

Part 2A of Form ADV: Firm Brochure



KKR CREDIT ADVISORS (US) LLC

555 California Street, 50th Floor
San Francisco, CA 94104
(415) 315-3620
<http://www.kkr.com/>

March 28, 2024

This brochure provides information about the qualifications and business practices of KKR Credit Advisors (US) LLC (“**KKR Credit Advisors (US)**”). If you have any questions about the contents of this brochure, please contact us at (415) 315-6587. 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 (US) is registered as an investment adviser with the SEC. This registration does not, however, imply a certain level of skill or training of any KKR Credit Advisors (US) personnel.

Additional information about KKR Credit Advisors (US) is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 **Material Changes**

There have not been material changes to KKR Credit Advisors (US)'s Part 2A since its most recent update on March 31, 2023. However, please note that KKR Credit Advisors (US) is now making revisions to various sections of its Part 2A as part of its 2024 annual update amendment, including the following:

- Item 4 – Updated information and disclosure regarding the advisory business and ownership structure of KKR Credit Advisors (US) and its affiliates.
- Item 5 – Updated information and disclosure regarding fees and compensation, including management fees, carried interest, portfolio company-related fees and other compensation and expenses.
- Item 7 – Updated information and disclosure regarding the types of clients to whom KKR Credit Advisors (US) provides investment advice.
- Item 8 – Updated information and disclosure regarding methods of analysis, investment strategies, business practices and the risks related to such activities.
- Item 9 – Updated information and disclosure regarding legal or disciplinary events applicable to KKR Credit Advisors (US).
- Item 10 – Updated information and disclosure regarding KKR Credit Advisors (US)'s investment advisory and other business affiliations.
- Item 11 – Updated information regarding the business practices of KKR Credit Advisors (US) and its affiliates and conflicts of interest that arise in the course of KKR Credit Advisors (US)'s investment and other activities, and related compliance policies and procedures developed by KKR Credit Advisors (US) to address such business practices and conflicts.

KKR Credit Advisors (US) routinely makes changes to its Brochure in an effort to improve and clarify the descriptions of its and its affiliates' business practices and compliance policies and procedures or in response to evolving industry and firm practices. KKR Credit Advisors (US) is permitted to, at any time, update this Part 2A and will either send you a copy or offer to send you a copy (either by electronic means or in hard copy form).

Item 3 **Table of Contents**

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
Item 2	Material Changes	1
Item 3	Table of Contents	2
Item 4	Advisory Business	3
Item 5	Fees and Compensation	6
Item 6	Performance-based Fees and Side-By-Side Management	27
Item 7	Types of Clients	27
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	28
Item 9	Disciplinary Information	122
Item 10	Other Financial Industry Activities and Affiliations	123
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	131
Item 12	Brokerage Practices	173
Item 13	Review of Accounts	175
Item 14	Client Referrals and Other Compensation	176
Item 15	Custody	176
Item 16	Investment Discretion	176
Item 17	Voting Client Securities	177
Item 18	Financial Information	178
Item 19	Requirements for State-Registered Advisers	178

Item 4 **Advisory Business**

Overview

KKR Credit Advisors (US) LLC (**“KKR Credit Advisors (US)”**) is a Delaware limited liability company founded in August 2004 and registered as an investment adviser with the U.S. Securities and Exchange Commission (the **“SEC”**). KKR Credit Advisors (US) together with its relying advisers, participating affiliates and other affiliated entities listed in *Item 10* are collectively referenced, together with the **KKR Credit Managers** (as defined below) as applicable, as **“KKR Credit”**. KKR Credit has approximately \$205.1¹ billion in assets under management as of December 31, 2022, managed on a discretionary basis. KKR Credit advises pooled investment vehicles, dedicated separately managed account vehicles, collateralized loan obligation vehicles (**“CLOs”**), closed-end investment companies registered under the U.S. Investment Company Act of 1940, as amended (the **“Investment Company Act”**) (the **“RICs”**), discretionary accounts established for third-party institutional investors, including pension plans, a closed-end management investment company that operates as an interval fund and side-by-side vehicles investing alongside other KKR Credit Funds and Other Clients (as defined below) (**“Manager Co-investment Vehicles”**). KKR Credit also provides sub-advisory services to certain investment funds and investment vehicles established and managed by Kohlberg Kravis Roberts & Co. L.P. and its affiliates (**“KKR”**), including non-U.S. listed and unlisted investment trusts that have investment exposure to funds and investments managed by KKR and its affiliates. KKR Credit Advisors (US) focuses on U.S. and non-U.S. credit strategies, including, but not limited to, leveraged credit strategies, such as leveraged loans, high yield bonds, opportunistic credit, revolving credit, and structured credit; and alternative credit strategies, such as special situations and strategic investments; and private credit strategies, such as direct lending, junior debt, and asset-based finance.

KKR Credit is also affiliated with KKR Credit Advisors (Ireland) Unlimited Company (**“KKR Credit Advisors (Ireland)”**), which is regulated by the Central Bank of Ireland (**“CBI”**), and provides discretionary investment management services to a number of pooled investment vehicles, separately managed accounts and CLOs pursuing primarily European credit strategies including investments in European leveraged loans and high yield bonds, alternative credit opportunities such as investments in mezzanine-like instruments, originated senior loans and specific types of syndicated credit investments (e.g. investments in revolver credit facilities) and other structured and illiquid credit investments.

KKR Credit is also affiliated with KKR Credit Advisors (Singapore) Pte. Ltd. (**“KKR Credit Advisors (Singapore)”**), a Singapore private limited company founded in May 2020 and licensed by the Monetary Authority of Singapore (the **“MAS”**) to provide advisory services to pooled investment vehicles, separately managed account vehicles, and discretionary accounts established for third-party institutional investors. KKR Credit Advisors (Singapore)’s investment management and advisory activities focus on Asia based private credit opportunities, including, but not limited to, senior and unitranche corporate lending, subordinated corporate lending (mezzanine and other subordinated debt investments), asset-based finance investments, and liquid credit investment opportunities across the liquid credit markets in Asia.

KKR Credit Advisors (US) owns a 50% interest, alongside an affiliate of Franklin Square Holdings, L.P. (**“FS Investments”**) who owns the other 50% interest, in FS/KKR Advisor, LLC, an investment adviser registered with the SEC. FS/KKR Advisor, LLC provides investment advisory services to FS KKR Capital Corp., a business development company (**“BDC”**) registered under the Investment Company Act and listed on the New York Stock Exchange (**“NYSE”**), and KKR FS Income Trust, a privately-placed BDC.

¹ Represents KKR Credit’s most recently published AUM as disclosed in Part 1. AUM calculations could differ from those used in other regulatory filings by KKR Credit in accordance with applicable requirements and guidelines.

KKR Credit is affiliated with KKR Alternative Investment Management Unlimited Company (“**KKR AIM**”), which is regulated by the CBI, is an authorized European Union (“**EU**”) alternative investment manager, and separately files reports as an exempt reporting adviser with the SEC. KKR AIM enters into delegation and/or sub advisory agreements with KKR Credit under which KKR 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 is affiliated with KKR & Co. Inc. (formerly KKR & Co. L.P.) (“**KKR & Co.**” or the “**KKR Public Company**”) which, through its subsidiaries, acquires stakes in, or seeds, or otherwise holds interests in third-party hedge funds and fund of fund managers (the “**Stakes and Seed Managers**”).

KKR Credit Advisors (US) is affiliated with KKR and its subsidiaries, which operate under the name “**KKR**”. KKR advises and sub-advises private equity funds and other investment vehicles, including proprietary entities that invest capital for long-term appreciation, by acquiring controlling or minority positions in portfolio companies, and other assets. Such funds also make investments in publicly traded equity and debt securities and other marketable securities and instruments (collectively with any investments in derivative instruments, “**Marketable Securities**”). In addition, to its traditional private equity strategy, KKR advises funds and other investment vehicles focused on infrastructure, energy and real estate, which invest capital primarily through acquiring interests in companies or acquiring underlying assets. KKR also advises investment funds and other investment vehicles that make growth capital and core investments. KKR also advises 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 investments or in specific or multiple portfolio companies and other assets invested in by investment funds advised by KKR and its affiliates, a customized platform that invests in funds advised by KKR and its affiliates 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 investment strategies advised by KKR and its affiliates several publicly listed vehicles that are publicly traded on a stock exchange or are otherwise made available for investment by public investors, including a publicly listed energy company. 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 macro-economic trends and related topics through KGI and oversees a proprietary portfolio of investments in a variety of instruments and securities.

On February 1, 2021, KKR & Co. acquired a majority interest in The Global Atlantic Financial Group Limited (“**Global Atlantic**”), a retirement and life insurance company. On January 2, 2024, KKR & Co. completed the acquisition of the remaining interests in Global Atlantic that KKR did not own, increasing KKR’s ownership to 100%. Since KKR & Co.’s initial acquisition of the majority interest in Global Atlantic, Global Atlantic has generally continued to operate as a separate business with its existing brands and management team. KKR (including through KKR Credit) serves as Global Atlantic’s investment manager. KKR has entered into investment management agreements with various Global Atlantic Accounts (as defined in Item 11) which were approved by applicable insurance regulators. Additionally, KKR Credit Advisors (US) and KKR Credit Advisors (Ireland) provide investment management services to Global Atlantic Accounts through a sub-advisory agreement with KKR. Based on preliminary financial results of Global Atlantic, the estimated value of Global Atlantic assets managed by KKR Credit Advisors (US) as of December 31, 2023, was approximately \$124.9 billion.

For additional information regarding KKR Credit’s clients, including the definitions of “**KKR Credit Funds**” and “**Other Clients**,” please see Item 7 – “**Types of Clients**”.

Additional information regarding KKR Credit’s “relying advisers” which are investment advisory affiliates that rely on KKR Credit, as their filing adviser, to file (and amend) a single umbrella SEC registration on their behalf, and other advisory affiliates that are separately registered with the SEC is provided in Item 10 – **“Other Financial Industry Activities and Affiliations”**.

KKR Credit also has an affiliated capital markets business operated through affiliated broker-dealers. Please see *Item 10 - Other Financial Industry Activities and Affiliations* for additional information regarding KKR’s affiliated broker dealers.

With limited exceptions in connection with certain sub-advisory relationships, KKR Credit does not manage client assets on a non-discretionary basis as of December 31, 2023, although certain clients have consent, or opt-out, or opt-in rights with respect to certain investments.

Ownership/Structure

KKR Credit Advisors (US) is wholly owned by KKR. KKR is an indirect subsidiary of the KKR Public Company, which is listed on the NYSE. KKR Management LLP (“KKR Management”) is the sole holder of Series I preferred stock of the KKR Public Company, which is entitled to vote for the election of directors among other matters relating to the KKR Public Company. KKR Holdings L.P. (“**KKR Holdings**”) holds stock of the KKR Public Company, which permits KKR Holdings to vote on matters submitted to a vote of the stockholders of the KKR Public Company. As of January 1, 2022, economic ownership interests in subsidiaries of the KKR Public Company were held directly or indirectly by KKR Holdings, KKR Holdings II L.P. (“**KKR Holdings II**”) and KKR Associates Holdings L.P. (“**KKR Associates Holdings**”). KKR Management, KKR Holdings, KKR Holdings II and KKR Associates Holdings are owned by certain current and former KKR employees and their related persons. On October 8, 2021, the KKR Public Company through its subsidiaries, entered into a Reorganization Agreement (the “**Reorganization Agreement**”) with KKR Holdings, KKR Management, KKR Associates Holdings and certain other parties to undertake a series of integrated transactions completed on May 31, 2022, in which the KKR Public Company combined with KKR Holdings, among other things. In addition, following this combination, on December 31, 2026, subject to exceptions that would accelerate this date, the KKR Public Company will (i) eliminate the Series I preferred stock held by KKR Management, (ii) establish voting rights for the KKR Public Company’s common stock on a one vote per share basis, including with respect to the election of directors, and (iii) acquire control of KKR Associates Holdings. Additional information regarding the Reorganization Agreement is provided in the KKR Public Company’s current public filings under the Securities Exchange Act of 1934, as amended. Further information can be found in KKR & Co.’s Annual Report on Form 10-K for the fiscal year that ended December 31, 2023, filed with the SEC on February 29, 2024, and its other periodic filings with the SEC, which are available at www.sec.gov.

Nature of KKR Credit’s Clients

KKR Credit provides investment management, advisory and administrative services directly and indirectly through wholly-owned and controlled management entities established with respect to one or more Clients for operational and other purposes (“**KKR Credit Managers**”). KKR Credit generally provides these services (i) through affiliated general partners or managing members (“**KKR Credit GPs**”) and/or through KKR AIM, as applicable, in respect of investment funds, and dedicated investment vehicles established for institutional investors and certain high net worth investors sponsored and managed by KKR Credit (“**KKR Credit Funds**”), (ii) as adviser to the RICs, (iv) as adviser to a number of CLO vehicles, (v) as adviser to side-by-side vehicles that are established primarily for the benefit of KKR Credit and KKR employees, KKR Advisors, Senior Advisors, Executive Advisors, Industry Advisors, KKR Capstone and executives and certain other persons associated with KKR (“**Manager Co-investment Vehicles**”), and (vi) as adviser

directly to other institutional clients, including U.S. and non-U.S. pension plans and sovereign wealth funds (“**Other Clients**”), pursuant to contractual relationships, such as investment management agreements. KKR Credit Funds are typically U.S. and non-U.S. investment limited partnerships, companies, limited liability companies and other vehicles that are not registered or required to be registered under the Investment Company Act with the exception of the RICs. The offering of the securities of the KKR Credit Funds are also typically not required to be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) with the exception of the RICs. For purposes of this brochure, the term “**KKR Credit Funds**” includes the RICs. KKR Credit Funds and the Other Clients are collectively referred to in this brochure as KKR Credit’s ‘Other Clients’. KKR has entered into investment management agreements with various Global Atlantic Accounts (as defined in Item 11) which were approved by applicable insurance regulators. KKR Credit Advisors (US) and KKR Credit Advisors (Ireland) provide investment management services to Global Atlantic Accounts through sub-advisory agreements with KKR. Unless otherwise specified herein, Global Atlantic Accounts are included in the definition of Other Clients. Please see Item 11 – “**Allocations of Investment Opportunities – Global Atlantic**” for further information. KKR Credit also provides sub-advisory services to certain investment funds and investment vehicles established and managed by KKR, including an Australian Securities Exchange listed and unlisted investment trusts. KKR Credit also could, through KKR Credit GPs, provide certain operational and administrative services to co-investment vehicles that are not advisory clients of KKR, such as syndicated capital co-investment vehicles, as described in *Item 11 – “Allocations of Investment Opportunities”* through which third-party investors co-invest alongside KKR Credit Funds and Other Clients.

KKR Credit Advisors (US) does not participate as a manager in any wrap fee programs.

Investment Mandates

The terms upon which KKR Credit serves as investment manager or advisor of a KKR Credit Fund or Other Client are established at the time each KKR Credit Fund or Other Client relationship is established and are generally set out in the governing documents entered into by KKR Credit with respect to the relevant KKR Credit Fund or Other Client and disclosed in the offering or disclosure documents for the relevant KKR Credit Fund or Other Client, as applicable. These terms, which vary among each KKR Credit Fund and Other Client, could limit the investments KKR Credit can invest on behalf of the relevant KKR Credit 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 (including the KKR Credit GPs) generally receives management fees, carried interest allocations and/or performance fees in connection with the investment management and administrative services KKR Credit provides to KKR Credit Funds or Other Clients. Certain co-investment vehicles and Manager Co-investment Vehicles (as defined in *Item 6 - Incentive Allocations and Side-By-Side Management*), as discussed in *Item 6*, are not subject to such fees and/or carried interest allocations. The allocation of a portion of the profits of a KKR Credit Fund, whether allocated to the capital account of a KKR Credit GP or distributed to a KKR Credit GP is referred to herein as “**carried interest**.”

Management fees, carried interest, performance fees and other compensation payable to KKR Credit (including KKR Credit GPs) by KKR Credit 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 KKR Credit Funds (and negotiated with participating investors prior to their investment) or at the beginning of the advisory relationship with Other Clients, as applicable. Specific

details of such compensation and their methods of calculation are set out in the offering materials, disclosure documents, advisory agreements, investment management agreements and/or governing documents of KKR Credit Funds or Other Clients and vary among KKR Credit Funds and Other Clients. Fee terms of KKR Credit Funds and Other Clients will not generally 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, and intends in the future to 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 and asset classes, and generally have investment periods that are longer than traditional KKR Credit Funds and Other Clients. Such arrangements generally (subject to applicable terms) 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 or arrangement. 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 investment vehicle or account will generally (subject to applicable terms) be granted terms, including with respect to 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 will generally (subject to applicable terms) 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 see *Item 11 – Other Conflicts of Interest* for further information regarding strategic partnerships.

