet includes general partner capital commitments to, and limited partnership interests in certain KKR Credit Advisors (Ireland) Funds, KKR Funds and co-investments in certain portfolio companies of KKR Funds and KKR Credit Advisors (Ireland) Funds. The Balance Sheet also owns the assets of KKR Financial Holdings LLC (“**KFN**”) and interests in Stakes and Seed Managers. The Balance Sheet also holds other assets used in the development of the Public Company’s business, including seed capital for the purpose of developing, evaluating and testing potential investment strategies or products (“**Seed Investments**”). The Balance Sheet also engages in certain structured financing transactions to improve the liquidity profile of the Firm and further expand its investor base. For example, the Balance Sheet has established an alternative asset financing vehicle and certain separate structured managed accounts to obtain financing on pools of assets, including assets from the Balance Sheet, in consideration for providing the lenders with a portion of the upside in such investments and retaining a “first loss” position with respect to any depreciation in the value of such investments over a designated term.

In addition, the Balance Sheet may make a capital commitment to a KKR Credit Advisors (Ireland) Fund or Other Client in order to “bridge” a capital commitment by a prospective investor that is unable to complete its subscription prior to the final closing. Such a “bridge” by the Balance Sheet may be effected through a limited partner commitment or, subject to the minimum commitment amount for the KKR Credit Advisors (Ireland) Fund or Other Client, through the conversion of a portion of the interest of the general partner of the KKR Credit Advisors (Ireland) Fund or Other Client into a limited partner interest, followed by the transfer of the relevant interest to the prospective investor.

In addition, a KKR Credit Advisors (Ireland) Fund or Other Client may, subject to applicable requirements in their governing documents, which may include obtaining advisory committee consent, determine to sell a particular portfolio company interest into a separate vehicle, which may be managed by KKR Credit Advisors (Ireland), with different terms than the KKR Credit Advisors (Ireland) Fund or Other Client (i.e., longer duration), and provide investors with the option to monetize their investment with the KKR Credit Advisors (Ireland) Fund or Other Client at the time of such sale, or to roll all or a portion of their interest in the portfolio company into the new vehicle. Under such circumstances, KKR Credit Advisors (Ireland) may invest in or alongside the new vehicle, or hold the entirety of the portfolio company interest sold by the KKR Credit Advisors (Ireland) Fund or Other Client through or alongside the new vehicle (i.e., in the event that all investors elect to monetize their investment at the time of sale to the new vehicle).

The Public Company has adopted policies and procedures (the “**Balance Sheet Guidelines**”) to mitigate potential conflicts of interest between the investment activities of the Balance Sheet on the one hand and any KKR Credit Advisors (Ireland) Fund (or Other Client) on the other. Under the Balance Sheet Guidelines, the Balance Sheet’s uses are categorized generally into three primary categories: (1) strategic, (2) opportunistic and (3) operational funding.

Strategic uses principally focus on acquiring or owning assets in the financial services industry to enhance the Public Company’s businesses or earnings. Examples of such uses include strategic acquisitions, such as KFN, general partner commitments to KKR Credit Advisors (Ireland) Funds and KKR Funds, warehoused investments for KKR Credit Advisors (Ireland) Funds and KKR Funds and Stakes and Seed Managers. For the sake of clarity, Stakes and Seed Managers are separate and distinct from Seed Investments. Investments in Stakes and Seed Managers involve strategic, non-controlling investments in third-party managers (and their funds) while Seed Investments are strategic investments managed by KKR (or its affiliates). If a potential (non-warehoused) investment is determined by KKR in its discretion to be strategic in nature, then such investment opportunity (including the acquisition of assets that are

within the investment focus of any KKR Credit Advisors (Ireland) Fund or Other Client) is deemed not within the investment focus of any KKR Credit Advisors (Ireland) Fund or Other Client and will not be allocated accordingly. In addition, KKR may determine that an investment in a company is strategic at one given time but an investment in a similar company is opportunistic at a later time due to geographic or other considerations (including, but not limited to, investments in different parts of the capital structure).

Opportunistic uses are investments principally made to generate a return on investment and KKR may make opportunistic investments pursuant to investment strategies that mirror or are similar to, in whole or in part, investment strategies implemented by KKR Credit Advisors (Ireland) on behalf of KKR Credit Advisors (Ireland) Funds or Other Clients due to geographic or other considerations. KKR seeks to mitigate potential conflicts of interest arising from opportunistic investments by offering, where KKR believes it is appropriate, such investments to relevant KKR Credit Advisors (Ireland) Funds or Other Clients.

KKR proprietary entities from time to time co-invest in KKR Credit Advisors (Ireland) Funds' or Other Clients' investments in portfolio companies. Co-investments by KKR proprietary entities result in less availability of discretionary investment opportunities for third parties. KKR Credit Advisors (Ireland) does not generally charge management fees or performance related compensation for its services to such other KKR proprietary entities for such co-investment opportunities and KKR Credit Advisors (Ireland) (or its affiliates) retains any allocated monitoring fees, transaction fees and services costs based on their respective ownership of the relevant investment in a portfolio company. KKR Credit Advisors (Ireland) may also bear any allocable share of expenses related to such co-investments on behalf of such KKR proprietary entities. Application of KKR Credit Advisors (Ireland)'s allocation policies and procedures may result in allocations of investment opportunities between KKR Credit Funds or Other Clients on the one hand and KKR proprietary entities on the other, that are non-pro rata (including a greater than pro rata allocation to a proprietary account) relative to a KKR Credit Advisors (Ireland) Fund or Other Client in either the same or different parts of a target company's capital structure. See "Allocation of Investments" below for further information. In addition, a KKR Credit Advisors (Ireland) Fund or Other Client may, subject to applicable requirements in their governing documents which may include obtaining limited partner advisory committee consent, determine to sell a particular portfolio company interest into a separate vehicle, which may be managed by KKR Credit Advisors (Ireland), with different terms than the KKR Credit Advisors (Ireland) Fund or Other Client (for example, longer duration). Under such circumstances, KKR Credit Advisors (Ireland) may invest in the new vehicle alongside participating limited partners, or hold the entirety of the portfolio company interest sold by the KKR Credit Advisors (Ireland) Fund or Other Client through the new vehicle.

Moreover, KKR may manage proprietary entities according to investment strategies that are inconsistent with, or deviate in material aspects from, the investment strategies pursued by KKR Credit Advisors (Ireland) Funds or Other Clients. The foregoing proprietary entities, including Seed Investments and KFN may invest in similar or the same types of securities, properties or other assets in which KKR Credit Advisors (Ireland) Funds or Other Clients may invest or otherwise do or may in the future, or may have investment objectives, programs, strategies and positions that are similar to, or may conflict with, those of KKR Credit Advisors (Ireland) Funds or Other Clients. These proprietary entities may compete with, and have interests adverse to a KKR Credit Advisors (Ireland) Fund or Other Client. The existence of Seed Investments and KKR proprietary entities, including KFN, investing in the same or similar investments that may be made by KKR Credit Advisors (Ireland) Funds or Other Clients could, among other adverse consequences, affect the prices of the investments, securities, properties or other assets in which a KKR Credit Advisors (Ireland) Fund or Other Client invests and will affect the availability of such assets. In such circumstances, KKR's interest in maximizing the investment return of its proprietary entities and those of its affiliates may create a conflict of interest in that KKR may be motivated to allocate more

attractive investments to the proprietary entities under its management, and allocate less attractive investments to the KKR Credit Advisors (Ireland) Funds or Other Clients. Similarly, KKR may be motivated to allocate scarce investment opportunities to the proprietary entities under its management rather than to the KKR Credit Advisors (Ireland) Funds or Other Clients. Investment professionals who participate in investment decisions made on behalf of KKR Credit Advisors (Ireland) Funds or Other Clients as described above are also involved in the investment activities of the Balance Sheet. As noted above, the Balance Sheet Guidelines seek to mitigate the potential conflicts of interest.

Lastly, the Balance Sheet's operational funding uses typically consist of activities to facilitate normal course transactions in support of the Public Company's businesses, including credit support to KKR Credit Advisors (Ireland) GP obligations to KKR Credit Advisors (Ireland) Funds and Other Clients and support of certain transactions by KKR Credit Advisors (Ireland) Funds and Other Clients. Examples of such activities include capital support for the activities of Affiliated Brokers and treasury and liquidity management investments. Operational activities may also include provision by the Balance Sheet of credit support to a KKR Credit Advisors (Ireland) GP's obligation to a KKR Credit Advisors (Ireland) Fund or Other Client to support certain transactions by KKR Credit Advisors (Ireland) Funds or Other Clients as well as support of certain transactions by KKR Funds or Other Clients or their portfolio companies. For example, the Balance Sheet may provide interest-free loans to holding companies through which a KKR Fund or Other Client invests or to platform vehicles in order to bridge down payments or other operational needs of a portfolio investment pending the receipt of capital contributions from the KKR Fund or Other Client and other equity owners. As an additional example, a KKR proprietary account has in the past and may in the future, guarantee the obligation of a KKR Credit Advisors (Ireland) GP to post collateral on behalf of a KKR Credit Advisors (Ireland) investment vehicle in connection with such investment vehicle's derivative transactions, and has also agreed to be liable for certain investment losses and/or for providing liquidity in the events specified in the governing documents other KKR investment vehicles. KKR Credit Advisors (Ireland) has also provided credit support regarding repayment obligations to third-party lenders to certain of its employees, excluding its executive officers, in connection with their personal investments in KKR Credit Advisors (Ireland) Funds and to a strategic partner regarding the ownership of its business. KKR Credit Advisors (Ireland) also may become liable for certain fees payable to sellers of businesses or assets if a transaction does not close, subject to certain conditions, if any, specified in the acquisition agreements for such businesses or assets. Operational funding activities are not offered to KKR Credit Advisors (Ireland) Funds or Other Clients for investment allocation purposes.

Moreover, from time-to-time, KKR Credit Advisors (Ireland) may finance, securitize or employ other structured finance arrangements in respect of certain Balance Sheet assets, including co-investments and investments in KKR Credit Advisors (Ireland) Funds, Other Clients or other KKR Credit Advisors (Ireland) investment vehicles. These financing arrangements could alter KKR Credit Advisors (Ireland)'s returns and risk exposure with respect to the applicable Balance Sheet assets as compared to KKR Credit Advisors (Ireland) holding such assets outside of such arrangements and could create incentives for KKR Credit Advisors (Ireland) to take actions in respect of such assets that it otherwise would not in the absence of such arrangements.

Allocation of Investments

KKR Credit Advisors (Ireland) has adopted policies and procedures designed to ensure allocations of opportunities among KKR Credit Advisors (Ireland) Funds, Other Clients, and those KKR proprietary entities that participate in the relevant KKR Credit investment strategy, to the extent practicable and in accordance with each KKR Credit Fund's, Other Client's, KKR Credit Associates Vehicle's and KKR proprietary entity's applicable investment strategies, are made on a fair and equitable basis over time. These policies and procedures are in addition to policies and procedures adopted by KKR that seek to allocate investment opportunities and related co-investment opportunities among KKR Credit Funds or

Other Clients, KKR Credit Associate Vehicles, KKR Funds, KKR proprietary entities or other KKR Credit affiliates or other parties, including other co-investors, in the event there is an overlap of investment strategies with KKR. Such policies and procedures are further supported by specific guidelines addressing proprietary investment activity which may occur alongside KKR Credit Funds and Other Clients. Allocations of investment opportunities among KKR Credit Funds, or Other Clients, KKR Credit Associates Vehicles and those KKR proprietary entities that participate in the relevant KKR Credit investment strategy, are overseen by KKR Credit Conflicts Committee. Investment allocation review and general oversight has been delegated to an Allocation Sub-Committee which provides periodic reporting to the KKR Credit Conflicts Committee. Escalation to KKR's Global Conflicts Committee may be determined as an appropriate action by the KKR Credit Conflicts Committee, from time to time. Notwithstanding the application of the foregoing policies and procedures, KKR proprietary entities may over any particular time period, and over all time periods, have better performance than the KKR Credit Funds and Other Clients.