In addition, KKR Credit enters into arrangements with one or more third-party 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 parties are expected to 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 reductions in management fees to which such Dedicated Feeder is entitled. In connection with the foregoing, there have been circumstances in which reductions, 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 comparable sized Dedicated Feeders. Further, reductions in management fees generally do not apply to Placed Investors but will be granted to Placed Investors at KKR Credit's sole discretion. KKR Credit does not control the economic terms of such Dedicated Feeders, which are established independently by the relevant third parties and their underlying investors. In certain circumstances, such terms require third parties to use such payments in whole or in part to offset incremental fees and expenses applicable at the level of the relevant Dedicated Feeders or to otherwise pass on such fees and expenses to the benefit of the Dedicated Feeders and their investors.

Management Fees

Management fees compensate KKR Credit generally for the various services KKR Credit's business professionals provide in managing KKR Credit Funds or Other Clients. Typically, KKR Credit charges management fees at an annual rate of between 0.15% and 1.75% of the capital committed to, the net asset value of, the net invested capital of, the gross managed assets, the aggregate collateral balance of or the collateral pledged by the relevant KKR Credit Fund or Other Client, depending, in particular, on the strategy of the KKR Credit Fund or Other Client, the amount of assets being placed under management with KKR Credit and the point in time in the life cycle of the KKR Credit Fund or Other Client account. For example, for certain KKR Credit 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. KKR Credit 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 purposes. KKR Credit generally does not charge interest on such deferred management fees. The KKR Credit GPs generally make capital calls from investors in KKR Credit Funds for the amount of management fees payable by the KKR Credit Funds to KKR Credit and then cause the KKR Credit Funds to pay the amounts received from the investors to KKR Credit, consistent with the governing documents of the KKR Credit Funds. KKR Credit generally invoices Other Clients for management fees. In some cases, management fees due to KKR Credit are deducted from proceeds otherwise distributable to investors in a KKR Credit Fund or Other Client or paid out of the assets of such KKR Credit Fund or Other Client, but only if consistent with the governing documents of such KKR Credit Fund or Other Client. If a KKR Credit Fund obtains a subscription facility, management fees due from a KKR Credit Fund may also be paid by drawdowns under such KKR Credit Fund's subscription facility (which drawdowns are subsequently repaid through capital calls or investment proceeds) if consistent with the governing documents of such KKR Credit Fund or Other Client.

KKR Credit receives from each RIC fund a management fee, payable monthly, at an annual rate ranging from 0.50% to 1.30% of the RICs' average daily managed assets or as defined in the RICs' prospectus.

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

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

Carried Interest Allocations

KKR Credit (including the KKR Credit GPs) also generally receives carried interest allocations or other performance related compensation from KKR Credit Funds or Other Clients (other than certain co-investment vehicles and Manager Co-investment Vehicles) of up to 20% of profits third-party investors earn on their investments in KKR Credit Funds. Carried interest allocations in particular are generally subject to preferred return hurdles, catch-up allocations, and/or claw-backs, depending, among other things,

on the strategy and structure of the relevant KKR Credit Fund. KKR Credit GPs typically receive carried interest allocations for profitable portfolio company investments. Profitable investments realized early in the life of a KKR Credit Fund or Other Client could be followed by the poor performance of investments realized later in the life of a KKR Credit Fund or Other Client, which would reduce the KKR Credit Fund's or Other Client's overall profitability or cause it to be unprofitable. If this were to result over the life of a KKR Credit Fund or Other Client in KKR Credit having received more than the agreed-upon percentage of the relevant KKR Credit Fund's or Other Client's total profits, or the hurdle performance rate required by the KKR Credit Fund's or Other Client's terms not being met, KKR Credit will typically be required to reimburse (i.e., have clawed back) the applicable portion of the carried interest allocations received by it, net of taxes, to ensure that KKR Credit does not receive a greater share of profits than agreed upon under the governing documents of such KKR Credit Fund.

With respect to KKR Credit Funds structured as hedge funds and other comparable open-ended investment vehicles, KKR Credit receives performance fees based on realized and unrealized profits generated by such KKR Credit Fund in the relevant performance period. The terms of such KKR Credit Funds will typically not require any reimbursement or claw-back of performance fees if such unrealized profits are reversed in whole or in part during subsequent performance periods however in order for performance fees to be earned in subsequent performance periods, previous negative performance might need to be recovered, consistent with the terms of the organizational documents with respect to such KKR Credit Funds.

KKR Credit does not receive any performance fees with respect to the RICs.

Portfolio Company-Related Fees

In addition to management fees for operating KKR Credit Funds or Other Clients, KKR Credit or its affiliates, from time to time, receive fees for work on the development and execution of core strategies for portfolio companies and for projects to increase portfolio company value. These fees are often borne by (i) a specific portfolio company, (ii) holding companies or other vehicles through which certain, but not all, of the direct and indirect equity owners of the portfolio company invest or (iii) a specific KKR Credit Fund or Other Client and can be broken down generally into two categories: shared fees and non-shared fees (see discussion below). When such fees are borne by holding companies or other vehicles or by a specific KKR Credit Fund or Other Client, such KKR Credit Fund or Other Client will bear a greater portion of such fees than would be the case if the relevant portfolio company paid such fees as only the investors in the holding company (or KKR Credit Funds or Other Client) will bear the cost of such fees. In addition, if a portfolio company is unable to pay or declines to pay for certain services (including services rendered by Consultants (defined below) or Affiliated Brokers), then the relevant KKR Credit Fund or Other Client, as applicable, will be charged for such services, which will also result in a greater portion of such fees being borne by such KKR Credit Fund or Other Client than would otherwise have been the case.

A portion of the shared fees is generally offset against management fees payable by the applicable KKR Credit Funds or Other Clients, while non-shared fees do not reduce management fees. The overall amount of shared fees will also be reduced by certain sourcing and diligence expenses incurred by KKR Credit in pursuing unconsummated transactions for the applicable KKR Credit Funds or Other Clients. Portfolio company-related fees are paid regardless of a KKR Credit Fund or Other Client's profitability and are not negotiated with investors in KKR Credit Funds or Other Clients and will often be capitalized as part of the acquisition price of the relevant investment for consummated investments.

Shared Fees

Shared fees are fees for KKR Credit services, which offset management fees paid by KKR Credit Funds or Other Clients, and include transaction, monitoring, break-up and directors' fees. KKR and its affiliates

charge monitoring fees and transaction fees to portfolio companies, in each case, which are not generally negotiated on an arm's length basis. KKR Credit Funds and Other Clients indirectly bear the costs of these fees. KKR Credit or its affiliates receive "monitoring fees" in exchange for providing KKR Credit portfolio companies of KKR Credit Funds with management, consulting, financial and other services.

Monitoring fee agreements typically include multiple fee increases during their term. A portfolio company's EBITDA (earnings before income, taxes, depreciation, and amortization) is generally taken into account in determining the amount of applicable monitoring fees. Monitoring fees are frequently based on a percentage of EBITDA or a specific dollar amount.

On the occurrence of initial public offerings, sales or other change of control events related to the relevant company, KKR (or an affiliate) is typically entitled to all unpaid monitoring fees plus any unreimbursed expenses plus the net present value of future monitoring fees that would otherwise be payable by the relevant portfolio company (the "**NPV Payment**"). The NPV Payment is based on the net present value of the monitoring fees payable over a future fixed period calculated using discount rates equal to the yield on U.S. Treasury securities of like maturity based on the dates the fee payments would have been due. The fixed period of time used in the net present value calculation will typically be tied to the term of the relevant KKR Credit Fund or portfolio investment or in more recent agreements, a period within that term; however, in certain instances the calculation period has exceeded the relevant KKR Credit Fund's (or investment's) term. Under more recent monitoring fee agreements for portfolio companies of KKR Credit Funds and Other Clients, the fixed period of time used in the NPV Payment calculation described above will be the lesser of (i) the remaining term of the relevant monitoring agreement (the term for each monitoring agreement generally will be fixed as the end of the last year of a KKR Credit Fund's term) and (ii) three-and-a-half-years from the date of termination of the monitoring agreement (the three-and-a-half-year-period reflects the average length of time that it took for KKR Credit's recent mature private equity funds to exit portfolio companies fully following an initial public offering or strategic sale where the fund continued to own securities, reflecting what KKR Credit believes is a reasonable approximation for the average number of years during which KKR Credit has historically remained actively involved with such companies). An NPV Payment will generally only be taken in respect of a portfolio company or other issuer where KKR Credit (or KKR or another affiliate) expects to continue to provide ongoing services and advice to the issuer after there has been an initial public offering, sale or other change of control event. As such, an NPV Payment generally will only be taken if (i) the relevant KKR Credit Fund, Other Client, co-investment vehicles and KKR Credit proprietary entities retain, directly or indirectly, 10% or more of the stock or other equity interests in the issuer (or the surviving entity) immediately following the relevant event and an employee of KKR Credit, KKR or another affiliate or a co-investor employee or designee serves or is expected to serve as a member of, or observer at, the board of directors or similar governing body of the issuer (or the surviving entity) (or in the absence of such service or expected service, KKR Credit, KKR or another affiliate retains the right to appoint or nominate such a director or observer) immediately following the relevant event. The contractual provisions described above and the KKR Credit methodology are amended from time to time, in KKR Credit's sole discretion.

KKR Credit or an affiliate (including KKR) also receives transaction fees for the work performed by KKR Credit or such affiliate in structuring investments in portfolio companies and with respect to significant transactions or exits for those portfolio companies or portfolio investments. Transaction fees may be received in connection with the same portfolio company in which payments under a monitoring fee agreement are received. KKR Credit and its affiliates, such as an Affiliated Broker, have and could also receive fees in respect of administrative services provided to loan syndicates lending to the KKR Credit Fund or Other Client portfolio companies. Transaction fees are calculated as a percentage of the total enterprise value, or as a percentage of the aggregate price paid for the securities that are acquired by a KKR Credit Fund or Other Client. KKR Credit or its affiliates also from time to time receive "break-up" or similar fees in connection with unconsummated, canceled or terminated portfolio transactions. The agreements

relating to the relevant transaction generally specify the amount and timing of such fees and such agreements generally contain conditions or limitations on such payment to KKR Credit or its affiliates.

KKR Credit periodically discloses to investors in certain KKR Credit Funds and Other Clients, if applicable, the amount of monitoring fees, transaction fees and break-up fees allocated to the KKR Credit Funds or Other Clients in which they have invested. Monitoring fees (including NPV Payments) and transaction fees are generally allocated among KKR Credit Funds, Other Clients and Manager Co-investment Vehicles (and other participating KKR proprietary entities and co-investment vehicles, if applicable) based on ownership of the relevant portfolio company or investment to which they are charged. The amount of break-up fees is generally allocated among KKR Credit Funds, Other Clients, Manager Co-investment Vehicles (and other participating KKR proprietary entities and co-investment vehicles, if applicable) based on the anticipated ownership of the relevant company or investment had the transaction been consummated. If the expected equity source is not known for such deal, the waterfall methodology for allocating sourcing and diligence expenses for the identified strategy of such deal will generally be used to allocate the breakup fee.

In addition to the fees described above, certain officers and employees of KKR Credit (“**Employees**”) currently receive and are expected in the future to receive directors’ fees for serving on the boards of KKR Credit portfolio companies, holding vehicles and other entities in or through which KKR Credit Funds (or Other Clients, if applicable) invest. Such management fee offsets are not applicable to directors’ fees paid to KKR Capstone executives (as defined below) who serve on the boards of KKR Credit portfolio companies and such directors’ fees are permitted to be retained in whole or in part by the KKR Capstone executives. Management fees will not be reduced or offset to the extent any Employee (including any KKR Capstone executive) receives directors’ fees relating to the continued director service after a KKR Credit Fund or Other Client has exited a portfolio company or other entity and/or following the termination of such Employee’s or KKR Capstone executive’s employment with KKR.

A portion of the monitoring fees, transaction fees and break-up fees allocated to KKR Credit Funds or Other Clients will generally reduce or offset management fees otherwise payable by investors in such KKR Credit Funds or Other Clients as described in the offering materials, disclosure documents and/or governing documents of the relevant KKR Credit Funds or Other Clients. The portion of allocable compensation that reduces or offsets management fees varies between KKR Credit Funds and Other Clients. KKR Credit will retain the portion of such compensation that is allocated to KKR Credit Funds or Other Clients that does not reduce or offset management fees as well as the allocated portion that is attributable to the relevant KKR Credit GP. KKR Credit retains such compensation to the extent it is allocable to Manager Co-investment Vehicles (except in the case of certain older investment funds managed by KKR and its affiliates) or co-investment vehicles. Fees allocated to co-investment vehicles and Manager Co-investment Vehicles will not be shared and will not offset the management fees payable by KKR Credit Funds or Other Clients.

Non-Shared Fees

In addition to the shared fees described above, KKR Credit and its affiliates, and Consultants (each defined below), will also receive fees for services provided to portfolio companies. KKR Credit Funds and Other Clients indirectly bear the cost of these fees. Such fees do not offset management fees due from KKR Credit Funds or Other Clients. Examples of non-shared fees for services include fees for third-party replacement services (i.e., fees received by KKR’s Consultants and Affiliated Brokers that would otherwise have been provided by other Consultants or broker dealers).

In addition, KKR Credit and its affiliates will also from time to time enter into participation or other “back-to-back” arrangements with third parties that provide services and products directly to or with respect to KKR Credit Funds and Other Clients and their portfolio companies, holding vehicles and other entities in

or through which KKR Credit Funds and Other Clients invest and KKR Credit will receive fees from the third party in connection with such activities. Under these arrangements, although neither KKR Credit nor its affiliates will receive fees directly from KKR Credit Funds, Other Clients or their portfolio companies, holding vehicles and other entities in or through which KKR Credit Funds and Other Clients invest, KKR Credit or its affiliates could be viewed as indirectly receiving such fees from a KKR Credit Fund, Other Client or their portfolio companies or holding entities. Such fees do not offset management fees or carried interest distributions due from KKR Credit Funds or Other Clients. KKR Credit and its affiliates have an incentive to select third parties that are likely to engage KKR Credit and its affiliates in such arrangements. Please see also Item 11 – *“Financial Interest in KKR Credit Fund, Portfolio Company or Other Client Transactions”*.

KKR Capstone and Other Consultants

KKR acquired KKR Capstone Americas LLC (collectively with its related parties, **“KKR Capstone”**) effective January 1, 2020. KKR Capstone is a KKR affiliate owned and controlled by KKR. KKR Capstone operating executives (**“KKR Capstone executives”**) are generally employees of subsidiaries of KKR subsequent to KKR’s acquisition.

KKR Capstone provides consulting services to KKR and KKR Credit, investment funds managed by KKR and its affiliates and KKR Credit Funds, Other Clients and portfolio companies, and vehicles in or through which KKR Funds, KKR Credit Funds, Other Clients and KKR Credit invest.

KKR Capstone provides value creation services to portfolio companies that KKR and KKR Credit’s investment executives do not otherwise provide, including, without limitation, replacement services.

KKR Capstone executives are expected to receive compensation in the form of (x) grants of equity in one or more of the parent entities of KKR (including equity awards from the KKR Public Company, which has listed certain securities on the NYSE), (y) a portion of the carried interest distributions received by KKR GPs that are part of KKR’s “carry pool” and/or (z) a profits interest in individual portfolio companies or assets of KKR Credit Funds or Other Clients. KKR Capstone executives could serve on the boards of directors of the portfolio companies of KKR Credit Funds and Other Clients and in such cases will generally receive directors’ fees and other compensation (including in the form of fixed and incentive compensation) in connection therewith from such companies. They also serve from time to time as interim executives of portfolio companies and receive compensation in connection therewith. Such compensation received by KKR Capstone executives will generally not be shared with KKR Credit Funds or Other Clients or offset against management fees or carried interest distributions payable by KKR Credit Funds or Other Clients.

KKR Credit engages persons to provide various consulting services to KKR Credit Funds and Other Clients (**“Consultants”**) including and in addition to KKR Capstone, including, without limitation, for sourcing, operational consulting, industry consulting, asset level consulting and operating services, debt servicing, engineering services, construction management, leasing management, development management, environmental compliance and remediation, purchasing, insurance negotiation and onboarding, and other property management or loan services, and general and administrative services, on terms similar to those described with respect to KKR Capstone. KKR Capstone, and other Consultants are often involved in due diligence in connection with KKR Credit’s investment sourcing. KKR Credit engages and expects in the future to engage particular Consultants for multiple projects related to existing portfolio companies or potential investment opportunities. Consultants have included and could in the future include former employees of KKR Credit or its affiliates. Generally, KKR Capstone, and certain other Consultants have master consulting agreements in place with KKR and/or KKR Credit for due diligence work and other projects, including non-implementation advisory or scoping work to identify and evaluate the potential for consulting or similar arrangements with existing portfolio companies and related operational changes and

improvements contracted by KKR Credit on behalf of KKR Credit Funds or Other Clients and KKR Capstone have in the past and could in the future enter into engagement letters with KKR Credit Fund portfolio companies, holding companies and other entities (including non-controlled entities) for consulting services provided to such entities. Under those agreements and engagement letters, KKR Capstone, and certain other Consultants are generally entitled to fees, other compensation and expense reimbursement (and expenses can be determined as a fixed percentage of KKR Capstone's fee for a specific engagement). Compensation for KKR Capstone (and other Consultants) will from time to time include a success fee based on pre-agreed targets or milestones. Such fees and reimbursable expenses and other compensation paid to KKR Capstone and are believed by KKR Credit to be reasonable and generally at market rates for the relevant activities, such compensation is not negotiated at arm's length and from time to time are in excess of fees, reimbursable expenses or other compensation charged by comparable third parties. However, KKR Capstone periodically conducts fee and rate benchmarking through a third party to confirm and validate that its rates remain reasonable and customary relative to industry peers.

Other companies provide similar services as KKR Capstone, and other Consultants, but KKR Credit believes they are less customized to the business of KKR Credit Funds and Other Clients. As is further described under "*Expenses – Senior Advisors, Executive Advisors, Industry Advisors and Other Consultants*" below, certain consultants are external to KKR Credit and are not affiliated with or employees of KKR Credit. Such external Consultants could provide any of the services described above to KKR Credit Funds, Other Clients or their portfolio companies.

Fees and compensation and expense reimbursement received by KKR Capstone, and other Consultants in connection with their services are generally not shared with KKR Credit Funds or Other Clients or offset against management fees or carried interest distributions payable by KKR Credit Funds or Other Clients. Note that this will be the case irrespective of whether a Consultant holds itself out to the public as part of KKR Credit, including by use of branding or other indicia that create the appearance that KKR Credit controls and/or owns a given Consultant. As noted above, KKR acquired KKR Capstone on January 1, 2020.

With respect to operating partners, KKR Credit will generally retain such operating partners on an ongoing basis through a consulting or joint venture arrangement, which involve the payment of annual retainer fees. Further, such operating partners have in the past or may in the future receive success fees, performance-based compensation and other compensation for assistance provided by such operators in sourcing and diligencing investments for a KKR Credit Fund or Other Client and may co-invest alongside KKR Credit Funds and/or Other Clients. Such annual retainer fees, success fees, performance-based compensation and other costs of retaining such operating partners may be borne directly by a KKR Credit Fund or Other Client as fund expenses. Although an operating partner may be providing services on an exclusive basis to KKR Credit, a KKR Credit Fund or Other Client may have acquired an interest in such operating partner, members of such operating partner will not be treated as affiliates of the relevant KKR Credit GP for purposes of the governing documents of the KKR Credit Fund or Other Client. Accordingly, none of the compensation or expenses described above will be offset against any management fees or carried interest distributions payable to KKR Credit or its affiliates in respect of such KKR Credit Fund or Other Client. Note that this will be the case irrespective of whether an operating partner holds itself out to the public as part of KKR Credit, including by use of branding or other indicia that create the appearance that KKR Credit controls and/or owns a given operating partner. Operating partners (including operating partners in which a KKR Credit Fund or Other Client owns an interest) will generally operate assets on behalf of a KKR Credit Fund or Other Client as well as other KKR Credit investment vehicles and may also operate assets for third parties, generally according to similar prevailing rates for such services, although the rates for such services often do not have readily available benchmarks for comparison. For further information, please see also "*Platforms, Joint Ventures and Other Portfolio Asset Arrangements*" below and in Item 8 - "*Operating Partners and Joint Venture Partners.*"

Affiliated Brokers

Affiliated U.S. and non-U.S. broker-dealers of KKR Credit (including their respective related lending vehicles) (or “**Affiliated Brokers**” as defined in *Item 10*) manage or otherwise participate in underwriting syndicates and/or selling groups with respect to the securities, loans and debt instruments or other financial products of portfolio companies and other non-controlled entities in or through which certain KKR Credit Funds or Other Clients invest or propose to invest, including in respect of securities or other instruments of such portfolio companies in which KKR Credit Funds or Other Clients have not have invested and for or in connection with the acquisition of such portfolio companies, as applicable. Affiliated Brokers also manage or otherwise participate in underwriting syndicates and/or selling groups with respect to securities and/or loans and other instruments held or proposed to be held directly or indirectly by certain co-investment vehicles.

Further, Affiliated Brokers will be involved in the public offering or private placement of such securities and/or loans and other instruments, and/or sometimes provide capital markets advisory services to portfolio companies and other non-controlled entities in or through which KKR Credit Funds or Other Clients invest, including in connection with mergers, and acquisitions, recapitalizations, refinancings and restructurings; and will alone, or with other counterparties (which might include other KKR Credit investment vehicles, third party banks or other unaffiliated finance providers) provide acquisition financing, lines of credit and other corporate lending or financing products and services to such entities in addition to financing provided through a KKR Credit Fund’s or Other Client’s investment. Affiliated Brokers also provide lines of credit to the portfolio companies of KKR Credit Funds and Other Clients through the Affiliated Brokers’ respective related lending vehicles. Such financing and underwriting services could also be provided to a third party in which a KKR Credit Fund or Other Client (or portfolio company) invests. Affiliated Brokers also provide syndication services to such entities including in respect of co-investments in transactions participated in by KKR Credit Funds or Other Clients. Affiliated Brokers will generally receive fees, including underwriting placement, syndication fees, transaction fees, commissions, underwriting discounts, interest payments and other compensation, payable in cash or securities and/or loans, in respect of the activities described above, as well as the expenses, charges and costs of any benchmarking, verification or other analysis related thereto. Affiliated Brokers from time to time waive such fees. Affiliated Brokers and other KKR entities will, 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 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, carried interest distributions payable by KKR Credit Funds or Other Clients or otherwise shared with KKR Credit Funds or Other Clients. Affiliated Brokers do not share in any transaction fees or monitoring fees earned by KKR Credit, which are generally allocated among KKR Credit Funds, Other Clients and Manager Co-investment Vehicles as discussed above. Global Atlantic has a registered broker-dealer, Global Atlantic Distributors, LLC (“GAD”), which constitutes an Affiliated Broker. GAD serves as wholesaler in furtherance of the distribution of several RICs managed by affiliates of KKR Credit and one or more K-Series Vehicle (as defined in Item 7) structured as a U.S. holding company conglomerate. GAD is compensated by an Affiliated Broker for such services. Please see *Item 10 - Other Financial Industry Activities and Affiliations* for further information regarding Affiliated Brokers.

Platforms, Joint Ventures and Other Portfolio Asset Arrangements

KKR Credit Funds or Other Clients form, enter into or invest in investment platforms, joint ventures, build-ups and other arrangements with third-parties or KKR Credit or its affiliates with respect to specified portfolio investments or categories of portfolio investments. In particular, such KKR Credit Funds or Other

Clients invest in opportunities through joint ventures, investment platforms or build-ups that provide one or more of the following services: origination or sourcing of potential investment opportunities, due diligence and negotiation of potential investment opportunities and/or servicing, development and management (including turnaround) and disposition of investments. Such investments in joint ventures, platforms and build-ups are made in or alongside existing or newly formed operators, consultants and/or managers (collectively, “**Platform Managers**”) that pursue such opportunities. Platform Managers could be established or otherwise invested in by KKR proprietary entities, and these Platform Managers could therefore constitute affiliates of KKR or otherwise represent proprietary interests of KKR. As set forth in the governing documents for such KKR Credit Fund, fees paid to such Platform Manager will not reduce management fees or other fees or carried interest distributions payable to KKR Credit or its affiliates in respect of such KKR Credit Fund. KKR Credit Funds or Other Clients also invest in or own Platform Managers, which involve joint ownership with KKR proprietary entities and/or third-party investors. Similarly, such joint ventures, platforms and build-ups could include capital and/or assets contributed by KKR proprietary entities, KKR Credit Funds or Other Clients and/or Platform Managers and/or third-party investors, which could include, without limitation, Global Atlantic Accounts (such joint ventures and investments in platforms and build-ups, collectively, “**Platform Arrangements**”). KKR Credit maintains policies and procedures to provide guidance to its investment executives regarding the types of investments in Platform Arrangements and Platform Managers that are within the relevant investment strategies of KKR Credit Funds and Other Clients.

Platform Arrangements also include certain investment vehicles, including, without limitation, Global Atlantic Accounts, that, directly or indirectly, hold or otherwise participate in aircraft, ships or financial assets or related financing arrangements (“**Portfolio Asset Vehicles**”) managed in whole or in part by joint venture partners or third party asset administrators, servicers or other persons (collectively, “**Asset Servicers**”) or otherwise pursuant to arrangements with such Asset Servicers. Asset Servicers are entitled to fees and other expense reimbursements for sourcing such portfolio investments, success fees or carried interest distributions in respect of such portfolio investments and/or other compensation tied to the success of such portfolio investments and/or servicing fees and expense reimbursements for assistance with due diligence of such assets, negotiation of financing relating to asset acquisitions, administration and other services provided in respect of the relevant assets (including in particular asset leasing services provided in respect of hard assets held through such vehicles) (collectively, “**Asset Servicing Fees**”). KKR Credit determines such compensation is appropriate where KKR Credit believes such Asset Servicers have particular expertise, capability or knowledge with respect to the relevant category of assets, they have sourced such assets, or for regulatory reasons, in order to assist KKR Credit in building relationships that KKR believes to be beneficial to a KKR Credit Fund or Other Client and/or that will create opportunities for future investments or otherwise optimize returns for such KKR Credit Fund or Other Client. Certain Asset Servicers have been established or otherwise invested in by KKR proprietary entities, and such asset services are therefore affiliates of KKR Credit or otherwise represent proprietary interests of KKR. For example, affiliates of KKR Credit have made a proprietary investment into a joint venture partnership with a commercial aviation finance company which sources and provide services to investments by certain KKR Credit Funds and Other Clients, including, without limitation, Global Atlantic Accounts, related to asset leasing arrangements for commercial aircraft, including assistance with sourcing of leasing opportunities and negotiating financing related to such opportunities as well as repurposing and maintenance services.

In connection with Platform Arrangements, personnel of platform companies, joint venture companies, partners or Platform Managers or other persons, including personnel of Platform Managers affiliated with KKR, or of other entities formed by KKR Credit or its affiliates to provide services to vehicles in which a KKR Credit Fund or Other Client holds an investment could receive management fees or other fees (including, without limitation, consulting, servicing and/or origination fees), performance-based payments (including, without limitation, carried interest, incentive fees and/or transaction fees), equity (including, without limitation, options, warrants and restricted stock) and/or other compensation (including, without

limitation, salaries, bonus, benefits and/or reimbursement of expenses) from Platform Managers or other vehicles which manage or advise such Platform Arrangements or through which such Platform Arrangements invest or conduct their business. Certain Platform Managers provide services exclusively to one or more Platform Arrangements.

KKR Credit Funds or Other Clients will bear the expenses of the Platform Arrangements and Platform Managers, such as formation costs, ongoing general or administrative costs (including compensation of related personnel, rent and other overhead), due diligence expenses, working capital costs and other related expenses in connection with backing the Platform Arrangements, and Platform Managers. Such expenses are borne directly by the relevant KKR Credit Funds or Other Clients (or as sourcing and diligence expenses, if applicable) or indirectly as KKR Credit Funds or Other Clients fund the startup and ongoing expenses of a newly formed portfolio company. Where the management or operating team of a platform investment of a KKR Credit Fund provides services that happen to benefit other KKR Credit Funds or Other Clients that are not invested in such platform, those other KKR Credit Funds or Other Clients will not bear their allocable share of platform related expenses, including compensation of management. Although a platform or build up portfolio entity is generally controlled by a KKR Credit Fund or Other Client, the compensation or expenses described above are not expected to be offset against any management or other fees or carried interest distributions payable to KKR Credit or its affiliates in respect of such KKR Credit Fund or Other Client.

The services provided by Platform Managers in respect of such Platform Arrangements have been and could be similar to and overlap with services provided by KKR Credit to KKR Credit Funds or Other Clients and a Platform Manager have and could also provide the same or similar services for assets owned by third parties, which could sometimes compete with KKR Credit Funds or Other Clients for investment opportunities. Multiple KKR Credit Funds or Other Clients could invest in the same Platform Arrangements. KKR Credit Funds or Other Clients could potentially realize investments held through Platform Arrangements (in whole or in part) through a sale of all or a portion of such Platform Arrangements or a disposition of assets held through such Platform Arrangements (including a payoff of any loans held through such Platform Arrangements), including to one or more KKR Credit Funds, Other Clients or third parties.

Certain Platform Managers and Asset Servicers include former KKR personnel, Senior Advisors, Executive Advisors or Industry Advisors (each defined below), KKR Capstone executives and such individuals are generally permitted to also provide the same or similar services with respect to other Platform Arrangements or Portfolio Asset Vehicles of a KKR Credit Fund or Other Client. In certain instances, KKR Credit will have little influence over certain unaffiliated Platform Managers and Asset Servicers invested in by a KKR Credit Fund or Other Client, and there is no assurance that these investments will benefit such KKR Credit Fund or Other Client, either economically or by achieving access to attractive future investment opportunities. Any compensation paid to Platform Managers or Asset Servicers, including Platform Managers and Asset Servicers that are KKR affiliates and including personnel that are former KKR Credit personnel, Senior Advisors, Executive Advisors, Industry Advisors, or KKR Capstone executives, will increase the costs of and reduce the KKR Credit Fund's or Other Client's returns from the relevant portfolio investments and will not offset carried interest or management fees or any other compensation paid by the KKR Credit Fund or Other Client to the KKR Credit GP. Please see the "*Expenses*" and "*Other*" sections below and *Item 8 - "Operating Partners and Joint Venture Partners"* for further information regarding the payment of fees, other compensation, and expense reimbursement to KKR Capstone, and other Consultants.

Loan Servicing and Administrative Services

Affiliates of KKR Credit also engage in loan servicing and other administrative services provided to borrowers, loan syndicates and similar arrangements. One or more of such KKR Credit affiliates are

generally entitled to provide these services to portfolio companies of KKR Credit Funds and Other Clients and/or to lenders to such portfolio companies and receives or will receive fees in connection with such services. Generally, any such loan servicing or administration or similar fees received by KKR Credit or its affiliates from or with respect to a KKR Credit Fund's or Other Client's portfolio companies will not be shared with the KKR Credit Fund or Other Client or offset against management fees or carried interest distributions payable by such KKR Credit Fund or Other Client.

KKR Credit and its affiliates also receive payments for local administration or management services related to portfolio companies or investments of KKR Credit Funds and Other Clients from those portfolio companies or from entities through which a KKR Credit Fund or Other Client invests in a portfolio company or other investment, including, without limitation, executing contracts and other documents in connection with the loan closing process, reviewing and approving or declining requests by obligors for consents, modifications, waivers or amendments to any loan documentation, monitoring the status of any applicable real estate taxes, assessments and other similar items and verifying the payment of such items for each such loan investment, collecting and monitoring all loan payments due to applicable KKR Credit Funds or Other Clients, general servicing or administration services in respect of loan portfolios as well as any and all other services which such KKR Credit Fund determines necessary or appropriate to the customary servicing of its loan portfolio (including participations therein). 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 Fund 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. Generally, any such service costs received by KKR Credit and its affiliates with respect to a KKR Credit Fund will not be shared with the KKR Credit Fund or offset against management fees or carried interest distributions payable by such KKR Credit Fund.