In order to manage the allocation of investment opportunities, and to maintain the integrity of the investment strategy and track record of any Seed Investment or a KKR proprietary entity, investments will be allocated in a manner consistent with and pursuant to KKR Credit's allocation procedures. Under these procedures, the conflicts inherent in making such allocation decisions may not always be resolved to the advantage of the KKR Credit Funds and Other Clients. Moreover, except as provided in the governing documents of KKR Credit Funds or Other Clients, no KKR Credit Fund or Other Client will necessarily have any priority with respect to any category of investment opportunities in accordance with KKR Credit's allocation methodology (as discussed below) and may result in a KKR Credit Fund or Other Client being allocated less than a pro rata share of an investment opportunity or none of such opportunity.

Process

KKR Credit' Advisors (Ireland) allocation methodology is based on a *pro rata* allocation or other allocation method deemed reasonable and appropriate for the respective investment strategy for which a particular investment is made and for the KKR Credit Advisors (Ireland) managed Funds, Other Clients, KKR Credit Associates Vehicles and KKR Proprietary entities that participate in such strategy, provided that the method is designed to achieve a fair and equitable allocation of such investment opportunity among all eligible KKR Credit Funds and Other Clients over time. A *pro rata* allocation generally incorporates, to the extent appropriate, the investment specific parameters as established by the respective investment committee with respect to an established investment strategy as well as the investment criteria of KKR Credit Funds, Other Clients, Seed Investments and other KKR proprietary entities participating in a particular investment strategy. Under a *pro rata* allocation, investments will be allocated among participating KKR Credit Funds or Other Clients, KKR Credit Associates Vehicles, Seed Investments and other KKR proprietary entities based on requested order size for KKR Credit vehicles managed on a parallel basis (e.g., onshore and offshore KKR Credit Funds and Other Clients that share substantially similar investment objectives and strategies), taking into account any relevant investment criteria and limitations. Such criteria may include, without limitation, investment objectives, available capital, the timing of capital inflows and outflows and anticipated capital commitments and subscriptions; applicable concentration limits and other investment restrictions; mandatory minimum investment rights and other contractual obligations applicable to participating funds, vehicles and accounts and/or to their investors; portfolio diversification; tax

efficiencies and potential adverse tax consequences; regulatory restrictions applicable to participating funds, vehicles and accounts and investors that could limit a KKR Credit Fund's and Other Client's ability to participate in a proposed investment; policies and restrictions applicable to participating funds, vehicles and accounts; the avoidance of odd-lots or a *de minimis* allocation to one or more participating funds, vehicles and accounts; the potential dilutive effect of a new position; the overall risk profile of a portfolio; the potential return available from a debt investment as compared to an equity investment; and any other considerations deemed relevant by KKR Credit and its affiliates.

The application of relevant factors and other limitations discussed above in determining allocations of investment opportunities between a KKR Credit Fund, Other Client, KKR Credit Associates Vehicle or Seed Investment may result in a KKR proprietary entity taking a non-pro rata allocation of any excess capacity of a particular investment opportunity relative to a KKR Credit Fund or Other Client in either the same or different parts of the target's capital structure. Subject to the applicable governing documents, such determinations may also result in the dilution of a KKR Credit Fund's or Other Client's interest in any existing investment by another KKR Credit Fund or Other Client or Seed Investment and other KKR proprietary entity (and/or third party co-investors) to the extent that an investment opportunity constituting a follow-on investment in respect of an existing investment arises and the relevant KKR Credit Fund or Other Client has insufficient available capital (including pursuant to reserves for follow-on investments following the end of the KKR Credit Fund's or Other Client's investment period established by the relevant KKR Credit GP or KKR Credit) or is subject to investment restrictions, tax covenants or other constraints restricting its ability to take up all or any part of what would otherwise be its allocable share of such opportunity (which would generally be based on its participation in the initial investment). Any such dilution may be determined on the basis of a valuation in respect of the existing investment determined by the relevant KKR Credit GP or KKR Credit. Conversely, to the extent a KKR Credit Fund or Other Clients participating in the original investment has insufficient capital or is otherwise unable to participate on a pro rata basis in any related follow-on investment opportunity, such excess opportunity may be allocated in whole or in part to another KKR Credit Fund or Other Client increasing its concentration in the relevant investment, which may increase the losses incurred by such other KKR Credit Fund or Other Client to the extent such follow-on investment as a whole does not perform as anticipated. In addition, an allocation range with a minimum and maximum investment amount may be deemed appropriate for a KKR Credit Fund, Other Client, Seed Investment and other KKR proprietary entity, with the investment amount above the minimum being offered to non-affiliated third parties in order to facilitate a transaction. In the event the non-affiliated third parties do not participate fully in the offered investment amount, the KKR Credit Fund, Other Client, Seed Investment and other KKR proprietary entity will be allocated the balance, up to its maximum allocation.. Reallocations are permitted only when in the best interests of all KKR Credit Funds, Other Clients, Seed Investments and other KKR proprietary entities concerned, as determined by the portfolio manager seeking to reallocate along with requisite Compliance approval as outlined in KKR Credit's Allocation Policy.