In certain circumstances, KKR Credit will also utilize and provide administrative services to a foreign holding structure which could also result in compensation payable to KKR Credit or its affiliates. For example, certain KKR Credit Funds utilize a Singapore holding structure for investments in Asia. Fees earned by such KKR Credit affiliate will accrue entirely to the benefit of its KKR Credit -affiliated equity owners, which will not include KKR Credit Funds. Moreover, the remuneration will not offset management fees or carried interest distributions due from KKR Credit Funds or Other Clients.

Warehoused Investments

KKR Credit Funds or Other Clients have and will acquire one or more portfolio investments acquired by KKR Credit or its affiliates prior to a closing date or subscription period of such KKR Credit Fund or Other Client. KKR Credit or its affiliates receive certain fees, including fees paid to Affiliated Brokers, in connection with any such investments. Subject to any required insurance regulatory approvals and the governing agreements of applicable KKR Credit Funds and Other Clients, Global Atlantic Accounts warehouse such portfolio investments for KKR Credit Funds or Other Clients for certain fees. KKR Capstone fees and other Consultants are also paid with respect to such investments. Any fees received by KKR or its affiliates with respect to such investments prior to the date of transfer of such warehoused investments to the relevant KKR Credit Fund or Other Client will generally be retained by KKR Credit or its affiliates and will not be shared with the KKR Credit Fund or Other Client or otherwise reduce management fees payable by the KKR Credit Fund or Other Client to KKR Credit. The decision of the relevant KKR Credit GP or KKR Credit regarding the timing of the transfer of such warehoused investment to the KKR Credit Fund or Other Client could therefore generally affect the portion of fees received by KKR Credit and its affiliates with respect to the warehoused investments that are shared with the KKR Credit Fund or Other Client and that otherwise reduce management fees payable by the KKR Credit Fund or Other Client to KKR Credit. In addition, the KKR Credit 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 Fund or Other Client. KKR or its affiliates will also make loans to KKR Credit Funds or Other Clients to acquire portfolio investments prior to the KKR Credit Fund or Other Client obtaining a subscription facility, and subject to any required insurance regulatory approvals and the governing agreements of applicable KKR Credit Funds and Other Clients, Global Atlantic Accounts will also serve as a lender in such circumstances. The decision of the KKR Credit GP or KKR Credit regarding the timing of the transfer of the warehoused investment to the KKR Credit Fund or Other Client will therefore affect the quantum of the foregoing additional amount that is paid by the KKR Credit Fund or Other Client to KKR Credit or its affiliates.

Senior Advisors, Executive Advisors, Industry Advisors and Other Consultants

Senior advisors (“**Senior Advisors**”), executive advisors (“**Executive Advisors**”) and industry advisors (“**Industry Advisors**”) are certain third-party consultants that are typically senior business leaders who provide advisory and consulting services to KKR, KKR Credit, investment funds managed by KKR and its affiliates, KKR Credit Funds, Other Clients and portfolio companies of the foregoing, including, among other things, with respect to additional operational and strategic insights into KKR’s investments. Senior Advisors, Executive Advisors and Industry Advisors are engaged as consultants rather than employees of KKR or KKR Credit and are compensated for services provided in relation to KKR, KKR Credit, investment funds managed by KKR and its affiliates, KKR Credit Funds, Other Clients and such portfolio companies. A significant portion of the compensation and reimbursement of expenses paid to Senior Advisors, Executive Advisors, Industry Advisors and other Consultants are allocated to investment funds managed by KKR and its affiliates, KKR Credit Funds or Other Clients as expenses, and as a result, these items are described in detail below under *Expenses – Senior Advisors, Executive Advisors and Industry Advisors*. Senior Advisors, Executive Advisors, Industry Advisors and other Consultants 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 Funds and Other Clients indirectly bear the cost of such compensation and expense reimbursement.

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

Please see 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, Executive 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 generally borne by KKR Credit Funds or Other Clients. However, KKR Advisors serve on the boards of portfolio companies, or are otherwise engaged to provide services to portfolio companies, of KKR Credit Funds or Other Clients and any fees paid to KKR Advisors by portfolio companies, such as director or consulting fees, will not be shared with or credited against any management fees payable by KKR Credit Funds or Other Clients.

Expenses

Three general categories of expenses are allocated to and among KKR Credit Funds or Other Clients, Manager Co-investment Vehicles, co-investment vehicles as further detailed in “**Allocations of Investment Opportunities**” 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 Fund or Other Client contain more detailed information on the type of expenses that will be charged to such KKR Credit Fund or Other Client.

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

When a portfolio company bears an expense directly, each direct and indirect equity owner of such company will indirectly bear a portion of such expenses. Expenses are also reimbursed to KKR Credit by portfolio companies, with the same effect. However, expenses are also borne by (i) holding companies or other vehicles through which certain, but not all, of the direct and indirect equity owners of the portfolio company invest or (ii) a specific KKR Credit Fund or Other Client. When such expenses are borne by such holding companies or other vehicles or by a specific KKR Credit Fund or Other Client, such KKR Credit Fund or Other Client will bear a greater portion of such expenses than would be the case if the relevant portfolio company paid such expenses as only the investors in the holding company (or KKR Credit Fund or Other Client) will bear the cost of such expenses.

Fund Organizational and Administrative Expenses

These expenses are related to the organization, operation and administration of KKR Credit 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 the eventual termination and liquidation of the KKR Credit Fund or Other Client. Examples of organizational expenses are legal, accounting, and filing expenses incurred in connection with the organization and establishment of any KKR Credit Fund and the related KKR Credit GP, and the marketing and offering of interests in such KKR Credit Fund or Other Client, including commissions, costs, fees, and expenses of any placement agent or finder and legal, accounting, tax, 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 Funds or Other Clients have and could pay the cost of the fund administration services KKR Credit employees provide (including compensation otherwise payable by KKR Credit), and/or internal costs (including compensation and overhead costs) attributable to certain 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 Fund or Other Client.

Investors in KKR Credit Funds (other than Manager Co-investment 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 Fund or Other Client. KKR Credit or one or more of its affiliates will generally bear the allocable share of organizational costs and other expenses attributable to Manager Co-investment 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 Fund have and could be borne by such KKR Credit Fund or such feeder funds, as

specified in the offering materials, disclosure documents and/or governing documents of the relevant KKR Credit Fund.

Examples of direct and indirect operational expenses that fall within this category are professional fees directly attributable to a specific KKR Credit Fund or Other Client, such as legal fees and audit fees; insurance premiums and; 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 Employees); compensation and expenses of Senior Advisors Executive Advisors and Industry Advisors; fees, other compensation and expenses of KKR Capstone 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 Fund or Other Client (including costs and expenses of meals, events, entertainment and travel and accommodation costs of KKR Credit personnel, Senior Advisors, Executive 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 Fund or Other Client or KKR Credit 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 KKR Credit Fund or Other Client; expenses of any actual or potential litigation, dispute, investigation or inquiry related to any KKR Credit 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 any litigation, dispute, investigation or inquiry and the appointment of any agents for service of process on behalf of such KKR Credit Fund, Other Client, KKR Credit or investors and other extraordinary expenses related to any KKR Credit 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 could arise in the course of operations of the KKR Credit Funds or Other Clients. KKR Credit 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 Fund or Other Client invests that are not otherwise borne by such entities. KKR Credit Fund and Other Client expenses and the repayment of any borrowings incurred by a KKR Credit Fund or Other Client are allocated against and satisfied from investment proceeds received by such KKR Credit Fund or Other Client in a manner reasonably determined by the KKR Credit or the applicable KKR Credit GP. Generally, out-of-pocket expenses associated with completed portfolio investments are expected to be reimbursed to KKR Credit by the seller or the portfolio company or capitalized as part of the acquisition price of the transaction.

As noted above, certain KKR Credit Funds or Other Clients will also pay or otherwise bear the costs and expenses associated with administration of KKR Credit Funds, Other Clients and their assets, including allocable compensation and overhead of applicable KKR Credit employees (the “**Applicable Employees**”). Applicable Employees estimate their time engaged in a variety of matters that can be generally categorized as relating to (i) administration of KKR Credit Funds and Other Clients, (ii) administration of KKR Credit Fund or Other Client assets, and (iii) administration of non-KKR Credit Fund or Other Client-related activities.

The time estimates are aggregated for all Applicable Employees across the categories for purposes of calculating the portion of the aggregate compensation and overhead of all Applicable Employees that is allocable to the applicable KKR Credit Fund or Other Client, which, for the avoidance of doubt, is limited to clauses (i) and (ii) above. KKR Credit bears the portion of compensation and overhead of Applicable Employees that is allocable to non-fund related activities (if any). Compensation of each Applicable Employee will generally include three elements: (a) salary and cash bonus; (b) payroll taxes and (c) healthcare and other benefits costs. Overhead will generally include rent, property taxes and utilities that are allocable to workspaces and shared spaces used by Applicable Employees. KKR Credit determines compensation of Applicable Employees in accordance with internally established methodologies. KKR Credit does not obtain pricing information from unaffiliated third-party service providers and accordingly compensation and overhead of Applicable Employees charged to a KKR Credit Fund or Other Client could be in excess of the cost of comparable services if they were to be provided in an arm’s length transaction. While the KKR employee group included in the scope of Applicable Employees is generally limited at present to finance, tax, technology, public affairs, ESG, and operations, KKR Credit expects from time to time, to expand the scope of Applicable Employees to apply to additional KKR Credit employees (or categories of personnel) devoting time to fund administration matters, including potentially in-house attorneys, compliance professionals, accountants and tax advisers engaged in legal and regulatory compliance.

Sourcing and Diligence Expenses

These expenses relate more generally to investment sourcing and diligence for a particular investment strategy and include fees, costs and expenses of identifying, investigating (including conducting diligence with respect to), evaluating, structuring and negotiating potential investments for such strategy including, without limitation, finders fees and other fees and expense reimbursements payable to third parties for sourcing transactions and/or success fees, carried interest distributions in respect of specific investments and/or other compensation tied to the success of investments sourced by such parties. These amounts include expenses incurred with respect to the pursuit of particular investments that are consummated as well as those investments that are not actually consummated. Such expenses include fees and expenses of any legal, financial, accounting, consulting or other advisors or lenders, investment banks and other financing sources; any travel and accommodation expenses and any deposits or down payments that are forfeited in connection with, or amounts paid as a penalty for, unconsummated transactions.

Other sourcing and diligence expenses include certain organizational expenses (for example, those related to the establishment of a multi-investment arrangement for a strategy); legal, accounting and other professional fees and expenses; travel costs (including first or business class airfare, lodging (including first class lodging), ground transportation (including black car services), and premium meals; costs and expenses of attending trade association meetings, conferences or similar meetings to source and evaluate investment opportunities; fees and expenses of consultants (including Senior Advisors, Executive Advisors and Industry Advisors, KKR Capstone and other Consultants); and costs and expenses of research and technology (including costs of specialty data subscription and license-based services and risk analysis software). These expenses are allocated to the KKR Credit Funds and Other Clients (and if applicable, certain KKR proprietary entities) that participate in the relevant investment strategy. The proportion of such

expenses allocated to any relevant KKR Credit Fund, Other Client or KKR Credit proprietary entity varies from period to period, but as a general matter, the significant majority of such expenses will typically be borne by the primary investment vehicle for such strategy, which is generally the KKR Credit Fund that has a minimum investment right in relation to investment opportunities within the relevant strategy. Transaction expenses for consummated investments not reimbursed by a third party are generally allocated based on the percentages of the investment held by the relevant KKR Credit Funds or Other Clients.

Oversight Expenses

These expenses are incurred in connection with the oversight of portfolio companies and other issuers of portfolio investments. Examples of expenses that fall within this category are travel expenses (including first or business class airfare, first class lodging and ground transportation, such as a black car service) for an Employee to attend a board of directors meeting of a portfolio company, directors' fees, KKR Capstone (and other Consultant) fees, other compensation and expenses for services provided to or on behalf of a portfolio company, expenses relating to the disposition or management of the portfolio investment, portfolio company consulting fees, expenses, equity grants and other compensation of Senior Advisors, Executive Advisors, Industry Advisors and/or KKR Capstone, for services provided to a KKR Credit portfolio company, and fees and expenses of any other consultants, counsel, accountants or other experts for services provided to (or on behalf of) a KKR Credit Fund portfolio company. Other examples include: (i) brokerage commissions, clearing and settlement charges, investment banking fees and expenses, bank charges, placement, syndication and solicitation fees, arranger fees, sales commissions, bridge financing expenses (which in certain cases will be payable to another KKR Credit Fund or Other Client co-investing in the bridged transaction or to KKR Credit or an affiliate, in each instance to the KKR entity that provides bridge financing to the relevant KKR Credit Fund or Other Client) and other investment, execution, closing and administrative fees, costs and expenses of portfolio companies, (ii) costs (including administrative and filing fees and regulatory and compliance expenses) of maintaining the holding structure for portfolio investments, (iii) portfolio and risk management expenses (including hedging transactions and related costs), (iv) anti-money laundering and anti-bribery and corruption compliance costs, (v) ESG-related costs, (vi) cybersecurity costs, (vii) expenses of any actual or potential litigation or other dispute or investigation or inquiry related to any portfolio company or any actual or potential portfolio investment (including expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of any such matter and the appointment of any agents for service of process on behalf of such portfolio company or KKR) and other extraordinary expenses related to any portfolio investments (including fees, costs and expenses classified as extraordinary expenses under generally accepted accounting principles in the U.S.); and (viii) expenses related to industry conferences directly related to a particular portfolio company or portfolio investment. Oversight expenses are from time to time paid to KKR Credit affiliates, including Affiliated Brokers and also include amounts for service costs paid to KKR Credit (or any affiliate) by a portfolio company or any entity through which a KKR Credit Fund, Other Clients or Manager Co-investment (and if applicable, certain KKR affiliated entities and proprietary entities) invests in a portfolio company for local administration or management services related to such portfolio company or entity.

Senior Advisors, Executive Advisors, Industry Advisors and Other Consultants

The terms of engagement, including the financial package, for Senior Advisors, Executive Advisors, Industry Advisors and other Consultants are generally agreed ("**Terms of Engagement**") between the Senior Advisors, Executive Advisors, Industry Advisors or other Consultants and KKR (or one of its affiliates) at the time of engagement. Terms of Engagement are negotiated individually with each counterparty, depending upon anticipated services, and differ based on the parties to the Terms of Engagement. Terms of Engagement will be updated from time to time, taking into account considerations such as, but not limited to, performance or current market practices for similar consulting services. Senior Advisors, Executive Advisors and Industry Advisors typically receive a financial package comprised of

one or more of the following: (i) an annual fee or retainer, (ii) a discretionary performance-related bonus, (iii) a portion of the carried interest distributions received by a general partner(s) of a KKR, KKR Credit Fund or Other Client that are part of KKR's "carry pool," (iv) grants of equity in one or more of the parent entities of KKR (including equity awards from the KKR Public Company) and (v) an opportunity to invest in KKR or KKR Credit Funds or specific transactions on a no-fee/no-carry basis. Senior Advisors, Executive Advisors and Industry Advisors are also entitled to reimbursement for expenses incurred while providing services to KKR Credit, KKR, KKR Credit Funds, investment funds managed by KKR and its affiliates, Other Clients and their portfolio companies. Senior Advisors, Executive Advisors and Industry Advisors also receive consulting related compensation in the form of fixed and incentive compensation. KKR Credit Funds and Other Clients bear, directly or indirectly, a portion of the costs of consulting services provided by Senior Advisors, Executive Advisors, Industry Advisors or other Consultants. KKR Credit will generally seek to engage Senior Advisors, Executive Advisors, and Industry Advisors and other external Consultants on the basis of the overall quality of advice and other services they provide as well as cost. Such external Consultants, however, will often charge rates or establish other terms in respect of advice and other services provided to KKR Credit Funds, Other Clients or their portfolio companies that differ from rates or terms applicable to engagements of KKR Capstone or other affiliated Consultants for similar services.