From time to time, a particular investment may be deemed suitable for and within the established criteria of more than one credit investment strategy. To the extent there is a strategy overlap with respect to such investment opportunity, the allocation methodology will be based on a *pro rata* allocation across the respective investment strategies based on their specific order size to eligible KKR Credit Funds and Other Clients that participate in a relevant strategy.

Investments in Marketable Securities

Periodically, KKR Credit Funds and Other Clients may be given an opportunity to purchase securities in initial public offerings and such offerings are expected to be over-subscribed. Such "new issues" often trade at a premium in the secondary market, which may provide the potential of an immediate profit. As a result, all investments in new issues subject to FINRA Rules 5130 and 5131 will be allocated pro rata only to those KKR Credit Funds, Other Clients or KKR proprietary entities qualified to invest in such

new issues. The determination of the eligibility of any such entity to invest in new issues will be made by KKR Credit's Legal and Compliance department through, among other things, questionnaires contained in subscription agreements or other documentation or confirmation obtained from investors therein designed to elicit specific information regarding investor eligibility.

Other Conflicts of Interest

Side Letters, Strategic Partnerships and Other Arrangements

A KKR Credit Advisors (Ireland) Fund or KKR Credit Advisors (Ireland) GP may enter into side letters or other similar agreements with particular investors in such KKR Credit Advisors (Ireland) Fund without the approval or vote of any other investor, which would have the effect of establishing rights under, altering or supplementing the terms of such KKR Credit Advisors (Ireland) Fund's governing documents

with respect to such investors in a manner more favourable to such investors than those applicable to other investors. Any rights established or any terms of the governing documents altered or supplemented, in side letters or other similar agreements with investors will govern solely with respect to such investors, notwithstanding any other provisions of the governing documents. Such rights or terms in any such side letters or other similar agreements may include, without limitation: (i) excuse rights applicable to particular investments (which may increase the percentage interest of other investors in and contribution obligations of other investors with respect to, such investments); (ii) reporting obligations of the KKR Credit Advisors (Ireland) GP; (iii) waiver of certain confidentiality obligations; (iv) consent of the KKR Credit Advisors (Ireland) GP to certain transfers by such investors or other exercises by the KKR Credit Advisors (Ireland) GP of its discretionary authority under a KKR Credit Advisors (Ireland) Fund's governing documents or (v) rights or terms necessary in light of particular legal, tax, regulatory or public policy characteristics of an investor.

KKR Credit Advisors (Ireland) and its affiliates may from time to time enter into agreements with investors who are in a KKR Credit Advisors (Ireland) Fund, which agreements are entered into with such investors other than in their respective capacities as investors in such fund. Such agreements do not constitute side letters since they do not establish rights under or alter or supplement the terms of the KKR Credit Advisors (Ireland) Fund's governing documents and therefore will not be disclosed or offered to other investors. Such agreements may include, without limitation, strategic partnerships with investors, arrangements regarding investments with KKR Credit Advisors (Ireland) in one or more investment strategies, which may include co-investments alongside the relevant KKR Credit Advisors (Ireland) Fund and other KKR Credit Advisors (Ireland) Funds, and similar arrangements established by KKR Credit and Advisors (Ireland) its affiliates with investors other than in their respective capacities as investors in the relevant KKR Credit Advisors (Ireland) Fund.

KKR Credit Advisors (Ireland) has entered into, and may in the future enter into, strategic partnerships or other multi-strategy or multi-asset class arrangements with investors that commit capital to a range of KKR Credit Advisors (Ireland)'s platform of products, investment ideas and asset classes (including the investment strategy of an existing KKR Credit Advisors (Ireland) Fund). Such arrangements may include KKR Credit Advisors (Ireland) granting certain preferential terms to such investors, including blended fee and carried interest rates that are lower than those applicable to a KKR Credit Advisors (Ireland) Fund when applied to the entire strategic partnership. Where such investors participate in a KKR Credit Advisors (Ireland) Fund through dedicated investment vehicles or accounts as part of such arrangements, such vehicles and accounts may be granted terms, including management fees or carried interest, that are more favourable than those applicable to other investors notwithstanding that the capital commitment of the relevant investors to such vehicles or accounts and/or the capital commitments to the KKR Credit Advisors (Ireland) Fund by such vehicles or accounts maybe smaller than other investors' capital commitments to such KKR Credit Advisors (Ireland) Fund. Where management fees and carried interest are applicable at the level of such vehicles and accounts, such terms may include a waiver of management fees and carried interest on their investment in a KKR Credit Advisors (Ireland) Fund.

KKR Credit Advisors (Ireland) may also establish other KKR Credit Advisors (Ireland) Funds that pursue similar investments and strategies to the relevant KKR Credit Advisors (Ireland) Fund and may permit such other KKR Credit Advisors (Ireland) Funds and any other investor to co-invest in investments made by such relevant KKR Credit Advisors (Ireland) Fund. The terms applicable to such other KKR Credit Advisors (Ireland) Funds and co-investors, including management fees or carried interest, may be more favourable than those applicable to the relevant KKR Credit Advisors (Ireland) Fund (and may include no fees and/or carried interest). The foregoing preferential terms are not subject to the "most favored nation" provisions of any relevant KKR Credit Advisors (Ireland) Fund and are therefore unavailable to investors in such KKR Credit Advisors (Ireland) Fund that have not entered into strategic partnerships or other comparable arrangements with KKR Credit Advisors (Ireland).

Service Providers

Certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms), to a KKR Credit Advisors (Ireland) Fund or Other Client and its portfolio companies also provide goods or services to or have business, personal, political, financial or other relationships with the general partner of such fund, KKR Credit Advisors (Ireland) or its affiliates or employees. Such advisors and service providers may be investors in other KKR Credit Advisors (Ireland) Funds, sources of investment opportunities for KKR Credit Advisors (Ireland), or may otherwise be co-investors with or counterparties to transactions involving the foregoing and payments by such KKR Credit Advisors (Ireland) Funds and/or portfolio companies may indirectly benefit KKR Credit Advisors (Ireland) or such other KKR Credit Advisors (Ireland) Funds. These relationships may influence a KKR Credit Advisors (Ireland) GP and KKR Credit

Advisors (Ireland) in deciding whether to select or recommend any such advisor or service provider to perform services for a KKR Credit Advisors (Ireland) Fund or Other Client or a portfolio company (the cost of which will generally be borne directly or indirectly by such KKR Credit Advisors (Ireland) Fund or Other Client or its portfolio company, as applicable).

Notwithstanding the foregoing, KKR Credit Advisors (Ireland) GPs and KKR Credit Advisors (Ireland) will generally seek to engage advisors and service providers in connection with investment transactions for KKR Credit Advisors (Ireland) Funds or Other Clients that require their use on the basis of cost and the overall quality of advice and other services provided, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that a KKR Credit Advisors (Ireland) GP believes to be of benefit to the KKR Credit Advisors (Ireland) Fund or Other Client, as applicable. Advisors and service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. With respect to service providers, for example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by KKR Credit Advisors (Ireland) Funds, Other Clients and portfolio companies are different from those used by KKR Credit Advisors (Ireland) and its affiliates, KKR Credit Advisors (Ireland) and its affiliates may pay different amounts or rates than those paid by the KKR Credit Advisors (Ireland) Funds, Other Clients and portfolio companies. However, it is KKR Credit Advisors (Ireland)'s practice to not enter into arrangements with advisors or service providers that could provide for lower rates or discounts than those available to KKR Credit Advisors (Ireland) Funds, Other Clients or portfolio companies for the same services.

Third Party Placement Agents

KKR Credit Advisors (Ireland) may enter into arrangements with third parties to raise capital for a KKR Credit Advisors (Ireland) Fund or Other Client. Such placement agents may receive a flat fee or in some cases a percentage of the investments they bring to the respective KKR Credit Advisors (Ireland) Fund or Other Client. KKR Credit Advisors (Ireland) generally bears such fees instead of KKR Credit Advisors (Ireland) Funds or Other Clients. Basing the placement agent's compensation on an investor's decision to invest creates a conflict of interest by incentivizing the placement agent to attract investors to a KKR Credit Advisors (Ireland) Fund or Other Client when it may not be in the investors' best interests to subscribe.

Interpretation of Governing Documents and Legal Requirements

The governing and related documents of each KKR Credit Advisors (Ireland) Fund or Other Client are detailed agreements that establish complex arrangements among KKR Credit Advisors (Ireland), the investors, the KKR Credit Advisors (Ireland) Fund or Other Client, and other entities and individuals. Questions will arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, some of which the parties may not have considered while drafting and executing these agreements. In these instances, the applicable provisions of the agreements, if any, may be broad, general, ambiguous, or conflicting, and may permit more than one reasonable interpretation. At times, there may not be provisions directly applicable to the situation at hand. While KKR Credit Advisors (Ireland) will construe the relevant agreements in good faith and in a manner consistent with its legal obligations, the interpretations it adopts may not necessarily be, and need not be, the most favorable interpretations for KKR Credit Advisors (Ireland) Funds or Other Clients or their investors.

Multiple Clients

Certain inherent conflicts of interest arise from the fact that KKR Credit Advisors (Ireland) provides investment management services to multiple clients, as these clients may have overlapping investment objectives. The KKR Credit Advisors (Ireland) professionals who provide investment management services to one KKR Credit Advisors (Ireland) Fund or Other Client are affiliated with (or in some cases are the same as) other KKR Credit Advisors (Ireland) professionals who provide similar services to other KKR Credit Advisors (Ireland) Funds or Other Clients with the same or similar investment objectives. In addition, portfolio strategies or KKR proprietary investment strategies that KKR Credit Advisors (Ireland) employs for a certain KKR Credit Advisors (Ireland) Fund or Other Client could conflict with strategies for other KKR Credit Advisors (Ireland) Funds or Other Clients, and may affect the prices and availability of securities and other assets in which such other KKR Credit Advisors (Ireland) Funds or Other Clients invest. KKR Credit Advisors (Ireland) may also advise KKR Credit Advisors (Ireland) Funds or Other Clients with conflicting investment objectives or strategies, which can adversely affect the prices and availability of other securities or instruments held by or considered for one or more KKR Credit Advisors (Ireland) Funds or Other Clients.

KKR Credit Advisors (Ireland) may receive various kinds of portfolio company data and information (including from portfolio entities of KKR Credit Advisors (Ireland) Funds or Other Clients), including information relating to business operations, trends, budgets, customers and other metrics. In furtherance of the foregoing, KKR Credit Advisors (Ireland) may seek to enter into information sharing and use arrangements with portfolio companies. KKR Credit Advisors (Ireland) believes that access to this information may further the interests of limited partners by providing opportunities for operational improvements across portfolio companies and for KKR Credit Advisors (Ireland) to utilize such information in connection with the investment management activities of KKR Credit Advisors (Ireland) Fund and Other Clients. Subject to appropriate applicable confidentiality requirements and applicable law and KKR Credit Advisors (Ireland)'s policies and procedures on the proper handling of private and confidential information, KKR Credit Advisors (Ireland) may also utilize such information outside of the activities of KKR Credit Advisors (Ireland) Funds or Other Clients in a manner that provides a material benefit to KKR Credit Advisors (Ireland) Funds or Other Clients, or to KKR Credit Advisors (Ireland) or KKR Credit Advisors (Ireland) affiliates in which KKR Credit Advisors (Ireland) Funds or Other Clients would not participate. However, the acquisition of certain confidential or material, non-public information may also limit the ability of KKR Credit Advisors (Ireland) Funds or Other Clients to buy or sell particular securities. The benefits received by KKR Credit Advisors (Ireland) or KKR Credit Advisors (Ireland) affiliates from any such arrangements will not offset management fees or otherwise be shared with investors.