KKR Credit allocates Senior Advisors, Executive Advisors, Industry Advisors or other Consultants compensation (i.e., the annual fee and cash bonus) and expense reimbursement according to how the relevant Senior Advisor, Executive Advisors or Industry Advisor spends his or her time. The time of each Senior Advisor, Industry Advisor or Other Consultant is allocated on a quarterly basis among three general categories: (i) investment sourcing activities (which are allocated as sourcing and diligence expenses (see description above of such expenses)); (ii) activities related to monitoring or working with portfolio companies (which are allocated as portfolio company-related expenses (see description above of such expenses)); and (iii) KKR Credit related activities, such as meetings with investors and strategic planning, expenses of which are borne by KKR Credit or its affiliates and not KKR Credit Funds or Other Clients. The expenses related to equity grants in one or more of the parent entities of KKR Credit have historically been borne by KKR (or one of its affiliates) and not allocated to KKR Credit Funds or Other Clients. The expense created by the payment of a legacy Phantom Equity (described below) grant is borne indirectly by the KKR Credit Funds and Other Clients that participated in the relevant portfolio company.

In addition, some Senior Advisors historically were granted "phantom equity" in certain portfolio companies of investment funds managed by KKR and its affiliates, which is a form of incentive compensation based on the performance of the relevant portfolio company ("**Phantom Equity**"). Phantom Equity grants were discontinued in 2009; however, certain Senior Advisors, Executive Advisors, Industry Advisors or other Consultants continue to receive payments under legacy grants. Certain Senior Advisors also receive profit participation or similar equity interests in portfolio companies or investment assets and/or a portion of performance related compensation from certain KKR Credit GPs that in turn receive carried interest allocations from KKR Credit Funds or Other Clients. Senior Advisors, Executive Advisors, Industry Advisors or other Consultants also serve on the boards of directors of KKR Credit Fund or Other Client portfolio companies and could otherwise serve directly as consultants or interim executives to KKR Credit portfolio companies and could receive directors' fees, consulting fees, equity grants and other compensation in connection therewith from KKR Credit portfolio companies. Such directors' fees or other compensation earned by Senior Advisors, Executive Advisors, Industry Advisors or other Consultants do not offset management fees payable by KKR Credit Funds or Other Clients. Certain Terms of Engagement provide KKR the discretion to determine whether this additional compensation paid to Senior Advisors, Executive Advisors, Industry Advisors or other Consultants by KKR Credit Fund portfolio companies will offset the cash compensation paid to such Senior Advisors, Executive Advisors or Industry Advisors under the Terms of Engagement, although KKR Credit typically does not offset such cash compensation.

Expense Allocation

KKR Credit allocates expenses among KKR Credit Funds, Other Clients, and Manager Co-investment Vehicles that participate in a relevant KKR Credit investment strategy. Expenses will also be allocated to those KKR Credit Funds (as defined under *Item 10*), Other Clients or Stakes and Seeds Funds (as defined in *Item 11*) that have a right to co-invest alongside or otherwise participate in KKR Credit investments opportunities on an excess capacity basis (“**Secondary Accounts**”) (as defined under *Item 11*).

KKR Credit allocates expenses among KKR Credit Funds, Other Clients and KKR Credit based on the nature of the expenses and from time to time will 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 Funds, Other Clients or Manager Co-investment Vehicles to which they relate in accordance with the offering and governing documents of each KKR Credit Fund and Other Client.

Expenses are charged to KKR Credit Funds, Other Clients, Manager Co-investment Vehicles, Secondary Accounts and KKR proprietary entities based on an allocation methodology that seeks to fairly allocate such administrative expenses among relevant KKR Credit Funds or Other Clients, Manager Co-investment Vehicles and KKR proprietary entities. For fund organizational and administrative expenses not directly attributable to a certain vehicle, the allocation methodology is based on their respective proportionate share of assets under management and management fee revenues.

“**Oversight Expenses**” are charged to the portfolio company to which they relate, or, if not, are generally allocated based on percentages of the investment held by the relevant KKR Credit Funds and Other Clients, Manager Co-investment Vehicles, Secondary Accounts (as defined in *Item 11*) as well as KKR proprietary entities, co-investment relationships including third party co-investment relationships (“**Third Tier Accounts**”) (as defined in *Item 11*) to the extent applicable. When the portfolio company bears an expense directly, each direct and indirect equity owner of such company will indirectly bear a portion of such expenses. However, expenses could be borne by (i) holding companies or other vehicles through which certain, but not all, of the direct and indirect equity owners of the portfolio company invest or (ii) a specific KKR Credit Fund, Other Client, KKR Associates Vehicle, KKR proprietary entity or other co-investment relationship, as applicable. When such expenses are borne by such holding companies or other vehicles or by a specific KKR Credit Fund or Other Client, such KKR Credit Fund or Other Client will bear a greater portion of such expenses than would be the case if the relevant portfolio company paid such expenses as only the investors in the holding company (or the relevant KKR Credit Fund or Other Client, as applicable) will bear the cost of such expenses. Transaction expenses for consummated investments will typically be borne by the relevant portfolio company or a related investment vehicle through which the investment is made and capitalized as part of the acquisition price of the relevant transaction to the extent not reimbursed by a third party. In addition, ongoing expenses that are specific to a portfolio company are borne by the relevant portfolio company.

“Sourcing and diligence expenses” are generally attributable to the KKR Credit Funds, Other Clients, Manager Co-investment Vehicles, and KKR proprietary entities that participate in the relevant investment strategy for which the particular investment opportunity relates. For consummated transactions, these expenses are generally charged to the portfolio company or issuer to which they relate, or, if not, are generally allocated based on percentages of the investment held by the relevant KKR Credit Funds, Other

Clients, Manager Co-investment Vehicles, Secondary Accounts and KKR proprietary entities, as well as other co-investment relationships that have participated in the consummated transaction as applicable.

Sourcing and diligence expenses for unconsummated, or “broken” transactions above an established threshold, are generally charged pro rata to KKR Credit Funds, Other Clients and Manager Co-investment Vehicles, and KKR proprietary entities participating in the relevant investment strategy for which the particular investment opportunity relates, as well as charged to Secondary Accounts and KKR proprietary entities, which have and will co-invest alongside or otherwise participate in certain KKR Credit investment opportunities. The allocation is based on actual or historical participation in the relevant investment strategy for which the particular investment opportunity relates and their respective governing documents and investment mandates allow. Because KKR Credit does not source investment opportunities generally within a strategy on behalf of third-party investors who invest on a deal by deal or “syndicated” basis, KKR Credit does not allocate sourcing and diligence expenses to syndicated capital co-investment vehicles or syndication side cars.

Captive Insurance

KKR Credit and its affiliates, KKR Credit Funds, Other Clients and/or their portfolio entities could, in certain circumstances, self-insure through a captive insurance company (the “Captive”) owned entirely by one or more of such participants. An affiliate of KKR Credit could provide oversight of the Captive’s management, sit on the boards of the Captive’s cells, provide a guarantee for a letter of credit to help capitalize the Captive, own one or more cells (including the central cell) and receive a fee based on a percentage of the premiums. A Captive’s “cells” are risk-bearing entities consisting of a core or central cell and an indefinite number of individual cell entities which are kept legally separate and insulated from the liabilities of each other. An individual “cell” is an insurance facility that can be utilized by a single company to underwrite its specific risks. A third-party insurance services firm, a portfolio entity of a KKR Credit Fund or Other Client and/or a KKR Credit affiliate could provide brokerage, placement, administration and insurer management services to the Captive. The fees and expenses of the Captive, including insurance premiums and fees paid to its manager, will be borne by KKR Credit Funds, Other Clients and/or their respective affiliates and portfolio entities pro rata based on estimates of insurance premiums that would have been payable for each party’s respective assets, as benchmarked against amounts paid by or to third parties where practicable, and are paid by each participant annually. While KKR Credit Funds and Other Clients do not expect to provide any funding in addition to such annual contribution, it is possible that each member of the Captive, including any relevant KKR Credit Fund and its portfolio entities, is required to make additional capital contributions in certain circumstances. This arrangement, if implemented, is expected to provide a KKR Credit Fund with greater control over its insurance programs and reduce overall costs of insurance through efficiencies and lower insurance costs. A KKR Credit Fund, however, could be negatively affected to the extent there are disproportionate losses incurred on assets held by other KKR Credit Funds or Other Clients participating in the Captive, including through increased future premiums or the lost ability to recoup capital contributions, and there can be no assurance that the arrangement will not result in under- or over-allocation of costs to a KKR Credit Fund relative to other KKR Credit Funds or Other Clients or that different allocations or arrangements than those provided above would not result in a KKR Credit Fund and its portfolio entities bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies. The Captive could engage a portfolio entity of a KKR Credit Fund or Other Client to provide corporate support services in respect of the Captive’s activities (including assisting with Captive structuring, related insurance brokerage and placement and oversight and administration of claims). In connection therewith, such portfolio entity is expected to earn commissions for such services related to the Captive’s insurance programs and could earn additional commissions during each such policy year. Any such services and fees are in addition to any services provided and fees received by KKR Credit and its affiliates.

Other

Portfolio companies or portfolio investments of KKR Credit Funds or Other Clients are counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other KKR Credit Funds or Other Clients (for example, a portfolio company of a KKR Credit Fund has retained a portfolio company of another KKR Credit Fund to provide services or acquires an asset from such portfolio company). Generally, transactions between portfolio companies of KKR Credit Funds or Other Clients (or KKR Credit) would not give rise to a conflict of interest as these transactions are typically negotiated between members of management of the portfolio companies that are independent of KKR Credit and without the participation of KKR Credit. Where KKR Credit determines that there is a conflict, including when members of management are not sufficiently independent of KKR Credit, KKR Credit will take actions to resolve the conflict, in accordance with its established policies and procedures for addressing conflicts, including potentially having other independent parties approve the transaction.

Other agreements, transactions and arrangements among portfolio companies involve fees, servicing payments, rebates, discounts and/or other benefits to KKR Credit and its employees and (including KKR Capstone). For example, KKR Credit and its affiliates encourage portfolio companies to enter into agreements regarding group procurement and/or vendor discounts. In certain cases, KKR Credit and its affiliates, (including KKR Capstone) also participate in these agreements and realize better pricing or discounts as a result of the participation of portfolio companies. Certain of these agreements provide for commissions or similar payments and/or discounts or rebates to be paid (directly or indirectly) to KKR Capstone, a portfolio company, KKR Credit (or one of its affiliates), or Other Consultant. Fees, payments, rebates, discounts and other benefits paid or otherwise provided by portfolio companies pursuant to these arrangements are not subject to management fee offsets or otherwise shared with KKR Credit Funds or Other Clients. Under these arrangements, one particular portfolio company might benefit to a greater degree than the other participants in the arrangements, and the KKR Credit Fund(s) and/or Other Client(s) that own an interest in such portfolio company will receive a greater relative benefit from the arrangement than other KKR Credit Funds or Other Clients that do not own an interest in such portfolio company.

KKR Credit or its affiliates, or the officers, directors and employees of KKR or its affiliates from time to time hold equity or other investments in companies or businesses that provide services or goods to or otherwise contract with portfolio companies of KKR Credit Funds or Other Clients, subject to KKR Credit's policies and procedures for addressing conflicts. Payments made by portfolio companies for such services, goods or contracts will not offset management fees payable by KKR Credit Funds or Other Clients.

In addition, portfolio companies of KKR Credit Funds or Other Clients from time to time make discounts and other benefits available to employees of KKR Credit and its affiliates and to Consultants, Senior Advisors, Executive Advisors, Industry Advisors and KKR Advisors and other persons associated with KKR with respect to products or services offered by such companies. Furthermore, airline travel or hotel stays incurred as KKR Credit Fund or Other Client expenses typically result in "miles" or "points" or credit in loyalty/status programs, and such benefits or discounts will, whether or not de minimis or difficult to value, inure exclusively to KKR Credit and/or its personnel (and not KKR Credit Funds, Other Clients or portfolio companies) even though the cost of the underlying service is often borne by the KKR Credit Funds, Other Clients or portfolio companies. The amount of such discounts and other benefits will not offset management fees payable by KKR Credit Funds or Other Clients.

KKR Credit also earn fees as a result of its subsidiaries' providing loan servicing or asset leasing services to certain KKR Credit Funds or Other Clients that invest in loan participations or certain hard assets (or to related portfolio companies or lending syndicates), which fees are shared with the relevant KKR Credit Funds or Other Clients, depending on the applicable offering materials, disclosure documents, investment management agreements and/or governing documents.

In connection with the management and oversight of the KKR Credit Funds and Other Clients, neither KKR Credit nor any of its supervised persons accept compensation from third parties for the sale of securities and/or loans or other investment products except as described above.

Item 6 Performance-based Fees and Side-By-Side Management

As noted in *Item 5 - Fees and Compensation* above, KKR Credit (including the KKR Credit GPs) generally receives carried interest allocations and fees from KKR Credit Funds or Other Clients. From time to time, KKR Credit has an incentive to favor, or take increased investment risk with respect to KKR Credit Funds or Other Clients from which it receives higher carried interest allocation (or which are subject to lower preferred return hurdles) or higher fees over KKR Credit Funds or Other Clients from which lower or no carried interest allocation or lower fees are received (and notwithstanding that such accounts do not give rise to carried interest allocations, KKR Credit in any event will in certain cases have an incentive to favor a certain KKR proprietary entity over any other KKR Credit Fund or Other Client). KKR Credit has in place policies and procedures to address these conflicts, including policies and procedures designed to ensure allocation of investment opportunities among all client and KKR proprietary entities on a fair and equitable basis, taking into account the client's investment objectives. These policies and procedures are described in more detail below in *Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*.

KKR Credit advises certain KKR Credit Funds that are either feeder funds investing in other KKR Credit Funds or side-by-side vehicles investing alongside other KKR Credit Funds established primarily for the benefit of Employees, Senior Advisors, Executive Advisors, Industry Advisors and KKR Advisors and certain other persons associated with KKR and KKR Credit (including, without limitation, executives of KKR and KKR Credit portfolio companies, external consultants, service providers and their affiliated entities) ("**Manager Co-investment Vehicles**"). Manager Co-investment Vehicles are not subject to management fees or carried interest allocations but are generally allocated monitoring fees, transaction fees, break-up fees and other similar fees based on their respective ownership (including indirect ownership through KKR Credit Funds) of the portfolio company or investment as discussed above in *Item 5 - Fees and Compensation* (except in the case of investments made alongside certain older KKR Credit Funds). KKR Credit or its affiliates retains such compensation to the extent it is allocable to Manager Co-investment Vehicles (except in the case of investments made alongside certain older investment funds managed by KKR and its affiliates). KKR Credit or its affiliates bears allocable share of KKR Credit Fund organizational costs and other expenses on behalf of the Manager Co-investment Vehicles. As the investment activities of these vehicles are implemented indirectly through the other KKR Credit Funds in which they invest or alongside other KKR Credit Funds, as applicable, KKR Credit does not view these arrangements as giving rise to the types of conflicts of interest described above.

Item 7 Types of Clients

KKR Credit provides investment management, advisory and administrative services to KKR Credit Funds and Other Clients, as described above in response to *Item 4 - Advisory Business*. With limited exceptions (including, currently, with respect to KKR Credit Funds established as a RICs and Manager Co-Investment Vehicles), investment in KKR Credit Funds is generally only available to institutional investors and certain high net worth investors that are both "accredited investors" and "qualified purchasers" or in the case of Employees, "knowledgeable employees", within the meaning of the Securities Act and the Investment Company Act, as applicable. KKR Credit Funds or Other Clients, 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 or the relevant KKR Credit GP, to permit investments of a smaller amount generally or with respect to any

investor. Investment minimums and the circumstances under which they are 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, 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 Funds and Other Clients. Additionally, Employees and other persons associated with KKR Credit and/or its affiliates and portfolio companies, including, for example, current or former portfolio company executives, and certain KKR proprietary entities, make capital contributions to KKR Credit Funds, generally through special purpose vehicles set up as feeder funds that invest in those KKR Credit Fund, or alongside KKR Credit Funds, including, in particular, Manager Co-investment Vehicles.

Some of these investment vehicles accept qualified individual (non-institutional) investors primarily sourced through third party brokerage firms, banks, third-party feeder providers, and independent investment advisors (“K-Series Vehicles”). Certain of the K-Series Vehicles advised by KKR Credit affiliates have been structured as RICs or as holding company conglomerates that are structured and operated in a manner permitting them to be excluded from the definition of “investment company” under the Investment Company Act. Given the large number of investors, U.S. K-Series Vehicles are typically registered under the Securities Exchange Act of 1934, as amended.