Common Advisors

KKR Credit Advisors (Ireland) Funds, Other Clients, certain co-investment vehicles, KKR Credit Associates Vehicles and KKR Funds will generally engage common legal counsel and other advisors to represent all of the parties in a particular transaction, including a transaction in which such funds have conflicting interests because they are investing in different securities of a single portfolio company. In the event of a significant dispute or divergence of interest between one or more KKR Credit Advisors (Ireland) Funds, Other Clients, certain co-investment vehicles, KKR Credit Associates Vehicles and KKR Funds, such as in a work-out or other distressed situation, separate representation may become desirable, in which case KKR Credit may hire separate counsel in its sole discretion, and in litigation and other circumstances, separate representation may be required. Legal counsel and other advisors who advise KKR Credit Advisors (Ireland) Funds and Other Clients also routinely represent KKR Credit Advisors (Ireland) and KKR affiliates in various matters. Partners of the law firms and other advisor and service providers engaged to represent KKR Credit Advisors (Ireland) Funds, Other Clients, certain co-investment vehicles, KKR Credit Associates Vehicles and KKR Funds may be directly or indirectly investors in such funds, and may also represent one or more portfolio companies or investors of such funds.

Item 12 Brokerage Practices

To the extent required by applicable law, it is KKR Credit Advisors (Ireland)'s policy to seek to obtain best execution of trades (if any) in public equity and debt securities and other marketable securities traded on behalf of the KKR Credit Advisors (Ireland) Funds and Other Clients by a selected broker-dealer. In seeking best execution, the determinative factor is not always the lowest possible per security price or commission but whether, in KKR Credit Advisors (Ireland)'s view, the transaction represents the best overall qualitative and quantitative execution for the KKR Credit Advisors (Ireland) Fund or Other Client. KKR Credit Advisors (Ireland)'s process of determining best execution involves not only an assessment of brokerage commissions or bid/offer spreads, but also an evaluation of broker-dealer ancillary services. KKR Credit Advisors (Ireland) will consider the full range of a broker-dealer's services in assessing best execution, including:

- competitiveness of commission rates and spreads;
- promptness of execution;
- past history in executing orders;
- clearance and settlement capabilities;
- research capabilities and quality;
- access to markets, investments (including access to new issues) and distribution network;
- whether the broker-dealer is making a market in a particular issuer;
- trade error rate and ability or willingness to correct errors;
- anonymity/confidentiality;
- market impact;
- liquidity;
- speed of execution;
- expertise with complex transactions;
- trading style and strategy; and
- geographic location.

Although KKR Credit Advisors (Ireland) will seek competitive commissions and spreads, it may not necessarily obtain the lowest possible rates for portfolio transactions. The commissions, spreads or other transaction or financial advisory fees charged by an executing broker-dealer may be higher or lower than those charged by other broker-dealers. On a quarterly basis, KKR Credit Advisors (Ireland)'s Trade Review Committee conducts an evaluation of the qualitative and quantitative factors surrounding the execution quality of its counterparties.

As noted above in Item 10, the Affiliated Brokers do not execute transactions on behalf of KKR Credit Advisors (Ireland) Funds and Other Clients. In addition, such Affiliated Brokers do not maintain client accounts.

Research and Other Soft Dollar Benefits

Pursuant to KKR Credit Advisors (Ireland)'s policy, it does not enter into soft dollar or comparable commission sharing arrangements with broker-dealers relating to transactions executed for the benefit of KKR Credit Advisors (Ireland) Funds or Other Clients, despite the incentive to receive research or other products or services without paying. It should be noted, however, that various broker-dealers may provide KKR Credit Advisors (Ireland) or its affiliates with proprietary research and other products and services, which KKR Credit may use to service all KKR Credit Advisors (Ireland) Funds or Other Clients, if applicable, equally. KKR Credit Advisors (Ireland) is of the view that it would receive such research, products and services regardless of the volume of transactions executed through such broker-dealers or the level of commissions or spreads generated by such transactions and that, accordingly, it is not causing any KKR Credit Advisors (Ireland) Fund and Other Client to "pay up" for such research, services or products and such research, products and services are not a factor considered by KKR Credit Advisors (Ireland) in directing client transactions to such broker-dealers. KKR Credit Advisors (Ireland) does not cause KKR Credit Advisors (Ireland) Funds or Other Clients to pay commissions higher than those charged by other broker-dealers in return for soft-dollar benefits or direct client transactions to a particular broker-dealer in return for soft dollar benefits. Acquisitions of portfolio companies will typically be executed by KKR Credit Advisors (Ireland) on behalf of KKR Credit Advisors (Ireland) Funds or Other Clients on terms specifically negotiated by KKR Credit Advisors (Ireland) with such companies or the seller of such companies.

Directed Brokerage

KKR Credit Advisors (Ireland) does not recommend, request or require that a client direct KKR Credit Advisors (Ireland) to execute transactions through a specified broker-dealer.

Aggregation of Client Orders (Bunched Trades)

In order to minimize execution costs and obtain best execution for KKR Credit Advisors (Ireland) Fund and Other Client transactions in marketable securities, KKR Credit Advisors (Ireland) may bunch orders for KKR Credit Advisors (Ireland) Funds and Other Clients (subject to KKR Credit Advisors (Ireland)'s obligation to seek best execution for KKR Credit Advisors (Ireland) Funds and Other Clients and otherwise treat KKR Credit Advisors (Ireland) Funds and Other Clients in a fair and equitable manner over time). Allocations of bunched trades are made consistent with KKR Credit Advisors (Ireland)'s allocation policies and procedures described above in Item 11.

Item 13 Review of Accounts

KKR Credit Advisors (Ireland) has an internal structure which allocates responsibility for oversight of

KKR Credit Advisors (Ireland) Fund and Other Client portfolios and/or specific KKR Credit Advisors (Ireland) Fund or Other Client portfolio investments to the respective KKR Credit Advisors (Ireland) investment committees and/or executive investment management, and for certain Other Clients, as it relates to strategic investment oversight, to appropriate senior investment professionals. Generally, investments of KKR Credit Advisors (Ireland) Funds and Other Clients are overseen by established investment committees, which primarily consist of representation by Portfolio Management, KKR Credit Advisors (Ireland) senior investment professionals, and for certain credit strategies, Trading. Additionally, certain KKR Credit Portfolio Managers oversee the investment process for Other Clients investing in certain strategies. Please see Item 16 for additional information regarding Investment Discretion with respect to Other Clients.

KKR Credit Advisors (Ireland) Fund and Other Client portfolios and their respective investments are reviewed and monitored with respect to historic and anticipated performance, market developments and compliance with the investment mandate of the relevant KKR Credit Advisors (Ireland) Fund or Other Client on an ongoing basis, both informally and formally through scheduled periodic meetings of the investment committees or established portfolio monitoring governance structure, as appropriate.

The nature and frequency of regular reports to KKR Credit Advisors (Ireland) Funds and Other Clients and to investors in KKR Credit Advisors (Ireland) Funds and Other Clients depends on the terms of the governing documents of such KKR Credit Advisors (Ireland) Funds and Other Clients and/or the requirements of any exchange or market on which their securities are admitted to trade or the relevant management agreement. Typically investors in KKR Credit Advisors (Ireland) Funds are provided with written quarterly unaudited financial reports and annual audited financial statements.

Item 14 Client Referrals and Other Compensation

Economic Benefits from Non-Clients

As described in more detail under Item 5 and Item 10, Employees, Affiliated Brokers, other KKR proprietary entities and KKR Capstone and RPM and other Consultants receive economic benefits from portfolio companies of KKR Credit Advisors (Ireland) Funds and Other Clients.

Please refer to response to Item 5, “Fees and Compensation” “Other Compensation” with respect to monitoring fees, financial advisory fees, transaction fees, accelerated fees, break-up fees and other compensation.

Please refer to response to Item 5, “Fees and Compensation” “Other Compensation” with respect to directors’ fees for Employees serving on boards of portfolio companies.

Please refer to response to Item 5, “Fees and Compensation” “Other Compensation” and Item 10, “Other Financial Industry Activities and Affiliations” with respect to compensation received by Affiliated Brokers.

Please refer to response to Item 5, “Fees and Compensation” “KKR Capstone and RPM” with respect to portfolio companies of KKR Credit Funds or Other Clients and fees and/or servicing payments payable to KKR, its affiliates, KKR Capstone or RPM (or other Consultants).

Compensation to Non-Supervised Persons for Client Referrals

KKR Credit Advisors (Ireland) may enter into solicitation agreements pursuant to which it compensates a third-party intermediary for client referrals that result in the provision of investment advisory services by

KKR Credit Advisors (Ireland). KKR Credit Advisors (Ireland) will disclose these solicitation arrangements to affected investors, and any cash solicitation agreements will comply with Rule 206(4)-3 under the Advisers Act. Solicitors introducing clients to KKR Credit Advisors (Ireland) may receive compensation from KKR Credit Advisors (Ireland), such as a retainer and/or a percentage of introduced capital. Such compensation will be paid pursuant to a written agreement with the solicitor and generally may be terminated by either party from time to time. The cost of any such fees will be borne entirely by KKR Credit Advisors (Ireland) or KKR and not by any affected client.

Item 15 Custody

KKR Credit Advisors (Ireland) does not have custody of the assets of certain KKR Credit Advisors (Ireland) Funds and KKR Credit Associates Vehicles.

Item 16 Investment Discretion

KKR Credit Advisors (Ireland), generally has discretionary authority based on its investment management agreements with each KKR Credit Advisors (Ireland) Fund or Other Client and the governing documents of the KKR Credit Advisors (Ireland) Funds and Other Clients to buy and sell securities or other investments on behalf of the KKR Credit Advisors (Ireland) Funds and Other Clients and to determine the amount of such investments to be bought and sold. The terms upon which KKR Credit Advisors (Ireland) serves as investment manager of a KKR Credit Advisors (Ireland) Fund are established at the time each KKR Credit Advisors (Ireland) Fund is established and are generally set out in the governing documents entered into by KKR Credit Advisors (Ireland) with respect to the relevant KKR Credit Advisors (Ireland) Fund, and disclosed in the offering or disclosure documents for the relevant KKR Credit Advisors (Ireland) Fund, as applicable. These terms, which vary as among each KKR Credit Advisors (Ireland) Fund, potentially restrict KKR Credit Advisors (Ireland)'s advice concerning investment in certain securities or types of securities, geographies, and leverage. Typically, the governing documents of the KKR Credit Advisors (Ireland) Funds contain limited investment restrictions and requirements as to diversification of fund investments, either by geographic region or asset type.

For Other Clients and certain other investment vehicles established for a single investor, KKR Credit Advisors (Ireland) would negotiate the level of investment discretion with the client at the outset of the advisory relationship.