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

Investment Strategies and Methods of Analysis

The investment strategies employed by KKR Credit in respect of the KKR Credit 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 situation instruments, structured and illiquid credit, asset based lending and direct senior loan origination and related instruments), equity, and real assets. Certain KKR Credit Funds might 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, on behalf of KKR Credit Funds or Other Clients, from both a long or short investment perspective, will sometimes 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, strategic investments, 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, inspections of corporate activities, research material prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, company press releases and other publicly available information. 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 also 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, other Consultants, Senior Advisors, Executive 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, Executive 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 are not 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 any KKR Credit Fund or Other Client. The 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 described 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 private, subordinated, illiquid loans and corporate bonds in addition to certain equity investments. 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 is often less than its intrinsic value.

Although certain investments by KKR Credit Funds and Other Clients 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 investments of KKR Credit Funds and Other Clients can generally be sold at any time, realization events such as sales typically only 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 will be prohibited by contract from selling certain securities and/or loans for a period of time, which will restrict their ability to be able to exit the relevant investment and sometimes means that the KKR Credit Fund or Other Client

will be 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 sometimes continues 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, and investors should expect that they will likely not receive a return of any of their capital for a long period of time even if the valuations of the investments of the KKR Credit Fund or Other Client in which they are invested appreciate. Certain investments by KKR Credit Funds or Other Clients are in securities that are or become publicly traded. Such investments are subject to economic, political, interest rate and other risks, any of which could result in an adverse change in the market price.

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 ascertainable 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 in reliance on internal pricing models, in accordance with KKR Credit's valuation policies and procedures. KKR Credit makes use of, and relies on, valuation information and data developed and provided by certain third parties. Such valuations sometimes vary from similar valuations performed by other independent third parties for similar types of securities or assets. In addition, KKR Credit Funds and Other Clients rely on the valuations or valuation information provided by, or determined in consultation with, the relevant KKR general partner or KKR and its affiliates, as applicable (for example, when KKR Credit Funds or Other Clients are investing in KKR investment strategies). The expansion of the KKR Credit client base, for example, as a result of the launch of funds registered under the Investment Company Act and the K-Series Vehicles will increase related operational risks, such as obligations to conduct more frequent valuation processes, which will place increased demands on KKR Credit's senior employees, require administrative, operational and accounting resources and involve significant additional expenses. For further information, please see "*Distribution of New Investment Products through Private Wealth Channels*" below. 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 could be inaccurate or subject to other error. The value of a KKR Credit Fund or Other Client's portfolio is sometimes 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 are not predictable and can have a material impact on the reliability and accuracy of such valuations. Various market and economic conditions and events outside of KKR Credit's control that are difficult to quantify or predict could have a significant impact on the valuations of portfolio investments, and therefore on the performance of KKR Credit Funds and Other Clients. 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. 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. Such calculations depend on the value of KKR Credit Funds and Other Clients investments, including unrealized investments, and involves uncertainties and subjective determinations, including for difficult to value assets. The amount and timing of carried interest distributions received by KKR Credit or a KKR Credit GP with respect to a KKR Credit Fund or Other Client will depend in part on the valuations 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 distributions received by the KKR Credit GP or KKR Credit or the timing of receipt of carried interest distributions 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 generally entails evaluation of important and complex business, financial, tax, accounting, environmental, social and governance issues, regulatory and legal issues, assessment of cybersecurity, data privacy, information technology and other technological factors. Consultants, legal advisors, accountants, investment banks and other third parties are generally involved in the due diligence process to varying degrees depending on the type of investment. Involvement of third-party advisors or consultants 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 a public markets' investment, KKR Credit relies primarily on publicly available information and resources. In connection with certain alternative credit strategies, KKR Credit also relies on information provided by the target of the investment and, in some circumstances, third-party information. The due diligence that KKR Credit carries out with respect to any investment opportunity will not always reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. In addition, instances of fraud and other deceptive practices committed by the management teams of portfolio companies in which a KKR Credit Fund or Other Client has an investment could undermine KKR Credit's due diligence efforts with respect to such companies. 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 or Other Client 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 engages 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 executives. However, no assurance can be made that such individuals do not share confidential information. In such cases, KKR Credit could become restricted from pursuing investments, which could adversely impact on a KKR Credit Fund or Other Client.

As a part of due diligence on a potential investment, KKR Credit sometimes invest in the securities 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 do not have established laws and regulations that are as stringent as in more developed nations, or where there exists insufficient coordination of anti-corruption initiatives and/or other existing laws and regulations are not 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 various countries in Asia, Central and South 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 have not 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 are 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.

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 will become restricted from pursuing an investment opportunity, which could adversely impact a KKR Credit Fund or Other Client.

Further, due to jurisdictional limitations, matters of comity and other factors, the SEC, the U.S. Department of Justice (the “DOJ”) and other U.S. and non-U.S. authorities will be limited in their ability to pursue enforcement or other actions against companies in certain emerging market jurisdictions that engage in fraud or other wrongdoings. For example, in certain jurisdictions, there are significant legal and other obstacles to obtaining information needed for investigations or litigation. Similar limitations also apply to pursuit of actions against individuals in certain emerging markets and other jurisdictions, including officers, directors and individual gatekeepers who could have engaged in fraud or other wrongdoing.

Risks Arising from Provision of Oversight Rights

KKR Credit Funds or Other Clients sometimes seek or obtain oversight rights with respect to KKR Credit Funds’ or Other Clients’ portfolio companies, and KKR Credit executives and/or Senior Advisors often will 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 liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and government regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to investors could be ignored, as well as claims by a portfolio company, its security holders and creditors, governmental authorities and other third parties which could exceed the value of a KKR Credit Fund’s or Other Client’s initial investment in that portfolio company. Regulators and courts in some jurisdictions could find a basis for attributing liability to a KKR Credit Fund or Other Client even where the nexus between the KKR Credit Fund or Other Client and the activities at the portfolio company that led to the liability being incurred in the first place are attenuated. While KKR Credit GPs intend to reduce exposure to these risks to the extent practicable, the possibility of successful claims cannot be precluded. From time to time, KKR employees and affiliates serve on the board of directors of one or more KKR Credit Fund or Other Client portfolio company and other issuers in which it invests. Serving in such capacity could give rise to conflicts to the extent that an employee’s fiduciary duties to an issuer as a director conflict with the interests of KKR Credit Funds or Other Clients.

In addition, the provision of managerial assistance to a portfolio company could result in KKR Credit Funds or Other Clients being characterized as “a trade or business” for purposes of ERISA controlled group

liability, and, in the event that KKR Credit Funds or Other Clients have a significant ownership interest (generally 80% or more) in such portfolio company, there is a potential risk that KKR Credit Funds or Other Clients and such portfolio company could be subject to controlled group liability under ERISA. As a result, such portfolio companies and KKR Credit Funds or Other Clients could be held jointly responsible for certain employee benefit obligations or liabilities under ERISA, including funding obligations to single-employer pension plans and withdrawal liability from union-sponsored multi-employer pension plans, particularly if the ownership interests of parallel funds and/or related funds or vehicles are required to be aggregated when applying the controlled group ownership tests. Recent legal developments relating to the controlled group ownership tests, notably *Sun Capital Partners v. New England Teamsters and Trucking Industry Pension Fund*, indicate that there is an increased risk that courts could conclude that controlled groups exist with respect to such structures.

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 is subject to the risk of failing 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, there is a risk that KKR Credit Funds or Other Clients will 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 will 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.

Investment Ranking

In many instances, 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 generally 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 of KKR Credit Funds and Other Clients. 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 could 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, are potentially 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 could be equitably subordinated to the debt investments made by third parties in such portfolio companies. After repaying senior security holders, such companies might 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 or Other Client investment 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 might be substantially less than that of the senior creditors. For investments in companies and assets that are based outside of the United States, greater application of concepts like equitable subordination could, in a bankruptcy or insolvency, result in the subordination of debt or other senior interests held by KKR Credit Funds or Other Clients in circumstances where KKR Credit Funds or Other Clients also hold equity interests.

Investments Longer Than Fund Term

KKR Credit Funds and Other Clients will generally be terminated and dissolved in accordance with the provisions governing their terms set forth in their governing documents, including any permissible extensions of the terms of the relevant KKR Credit Fund or Other Client. KKR Credit Funds and Other Clients might make investments that are not 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.

Limited Number of Investments

KKR Credit Funds and Other Clients are permitted to participate in a relatively limited number of investments and, as a consequence, the aggregate return of a KKR Credit Fund or Other Client could be substantially adversely affected by the unfavorable performance of even a single investment. In addition, KKR Credit Funds or Other Clients' investment programs are often concentrated in a limited number of sectors and geographies, and could be further limited due to limited availability of suitable investment opportunities. During periods of difficult market conditions or slowdowns in certain regions or geographies, the adverse effect on a KKR Credit Fund or Other Client could be exacerbated by the geographic or sectoral concentration of its investments. 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 or Other Client's investments being over-concentrated in certain borrowers. To the extent that 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. In addition, to the extent an investor in a KKR Credit Fund or Other Client is also an investor in one or more other KKR Credit Funds or Other Clients that co-invest alongside each other in a particular investment, such investor's exposure to and risk of loss with respect to such investment will be further concentrated. In addition, the market, economic and political conditions globally and in the jurisdictions and sectors in which KKR Credit Funds invest will often differ materially from those in which predecessor KKR Credit Funds invested, and therefore the types of investments and their performance could differ materially among KKR Credit Fund vintages. Further, notwithstanding KKR Credit Funds' and Other Clients' investment objectives and focus, during the term of KKR Credit Funds and Other Clients, general economic conditions, and other market, political and/or industry-specific developments could change significantly, which could result in KKR Credit Funds or Other Clients targeting significantly different types of investment opportunities than originally anticipated.

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 (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. A highly leveraged entity or asset often will be subject to restrictive covenants in its lending agreement restricting its activity, or could 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. To the extent KKR Credit Funds or Other Clients hold second lien or other subordinated debt interests therein, such companies or assets could 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. In addition, leveraged entities or assets could 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 could affect the levels and timing of any returns of a KKR Credit Fund or Other Client. This leverage could result in more serious adverse consequences to such companies or assets (including their overall profitability or solvency) in the event these factors or events occur than would be the case for less leveraged investments. If a highly leveraged company or asset cannot generate adequate cash flow to meet debt obligations, it could default on its loan agreements or bonds or be forced into bankruptcy resulting in a restructuring of its capital structure or liquidation. Furthermore, to the extent companies or assets in which KKR Credit Funds or Other Clients have invested become insolvent, KKR Credit Funds or Other Clients might 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 companies and other assets, KKR Credit could incur leverage on behalf of KKR Credit Funds or Other Clients

Because KKR Credit Funds and Other Clients typically make equity investments in portfolio companies, the equity securities received by KKR Credit Funds and Other Clients will typically be the most junior or some of the most junior securities in the case of a levered 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 could 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 in many cases will depend on the availability and terms of any borrowings that are required or desirable with respect to its investment strategy. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior or subordinated financings for transactions. 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 often includes 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 are times when a KKR Credit Fund or Other Client will not be able to access those markets at attractive rates, or at all, when completing an investment or as otherwise required during the term of the KKR Credit Fund's or Other Client's investment. Leverage is also applied with respect to a KKR Credit Fund's or Other Client's portfolio in entirety 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 could substantially increase the risk profile of a KKR Credit Fund or Other Client and its investments.

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 would likely 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 could go bankrupt, which could give rise to substantial investment losses, adverse claims or litigation against KKR Credit or KKR Credit Funds or Other Clients. 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 have contracted to purchase.

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 could result in an inability of a KKR Credit Fund or Other Client or their portfolio companies to establish their desired financing or capital structures. Please see “*Credit Facilities; Guarantees; Contractual Obligations*” below for further information.

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. KKR Credit Funds and Other Clients compete for investments with operating companies, financial institutions, and other institutional investors as well as private equity, hedge, growth equity, venture capital and other investment funds, and this competition could adversely impact the availability of investments and the terms upon which KKR Credit effects and exits them.

International Investments

KKR Credit Funds and Other Clients invest globally and in could invest in emerging or developing market countries (including in Asia, Central and South America, Eastern Europe, countries in the Middle East, including Israel, and Africa). Investments in emerging and developing markets, as well as in certain more developed non-U.S. markets, involve certain factors not typically associated with investing in more developed countries and economies, including, without limitation, risks relating to: (i) differences between the U.S. and non-U.S. debt markets, including potential price volatility in, and relative illiquidity of, some non-U.S. markets; (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements which could result in unreliable financial information or otherwise adversely affect the ability to perform due diligence; (iii) less government supervision and regulation in some countries, which could result in lower-quality information being available and less developed corporate laws regarding fiduciary duties and the protection of investors, less developed bankruptcy laws and difficulty in bringing suit and enforcing contractual obligations; (iv) certain economic and political risks, including potential economic, political or social instability, exchange control regulations, restrictions on non-U.S. investment and repatriation of capital (possibly requiring government approval), expropriation or confiscatory taxation and higher rates of inflation and reliance on a more limited number of commodity inputs, service providers and/or distribution mechanisms; (v) unpredictable governmental influence on the national and local economies including the risk of nationalization of key industries or changes in a country’s policies on privatizations; (vi) fewer or less attractive financing and structuring alternatives and exit

strategies; (vii) the possible imposition of local taxes on income and gains recognized with respect to investments; (viii) increased currency, interest rate and credit risks; and (ix) different corporate governance frameworks. In addition, various countries and regulatory bodies from time to time implement controls on foreign exchange and outbound remittances of currency, which could impact not only the timing and amount of capital contributions that are required to be made to KKR Credit Funds and Other Clients but also the value, in U.S. dollars, of the investments and investment proceeds of KKR Credit Funds and Other Clients. For example, China has implemented stricter controls on foreign exchange and outbound remittances. In addition, local authorities in certain emerging markets are often constrained in their ability to assist foreign authorities and foreign investors more generally. The risks of investing in emerging and developing markets, including the risks described above, are usually greater than the risks involved in investing in more developed markets and also increase counterparty risks for investments in those markets. In addition, investor risk aversion to developing or emerging markets can have a significant adverse effect on the value and/or liquidity of investments made in or exposed to such markets and can accentuate any downward movement in the actual or anticipated value of such investments which is caused by the factors described above.

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine, and, as of the date hereof, the countries remain in active armed conflict. Around the same time, the U.S. and other countries throughout the world began imposing and have continued to impose a broad array of sanctions, export controls and other measures against Russia and certain entities and individuals in response to Russia's actions. The significant expansion of the sanctions lists in the EU, UK, United States, Canada (and other jurisdictions) and targeting of major financial institutions, in addition to other measures to limit Russia's access to global financial markets and systems, particularly the removal of certain Russian banks from the SWIFT messaging system and resulting steps by financial institutions to de-risk more broadly, could impact the operations of KKR Credit Funds, Other Clients and their portfolio companies. KKR Credit Funds, Other Clients and their portfolio companies are or will be required to comply with these and potentially additional sanctions imposed by the United States and other countries, for which the full costs, burdens, and limitations on KKR Credit Funds, Other Clients and their portfolio companies are currently unknown and could become significant. During 2022 and 2023, Russia's ongoing invasion of Ukraine has caused disruptions to European energy markets, adversely affecting the Eurozone and global business environment. Protectionist policies, such as restrictions on exports of food, have also increased globally as a result of Russia's invasion of Ukraine. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally, and therefore could adversely affect the performance of investments of KKR Credit Funds and Other Clients. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, present material uncertainty and risk with respect to the operations and investment performance of KKR Credit Funds and Other Clients. Additionally, to the extent that portfolio investments, related customer bases, service providers or certain other parties with which KKR Credit Funds or Other Clients interact have material operations or assets in Russia, Ukraine, Belarus or the immediately surrounding areas, they could suffer adverse consequences related to the ongoing conflict, which in turn would be expected to adversely affect KKR Credit Funds and Other Clients.

KKR Credit Funds or Other Clients are permitted to invest in European-based companies and companies that have operations that are or could 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."*

Investments in countries of the European Union ("EU") are subject to the risk that certain member states of the EU could cease to use the euro as their national currency, that one or more member states, in addition to the UK, might seek to withdraw its 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. 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.

Occurrence of war or hostilities in a country in which KKR Credit Funds or Other Clients have an investment could have a material adverse effect on such KKR Credit Funds or Other Clients. These risks have increased in both scale and complexity due to intensifying geopolitical competition and conflicts, including the ongoing Russian invasion of Ukraine and unrest in the Middle East, heightened geopolitical competition between China and other major world economies, heightened levels of political populism leading to regulatory volatility and increased attention to global threats, including climate change. These conflicts could result in further sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, security conditions, currency exchange rates, exchange controls and financial markets.

The economies of many countries are heavily dependent upon international trade and, accordingly, could be materially and adversely affected by protective trade barriers, exchange controls, managed adjustments in relative currency values and the economic conditions in the countries with which they trade. Any escalation in an actual or perceived trade war or barriers to investment between the U.S. and other countries or regions could chill or limit business opportunities, and otherwise negatively affect KKR Funds or Other Clients. Commodity prices are generally expected to rise in inflationary environments, and foreign exchange rates are often affected by countries' monetary and fiscal responses to inflationary trends.

The Russian Ukraine conflict and conflict in the Middle East, has and could continue to exacerbate these issues and trends. The economies of certain European and Asian countries are vulnerable to weaknesses in world prices for their commodity exports or fluctuations of worldwide commodity prices. These economies also have extensive external debt and have from time to time experienced high rates of inflation. In addition, intensifying rivalries and conflicts in the Asia-Pacific region, Middle East, EU and globally have created new complexities in the international business environment, including through the imposition of sanctions, national security-motivated regulatory changes, and protectionist policies by certain countries.

EU regulations known as the Markets in Financial Instruments Directive II ("MiFID II") and Markets in Financial Instruments Regulation ("MiFIR") regulate the provision of investment services and trading financial instruments in the EU. The application of MiFIR and MiFID II (as well as equivalent UK legislation) could result in increased costs to KKR Credit and its affiliates, including KKR Credit Funds and Other Clients, and any failure to comply with the new requirements, could result in enforcement action, including, but not limited to, fines.

KKR may be directly or indirectly subject to the requirements of global laws and regulations relating to cybersecurity and the protection of personal information, including, the EU General Data Protection Regulation ("EU GDPR"), the UK General Data Protection Regulation (the "UK GDPR"), US federal laws relating to privacy, such as the Gramm-Leach-Bliley Act, and US state-level privacy laws, such as the California Consumer Privacy Act of 2018 as amended by the California Privacy Rights Act of 2020 and their implementing regulations ("CCPA").

The EU GDPR, the UK GDPR, the CCPA and other laws and regulations relating to privacy and data protection impose stringent privacy and data protection requirements and provide for potentially significant penalties for non-compliance (see also "*Cybersecurity Risks including Business Disruption and*

Information Security Risks” and *“Information Security and Data Privacy Risks”* below). Furthermore, KKR Credit, KKR Credit Funds and Other Clients and their portfolio companies frequently assume privacy compliance- related obligations as a result of entering into contractual relationships with counterparties. As new privacy and data protection related laws and regulations come into effect in different jurisdictions, the time, costs and resources associated with efforts to comply with such laws and regulations continues to increase. Any inability, or perceived inability (even if unfounded), to adequately address privacy and data protection concerns, or to comply with applicable laws, regulations, policies, guidance, industry standards or contractual obligations related to privacy and data protection, 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 U.S. and other jurisdictions might prohibit KKR Credit, KKR Credit Funds and Other Clients from transacting with certain countries, individuals and companies. These sanctions, including sanctions imposed on Russia and certain Ukraine territories in response to the crisis in Ukraine are complex, frequently changing, and increasing in number, and they could impose additional prohibitions or compliance obligations on KKR Credit, KKR Credit Funds and Other Clients. 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 non-U.S. countries, territories, entities and individuals, as well as certain imports and exports. Laws and regulations enforced by other U.S. agencies also control the export, re-export or transfer of certain items to certain jurisdictions or end users. In addition, the EU has over forty sanctions regimes in place, targeting certain countries, territories, entities, individuals or categories of activities (such as chemical weapons or cyber-attacks), which prohibit transactions with certain persons or entities or restrict imports or exports to or from certain countries. These types of trade sanctions could significantly restrict or completely prohibit certain investment activities in certain jurisdictions, and if a KKR Credit Fund or Other Client or its portfolio companies were to violate any such laws or regulations, it could face significant legal and monetary penalties.

Accordingly, KKR Credit Funds and Other Clients will generally require its subscribers to represent and warrant, on a continuing basis, that it is not, and that to the best of its knowledge or belief its beneficial owners, controllers or authorized persons (“**Related Persons**”) (if any) are not; (i) named on any list of sanctioned entities or individuals maintained by OFAC or pursuant to EU and/or UK Regulations, (ii) operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations Security Council, OFAC, the EU and/or the UK apply, or (iii) otherwise subject to sanctions imposed by the United Nations Security Council, OFAC, the EU or the UK (collectively, a “**Sanctions Subject**”).

Where the subscriber or a Related Person is or becomes a Sanctions Subject, the KKR Credit Fund or Other Client could be required immediately and without notice to the subscriber to cease any further dealings with the subscriber and/or the subscriber’s interest in the KKR Credit Fund or Other Client (which could include “freezing” or “blocking” such subscriber’s interest) until the subscriber ceases to be a Sanctions Subject, or a license is obtained under applicable law to continue such dealings (a “**Sanctioned Persons Event**”). For the avoidance of doubt, KKR Credit has the sole discretion to determine the remedy if a subscriber or a Related Person is or becomes a Sanctions Subject and is under no obligation to seek a license to continue dealing with such subscriber. KKR Credit Funds and Other Clients, and KKR Credit and its affiliates shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the subscriber as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of a KKR Credit Fund or Other Client subsequently become subject to applicable sanctions, the KKR Credit Fund or Other Client could immediately and without notice cease any further dealings with that investment and its interest in such investment could be “frozen” or “blocked” until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings or divest from such investment.

KKR Credit and KKR Credit Funds and Other Clients are committed to comply with the U.S. Foreign Corrupt Practices Act (“FCPA”) and the FCPA and other anti-corruption laws and regulations would likely 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, also apply to and could restrict the activities of KKR Credit Fund and Other Client 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 could face significant legal and monetary penalties. The U.S. government has indicated that it is focused on FCPA enforcement, which increases 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.

In recent years, the DOJ and the SEC have devoted significant resources to enforcement of the FCPA. In addition, the United Kingdom recently has significantly expanded the reach of its anti-bribery laws. While KKR Credit has developed and implemented policies and procedures designed to ensure compliance by KKR Credit and its personnel with the FCPA and other anti-bribery laws, such policies and procedures might not be effective in all instances to prevent violations. Any determination that KKR Credit has violated the FCPA or other applicable anti-corruption laws or anti-bribery laws could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect KKR Credit’s business prospects and/or financial position, as well as the ability of a KKR Credit Fund or Other Client to achieve its investment objective and/or conduct operations.

Changes Resulting from the United Kingdom’s Exit from the European Union

In July 2022, the United Kingdom (“UK”) put forth a new bill (the “Financial Services and Markets Bill”) which makes significant reforms to the regulation of the UK financial services sector. The Financial Services and Markets Bill contains measures to, among other things: (i) establish a framework for the revocation of EU financial services law that was retained in English law following the UK’s withdrawal from the EU and EEA on January 31, 2020 (“Brexit”); (ii) reform the legislative framework governing the UK’s capital markets; (iii) reform the financial promotion framework; and (iv) give the Financial Conduct Authority (“FCA”) and the Prudential Regulation Authority (“PRA”) a new secondary objective to advance long-term economic growth and international competitiveness of the UK. The exact impact of these changes is not yet known, but they could result in increasing and, ultimately, potentially significant divergence between the UK’s and the EU’s financial services regulatory framework, which could increase regulatory compliance costs across KKR Credit, KKR Credit Funds and Other Clients and impact the ability of their regulated portfolio companies to scale across the UK and EU markets.

The future application of EU-based legislation to the private fund industry in the UK will depend on the territorial scope of the KKR Credit Funds’ and Other Clients’ operations and the actions of the UK government. Any renegotiated terms or amended laws and regulations could have an adverse impact on KKR Credit Funds and Other Clients and their investments. Brexit could result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and increased

legal, regulatory or compliance burden for KKR and its affiliates, which could have a negative impact on the operations, financial condition, returns or prospects of KKR Credit Funds and Other Clients.

Brexit could have an adverse effect on the tax treatment of the KKR Credit Funds and Other Clients' investments, in particular where reliance might have been placed on a UK entity's status as being in an EU member state for the purposes of determining eligibility for benefits of another entity under a double tax treaty. In particular, EU directives preventing withholding taxes being imposed on intra-group dividends, interest and royalties will no longer apply to payments made into and out of the UK, meaning that instead the UK's double tax treaty network will in relevant cases need to be relied upon. Further, changes to the operation of VAT could impact KKR Credit Funds, Other Clients and their portfolio investments under certain circumstances.

While the most immediate impacts on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement could have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the UK and elsewhere in Europe.

Global Limitations on Trade and Foreign Investment

There is often a high degree of government regulation of economies and trade in the financial markets. Moreover, political leaders in the United States and certain European nations have in the recent past been elected on protectionist economic policies, fueling doubts about the future of global free trade. The U.S. government, among others, has altered its approach to international trade policy, and in some cases, chosen to renegotiate or potentially terminate certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. On November 30, 2018, the United States, Mexico and Canada signed the United States-Mexico-Canada Agreement ("USMCA"), which replaced the North American Free Trade Agreement ("NAFTA"). The governments involved could theoretically choose to withdraw from or alter the USMCA, which could contribute to a heightened risk of additional tariff barriers.

Lastly, as noted below in "*Market, Economic and Political Risks*," market, economic and political conditions can negatively impact funds such as KKR Credit Funds and Other Clients. Trade tensions, for example, between the United States and China as well as among the United States and other countries, give rise to concerns about economic and geopolitical stability and have had and likely will continue to have an adverse impact on global economic conditions. The United States and China have each been implementing a number of tariffs and retaliatory tariffs on a variety of imports from each other targeting a variety of sectors including aerospace, information and communications technology, industrial machinery, automobiles and agriculture products. The United State has continued to adopt certain targeted measures such as export controls or sanctions implicating Chinese companies and officials. In June 2021, China enacted the Anti-Foreign Sanctions Law which authorizes the imposition of countermeasures in response to sanctions imposed on Chinese individuals or entities by foreign governments, such that a company that complies with U.S. sanctions against a Chinese entity may then face penalties in China. Further, in October 2022, the U.S. enacted rules aimed at restricting China's ability to obtain advanced computing chips, develop and maintain supercomputers, and manufacture advanced semiconductors. In 2023, China restricted the export of gallium and germanium products, which are used in the fabrication of microchips, and could impose additional export restrictions in the future. The U.S. has also added several Chinese companies related to its domestic semiconductor industry to the Commerce Department Entity List and has coordinated with other countries in the semiconductor supply chain, to align restrictions on trade with Chinese semiconductor companies. This continuing trade dispute has already had, and if it remains unresolved, could lead to additional, adverse economic effects on global markets, and negatively affect portfolio investments of KKR Credit Funds and Other Clients. In addition, a continued trade dispute between the United States and China would be an ongoing source of instability, potentially resulting in

significant currency fluctuations, or have other adverse effects on international markets, international trade agreements or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise), which could present similar or additional potential risk and consequences for KKR Funds, Other Clients and their portfolio investments.

While certain trade agreements were agreed between the two countries, the trade dispute is still ongoing, and the United States and China have yet to reach a compromise. There remains much uncertainty as to whether the trade negotiations between the United States and China (and other countries globally) will be successful and how the trade dispute between the United States and China will progress. Furthermore, if trade tensions between the United States and China continue or escalate, or if additional tariffs, trade restrictions, economic sanctions, export controls or retaliatory measures are implemented by the United States, China or other countries in connection with trade disputes or otherwise, there could be material adverse effects on the global economy, and KKR Credit Funds and Other Clients and their portfolio investments could be materially and adversely affected.

Pandemics, Epidemics and Other Public Health Crises

A pandemic, epidemic or other public health crisis could adversely impact KKR Credit, KKR Credit Funds, Other Clients, their portfolio companies, and other issues. Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and SARS-CoV-2 and its different strains (“COVID-19”). The COVID-19 pandemic has had, and could in the future have, a material adverse impact on local economies in the affected jurisdictions and also on the global economy. In addition to these developments having adverse consequences for certain portfolio companies in which KKR Credit Funds and Other Clients invest and the value of the KKR Credit and Other Clients’ investments therein, the operations of KKR Credit and KKR Credit Funds and Other Clients in many jurisdictions have been and could in the future be adversely impacted. Disruptions to commercial activity relating to the imposition of quarantines or travel restrictions (or more generally, a failure of containment efforts) could adversely impact investments of KKR Credit Funds and Other Clients, including by delaying or causing supply chain disruptions or by causing staffing shortages or key person events. Any of the foregoing events could materially and adversely affect the ability of KKR Credit Funds and Other Clients to source, manage and divest their investments and their ability to fulfil their investment objectives. Similar consequences could arise with respect to other comparable infectious diseases.

The COVID-19 pandemic contributed to volatility in financial markets, including changes in interest rates and an increase in inflationary pressures, driven by multiple factors, including supply chain disruptions, consumer demand, employment levels and residential vacancy rates. It also had a material and negative impact on certain economic fundamentals and consumer confidence, increased the risk of default of particular portfolio companies, reduced the availability of debt financing to KKR Credit Funds and Other Clients and potential purchasers of their portfolio companies, negatively impacted market values, caused credit spreads to widen, and reduced liquidity, all of which have had and in the future could have in the event of a prolonged period of global outbreak, an adverse effect on the returns of KKR Credit Funds and Other Clients. The shortage of workers and lack of key components and raw materials that arose as a result of COVID-19 contributed to and in the future could contribute to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints might not be fully reflected until future periods and could have an adverse impact on KKR Credit Funds or Other Clients and their portfolio entities at a future point. No assurance can be given as to the long-term effect of these events on the value of KKR Credit Funds’ and Other Clients’ investments. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or other outbreak of a contagious disease) is difficult to predict, which presents material uncertainty and risk with respect to the performance of KKR Credit Funds and Other Clients. Furthermore, traditional valuation approaches that have been used historically might need to be modified in order to effectively capture fair value in the

midst of significant volatility or market dislocation. The effects of a public health emergency could materially and adversely impact the value and performance of a KKR Credit Fund's or Other Client's portfolio entities, and/or KKR Credit Funds' or Other Clients' ability to source, manage and divest investments and achieve their investment objectives, all of which could result in significant losses to KKR Credit Funds or Other Clients.

Any disruption in the operation of, or inability to access, a KKR office could have a significant impact on KKR Credit's business, and such risk of disruption or inaccessibility could be heightened during a terrorist attack, a public health crisis or pandemic located in or around the office. It is impossible to predict with certainty the possible future material adverse effects to KKR arising from natural or man-made disasters or catastrophes, or any other public health crisis, pandemic or epidemic, and these effects may include the exacerbation of many of the other risks discussed in this Brochure, especially with respect to investment activities of KKR Credit Funds and Other Clients. Public health crises, pandemics, wars, terrorist attacks, epidemics and weather events could also directly and indirectly impact KKR Credit Funds, Other Clients and their portfolio investments in material respects that KKR is unable to predict or control, and which could materially and adversely impact valuations, especially valuations of investments directly in or collateralized by real assets, loans or other assets as well as portfolio companies that rely on physical factories, plants or stores located in the affected areas.

Foreign Direct Investment Considerations including CFIUS

Certain investments by KKR Credit Funds and Other Clients that involve the acquisition of a business connected with or related to national security or critical infrastructure, or those that could affect certain projects or programs of interest to the EU on grounds of security or public order, could be subject to review and approval by national security/investment clearance regulators, potentially including the U.S. Committee on Foreign Investment in the United States ("CFIUS") and/or other non-U.S. national security/investment clearance regulators depending on the beneficial ownership and control of interests in the KKR Credit Fund or Other Client. The U.S. government and many non-U.S. countries have enacted laws designed to protect national security or to restrict foreign direct investment.

For example, under the Foreign Investment Risk Review Modernization Act ("FIRRMA") and related regulations, which significantly expanded the types of transactions that are subject to the jurisdiction of CFIUS. Under FIRRMA, CFIUS has the authority to review and potentially block or impose conditions on certain foreign investments in U.S. companies or real estate. In addition to the United States, many other countries are enacting or beginning to enforce their own foreign direct investment laws, for example: the European Union has adopted an EU-wide mechanism to screen foreign investment on national security grounds and most EU member states now have a foreign investment screening mechanism in place or have initiated a consultative or legislative process expected to result in the adoption of a new or amended mechanism, aimed at regulation of foreign subsidies that could distort the internal EU market; certain transactions in Australia are subject to review by the Foreign Investment Review Board; transactions in the United Kingdom must comply with the National Security and Investment Act 2021; and transactions in China must comply with the Measures for the Security Review of Foreign Investment. In addition, during 2022, Japan enacted economic security legislation to protect Japanese national security from adverse economic activities, focusing in particular on protecting sensitive industry sectors such as semiconductors, rare earths, infrastructure, as well as research and development of defense and dual-use technologies. In addition, in 2023, certain U.S. states have enacted their own state-level restrictions on Chinese investments in their states.. Other countries could adopt similar investment restrictions in the future. In

addition, a number of U.S. states are passing and implementing state laws prohibiting or otherwise restricting the acquisition of interests in real property located in the state by foreign persons.