In addition to the conflicts of interest described under Item 11, as a general matter, KKR Credit Advisors (Ireland) may exercise its investment discretion to give advice or take action (including entering into short sales or other "opposite way trading" activities) with respect to the investments held by, and transactions of KKR Credit Advisors (Ireland) Funds, Other Clients or KKR proprietary entities that may be different from or otherwise inconsistent with the advice given or timing or nature of any action taken with respect to the investments held by, and transactions of, other KKR Credit Advisors (Ireland) Funds, Other Clients or KKR proprietary entities. Such different advice and/or inconsistent actions may be due to a variety of reasons, including, without limitation, differences between the investment objectives, programs, strategies and tax treatment of certain KKR Credit Advisors (Ireland) Funds, Other Clients or KKR proprietary entities or the regulatory status of other KKR Credit Advisors (Ireland) Funds or Other Clients and any related restrictions or obligations imposed on KKR Credit Advisors (Ireland) as a fiduciary thereof (including for example KKR Credit Advisors (Ireland) Funds or Other Clients that are registered as investment companies under the Investment Company Act). Such advice and actions may adversely impact KKR Credit Advisors (Ireland) Funds and Other Clients. For example, another KKR Credit Advisors (Ireland) Fund, Other Client, Seed Investment or other KKR proprietary entity may establish a

short position in a security held by a KKR Credit Advisors (Ireland) Fund, Other Client, Seed Investment or other KKR proprietary entity (for example as collateral) and such short sale may result in a decrease in the price of the security that the relevant KKR Credit Advisors (Ireland) Fund, Other Client, Seed Investment or other KKR proprietary entity hold. Similarly, KKR Credit Advisors (Ireland) may seek to buy or sell a security for a KKR Credit Advisors (Ireland) Fund or Other Client and, concurrently or in close proximity in time, seek to buy or sell the same securities or similar securities in the opposite direction; this can benefit the execution quality of the second account to execute such a trade. KKR Credit Advisors (Ireland) has established policies and procedures intended to address conflicts of interest inherent in effecting long and short positions in the same security (i.e., opposite way trading) with respect to KKR Credit Advisors (Ireland) Funds, Other Clients, Seed Investments and other propriety accounts. These policies and procedures are designed to ensure that KKR Credit Advisors (Ireland) will treat all accounts (including Seed Investments and other KKR proprietary entities) on equal footing and not favor long trading or short trading, or short trading over long trading; and also ensure that opposite way trading is the result of independent investment theses and is executed in an orderly and equitable fashion.

To the extent KKR Credit Advisors (Ireland) provides investment advisory or management services to KKR Credit Advisors (Ireland) Funds or Other Clients that are subject to ERISA (“**ERISA Clients**”), KKR Credit Advisors (Ireland) will be acting as an ERISA fiduciary to such ERISA Clients. KKR Credit Advisors (Ireland)’s fiduciary relationships with ERISA Clients may cause conflicts of interest, as described herein, and independently may affect the actions KKR Credit Advisors (Ireland) is permitted to take with respect to any other KKR Credit Advisors (Ireland) Funds or Other Clients in certain situations where an ERISA Client may be negatively affected. The terms of, or the return on, an investment by a KKR Credit Advisors (Ireland) Fund or Other Client may not be equivalent to, or better than, the terms of, or the returns obtained by, other KKR Credit Funds or Other Clients or KKR proprietary entities. In addition, a KKR Credit Advisors (Ireland) Fund or Other Client or KKR proprietary entity with similar investment objectives, programs or strategies of any other KKR Credit Advisors (Ireland) Fund or Other Client may not hold the same positions, obtain the same financing or perform in a substantially similar manner as such other KKR Credit Advisors (Ireland) Fund or Other Client.

Item 17 Voting Client Securities

KKR Credit Advisors (Ireland) has adopted policies with respect to voting Client securities, and has engaged an independent third party proxy voting specialist, Institutional Shareholder Services, Inc. (“ISS”), to assist KKR Credit Advisors (Ireland) in the proxy voting process. The services provided by ISS include in-depth research, global issuer analysis, and voting recommendations as well as vote notifications, execution, reporting and recordkeeping with respect to both U.S. and non-U.S. securities. KKR Credit Advisors (Ireland), however, retains ultimate voting discretion with respect to Client securities. It is the general policy of KKR Credit to vote Client proxies in the interest of maximizing shareholder value. To that end, KKR Credit Advisors (Ireland) will vote in a way that it believes is consistent with its obligations to the KKR Credit Advisors (Ireland) Funds and Other Clients, and will cause the value of the relevant investment to increase the most or decrease the least.

KKR Credit Advisors (Ireland) recognizes that there may be a potential conflict of interest when voting a proxy solicited by an issuer that is an investor in a KKR Credit Advisors (Ireland) Fund, for example, or with whom KKR Credit Advisors (Ireland) has another business relationship that may affect how it votes the issuer’s proxy. KKR Credit Advisors (Ireland) has adopted policies to address these and other issues that could give rise to a conflict, including referring the matter to the KKR Credit Conflicts Committee to address issues raised from potential conflicts, which may include referring the proxy to ISS to exercise. KKR Credit Advisors (Ireland) maintains documentation to support its proxy voting position on such proxy matters. KKR Credit Advisors (Ireland) may depart from these guidelines in order to avoid voting

decisions believed to be contrary to the best interests of the KKR Credit Advisors (Ireland) Funds and Other Clients or if it has agreed otherwise with the relevant Client. Any such exceptions will be documented by KKR Credit Advisors (Ireland) and reviewed by KKR Credit Advisors (Ireland)'s Chief Compliance Officer.

A KKR Credit Advisors (Ireland) Fund or Other Client or investor in a KKR Credit Advisors (Ireland) Fund may obtain a copy of KKR Credit's Proxy Voting policies and procedures and information on how KKR Credit Advisors (Ireland) voted proxies on behalf of such party on written request to KKR Credit Advisors (Ireland).

Item 18 Financial Information

KKR Credit Advisors (Ireland) does not require the payment of management fees or other compensation six months or more in advance. There exists no financial condition of which KKR Credit Advisors (Ireland) is currently aware that would impair KKR Credit Advisors (Ireland)'s ability to meet contractual commitments to its Clients.

Item 19 Requirements for State-Registered Advisers

KKR Credit Advisors (Ireland) is not registering, nor is currently registered, as an investment adviser with any state securities authorities.