The U.S. government announced in 2023 the signing of an executive order addressing out-bound U.S. investments in certain technologies and products critical to national security in “countries of concern.” The U.S. Department of Treasury is currently working on implementing regulations needed to action the executive order. Once the rules are effective, the new regulatory review process for outbound investment would subject certain types of outbound flows of capital, goods or services from the U.S. or by U.S. persons to new restrictions and disclosure requirements, with an expected particular focus on transactions involving semiconductors, microelectronics, quantum information technologies and certain artificial intelligence systems. Often referred to as a “reverse-CFIUS process,” the new outbound review regime is expected to reflect certain hallmarks of U.S. economic sanctions and export control restrictions, which already limit to varying degrees the export of categories of U.S. capital, goods or services to specially restricted foreign persons, industrial sectors or countries. Although the precise scope of the new regime remains unclear and initial reports might not reflect the final regime that will emerge, this new regulatory process could have significant implications for KKR Credit and certain KKR Credit Funds or Other Clients.

In the event that CFIUS or another regulator reviews one or more of a KKR Credit Fund’s or Other Client’s proposed or existing investments, there can be no assurances that the KKR Credit Fund or Other Client will be able to maintain, or proceed with, such investments on terms acceptable to the KKR Credit Fund or Other Client. CFIUS or another regulator could seek to impose limitations on or prohibit one or more investments of the KKR Credit Fund or Other Client. Such limitations or restrictions might prevent a KKR Credit Fund or Other Client from maintaining or pursuing investments and could also limit the number of potential buyers to whom a KKR Credit Fund or Other Client can sell its investments to, which could adversely affect the performance of a KKR Credit Fund or Other Client with respect to such investments. Under FIRREA, CFIUS could also limit the ability of KKR Credit Funds or Other Clients to exit from certain investments or effectively reduce the number of potential buyers of investments held by KKR Credit Funds or Other Clients. Under such circumstances, KKR Credit Funds or Other Clients could also be forced to dispose of investments sooner than otherwise desirable. In addition, non-U.S. investors in KKR Credit Funds and Other Clients comprise or are likely to comprise a substantial portion of the aggregate capital commitments of a KKR Credit Fund or Other Client, which increases both the risk that investments could be subject to review, and the risk that limitations or restrictions will be imposed by CFIUS or other non-U.S. regulators on the portfolio investments of KKR Credit Funds or Other Clients. In the event that restrictions are imposed on any investment by a KKR Credit Fund or Other Client due to the non-U.S. status of an investor or group of investors or other related CFIUS, reverse-CFIUS or national security considerations, KKR could choose to restrict such investor’s or such group of investors’ ability to invest in or receive information with respect to any such portfolio investment or cause the investor to withdraw from a KKR Credit Fund. However, there can be no assurance that any restrictions implemented on any such investor, or any such group of investors will allow the KKR Credit Fund to maintain, or proceed with, any investment.

Investments through Offshore Holding Companies

KKR Credit Funds and Other Clients are permitted to invest in portfolio companies operating in a particular country indirectly through holding companies organized outside of such country. Government regulation in the first country from time to time, however, restricts the ability of the portfolio companies to pay dividends or make other payments to a foreign holding company. Additionally, any transfer of funds from a holding company to its operating subsidiary, either as a shareholder loan or as an increase in equity capital, is from time to time subject to registration with or approval by government authorities in such country. Such restrictions could materially and adversely limit the ability of any foreign holding company in which KKR Credit Funds or Other Clients invest to grow, make investments or acquisitions that could be

beneficial to its businesses, pay dividends, or otherwise fund and conduct its business.

Regulatory Approvals and Government Licenses

Portfolio companies in certain jurisdictions are dependent upon the grant, renewal or continuance in force of appropriate contracts, licenses, permits and regulatory approvals and consents which are generally valid only for a defined time period, subject to limitations or provide for withdrawal in certain circumstances. 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 such required regulatory approvals and licenses that it does not yet have or that it will require in the future; (ii) obtain any necessary modifications to existing regulatory approvals and licenses; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals and licenses, 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. Additionally, governments and other regulators often impose conditions on the operations and activities of a portfolio company as a condition of granting its approval or to satisfy regulatory requirements. Such conditions, which could be statutory or commercial in nature, could limit a portfolio company's ability to invest in competing industries or acquire significant market power in a particular market, or provide a disincentive to do so. Further, governmental agencies from time to time impose conditions of ongoing ownership or equivalent requirements on a portfolio company in respect of underlying projects. This could include a requirement that certain assets remain managed by a portfolio company, a KKR Credit Fund or Other Client or their affiliates in the absence of further approval. Such conditions are susceptible to revision or cancellation and legal redress could be uncertain or delayed. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of, and enforcement of such arrangements cannot be assured.

Credit Facilities; Guarantees; Contractual Obligations

Certain KKR Credit Funds may obtain one or more revolving credit facilities. The collateral for these facilities could be, for example, one or more assets of KKR Credit Funds (i.e., asset-backed facilities) or the unused Capital Commitments of KKR Credit Funds (i.e., subscription facilities). Credit facilities of KKR Credit Funds are expected to be used by KKR Credit Funds to make investments, or otherwise in connection with the making, holding or disposition of investments, including without limitation to support ongoing operations and activities of KKR Credit portfolio companies and entities through which investments are directly or indirectly held (including on an aggregated basis with co-investors or other investors and/or related investment vehicles) and in order to enable KKR Credit Funds to pay management fees or other fund expenses and liabilities. Borrowings (including under Credit facilities) are permitted to be entered into on a joint, several, 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 entities in or through which investments are directly or indirectly held, including on an aggregated basis with co-investors or other investors and/or related investment vehicles (and any of the foregoing is generally permitted to be added as an additional borrower under a KKR Credit Fund's credit facilities), 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. In addition, investors in KKR Credit Funds could be required to recontribute funds previously distributed by a KKR Credit Fund in the event that the KKR Credit Fund's assets are insufficient to satisfy such liabilities and obligations. KKR Credit Funds are also permitted to pledge assets

of the KKR Credit Fund (including unused capital commitments), grant security interests in, liens on and otherwise encumber such assets and expect to guarantee loans and other extensions of credit and otherwise provide credit support with respect to the indebtedness of others, including portfolio companies and entities through which investments by the KKR Credit Fund are directly or indirectly held for the above purposes. In certain cases, KKR Credit parallel funds established to invest alongside a KKR Credit Fund might not hold a closing or call capital until the final closing of the KKR Credit Fund. Such KKR Credit parallel funds could, however, receive an allocation of any investments made by the KKR Credit Fund prior to its final closing based on their uncalled commitments. KKR Credit parallel funds could therefore benefit from borrowings by the KKR Credit Fund under its subscription facilities, which could in certain cases have funded these investments. Aside from an allocable portion of interest expenses, such KKR parallel funds might not bear any other costs and expenses incurred by the KKR Credit Fund in connection with these borrowings or in connection with establishing subscription facilities, including without limitation any associated legal costs or expenses. If a KKR Credit Fund obtains a subscription facility, it is generally expected that the KKR Credit Fund's capital needs (including prior to the KKR Credit Fund's final closing date) will be satisfied through borrowings by the KKR Credit Fund under the subscription facility, and drawdowns of capital contributions by the KKR Credit Fund, including those used to pay interest on subscription facilities and other credit facilities, will generally be expected to be "batched" together into larger, less frequent capital calls (although actual timing and amounts will vary). Subject to any required insurance regulatory approvals and the governing agreements of applicable KKR Credit Funds, Global Atlantic Accounts will serve as lenders under subscription facilities provided to KKR Credit Funds.

Although there are typically limitations regarding the time that borrowings incurred by KKR Credit Funds under subscription facilities secured by unused capital commitments are permitted to remain outstanding, there are generally no limitations on the length of time that guarantees by KKR Credit Funds, borrowings that are not secured by the unused capital commitments, and borrowings of portfolio companies or entities through which portfolio investments are directly or indirectly held (including on an aggregated basis as described above) that are permitted to remain outstanding. The interest expense and other costs of any such borrowings and guarantees will be KKR Credit Fund expenses and, accordingly, would 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 and not upon the occurrence of such borrowings). 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 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 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. Borrowings by KKR Credit Funds under their subscription facilities could cause certain tax-exempt investors to have to pay tax on "unrelated business taxable income" in respect of acquisition indebtedness. 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, a KKR Credit GP s generally permitted to draw down capital commitments in advance 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. Guarantees given by KKR Credit are generally not treated as borrowings that are subject to limitation under the governing documents of KKR Credit Funds. In addition, certain KKR Credit Funds are permitted to enter into contractual arrangements, including deferred purchase price payments, staged funding obligations, earn outs, milestone payments, equity commitment letters and other forms of credit support, and other contractual undertakings such as indemnification obligations that obligate it to fund amounts to special purpose vehicles, portfolio companies or other third parties. Such arrangements are not treated as borrowings that are subject to limitations under the governing documents

of KKR Credit Funds even though these arrangements pose many of the same risks and conflicts associated with the use of leverage that the limitations intend to address.

With respect to any asset-backed facility entered into by a KKR Credit Fund (or an affiliate thereof), a significant or sudden decrease in the market value of the KKR Credit Fund's investments would increase the effective amount of leverage and could result in the possibility of a violation of financial covenants or financial ratios, which could potentially cause the KKR Credit Fund to suffer foreclosure or forced liquidation of one or more portfolio investments that have been pledged at a time when the relevant KKR GP would not otherwise seek to dispose of such assets. Such a sale could be on terms (including price) that are less advantageous than would be obtained in a disposition in the ordinary course, which could result in losses for the KKR Credit Fund. There is no assurance that KKR Credit Funds will have sufficient cash flow to meet their debt service obligations. KKR Credit Funds' investments that are highly illiquid increase the possibility that KKR Credit Funds would have insufficient cash to meet such obligations. KKR Credit Funds could incur indebtedness under a credit facility at a variable interest rate. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available to KKR Credit Funds for other purposes, including without limitation, for meeting fund liabilities or making distributions to its investors, which could reduce returns to investors or result in default under other obligations of KKR Credit Funds, resulting in further losses.

Recycling; Reinvestment

Investment proceeds received by KKR Credit Funds and Other Clients during their respective investment periods can, depending on the terms of the relevant KKR Credit Fund or Other Client, be retained in whole or in part by KKR Credit Funds or Other Clients, 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 could, 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 can 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 is permitted to distribute bonds and other assets to investors that are not 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 could 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 could then become minority shareholders in, or lenders to, the underlying portfolio investments and might be unable to protect their interests effectively. In addition, a KKR Credit GP could, subject to the governing documents of the applicable KKR Credit Fund or Other Client, 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. (see "Other Conflicts of Interest – *General Partner's Interest; Fees*" below).

Middle-Market Companies

Certain KKR Credit Funds or Other Clients invest in middle-market companies. While such companies generally have potential for rapid growth, they often involve higher risks because they lack the management experience, financial resources, product diversification and competitive strength of larger corporations. The prices of securities of middle-market companies are generally more volatile than prices of the securities of companies with large market capitalizations and the risk of bankruptcy or insolvency of such companies is generally higher than for larger companies. In addition, in many instances, the frequency and volume of the trading of investments, including bonds issued by middle-market companies, is substantially less than is typical of larger companies and as such it could be more difficult for KKR Credit Funds or Other Clients to exit an investment in a middle-market company at its then fair value than would be the case with a larger cap investment.

Operating Partners and Joint Venture Partners

KKR Credit Funds or Other Clients make portfolio investments alongside 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, underwriting, due diligence and execution with respect to actual or potential investment opportunities) and asset and development management-related services with respect to such portfolio investments (including day-to-day asset management and oversight). These services include property management, leasing management, construction and development management, and financing-related activities). In addition, certain KKR Credit Funds or Other Clients (or entities through which KKR Credit Funds or Other Clients participate) have and could in the future retain service providers and/or affiliates of KKR Credit to provide asset leasing services relating to investment opportunities. Such operating partners with respect to a particular portfolio investment could 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.

From time to time, a KKR Credit Fund or Other Client or an affiliate of a KKR Credit Fund or Other Client, including KKR, 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), could agree to, among other things, not 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 are 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 involve risks in connection with such third-party involvement; including the possibility that a third party could have financial difficulties resulting in a negative impact on such investments. Furthermore, a third-party co-investor, manager or operator might have economic or business interests or goals that are inconsistent with those of the KKR Credit Fund or Other Client or could 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 might 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 in certain cases 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 can 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 could be comprised of various types of arrangements, including one or more of the following: (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 payable by or carried interest distributions of KKR Credit Funds or Other Clients. In addition, joint venture, operating partners (and/or their officers, directors, employees or other associated persons), if any, are sometimes 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 sometimes include former KKR Credit personnel, Industry Advisors, Executive Advisors, Senior Advisors, KKR Credit Advisors, KKR Capstone executives and other Consultants.

In addition, KKR Credit Fund and Other Client investment strategies in certain investments could 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 favourable to a KKR Credit Fund or Other Client.

Consequences of Default by Investors

If an investor 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 contribution, KKR Credit Funds or Other Clients might be unable to pay their obligations when due. As a result, KKR Credit Funds or Other Clients could be subjected to significant penalties that could materially and adversely affect the returns to all investors (including non-defaulting investors) of the KKR Credit Fund or Other Client. In addition, each defaulting investor could 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 are permitted to 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 of the KKR Credit Fund or Other Client (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 can, 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 use such additional capital to make the relevant investment, notwithstanding that one or more investors that ultimately participate in the investment 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 could therefore serve to bridge late-funding investors.

Investment Focus Adjustments

Certain KKR Credit Funds and Other Clients are not 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 often 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 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.

Material, Non-Public Information

KKR Credit investment executives 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 would likely 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 Funds or Other Clients. In addition, holdings in the securities and/or loans of an issuer by KKR Credit or its affiliates could 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 also in certain instances 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.

Investments in Emerging and Less Established Companies

Certain KKR Credit Funds or Other Clients make investments in companies that are in a conceptual or 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 sometimes 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 sales and marketing, finance capabilities and 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, the potential for rapid organizational or strategic change, and susceptibility to personal misconduct by or departure of key executives or founders. Emerging technology companies are subject to specific industry-based risks, including the possibility that rapid technological developments could render such companies' technology obsolete, uneconomical or uncompetitive prior to the company achieving profitability. Certain of these companies will need substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies also often 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 equity companies are often more susceptible to macroeconomic effects and industry downturns. Such companies also face intense competition, including from companies with greater financial resources, more extensive marketing and service capabilities and a larger number of qualified personnel.

Investments in Companies in Regulated Industries

Certain industries are heavily regulated. KKR Credit Funds or Other Clients make investments in companies in these industries, and these investments 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. 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 might be influenced by political considerations and make decisions that adversely affect a portfolio company's business.

Investments in Companies Subject to Collective Bargaining Agreements

Certain portfolio companies 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 might be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities could 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 additionally might 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 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 entities. 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 generally are 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 are often 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 face competition from technologies being developed or to be developed in the future by other entities, which could render such companies' products and services obsolete.

Investments in Companies Experiencing Financial Difficulties

Certain KKR Credit Funds or Other Clients make investments that involve portfolio companies that are experiencing financial difficulties. These financial difficulties might never be overcome and could 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 might 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 could 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 will be adversely affected by laws relating to 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. Although KKR Credit 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.

Risks in Effecting Operating Improvements

In some cases, the success of KKR Credit or its affiliates and/or KKR Capstone, or Other Client's investment strategy will depend, in part, on the ability of such KKR Credit or its affiliates (including KKR Capstone) to restructure and effectuate 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 issuer, KKR Credit Funds and Other Clients from time to time has the opportunity to provide additional funds or increase their investment in such portfolio company or other issuer. 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 investment restrictions applicable to the KKR Credit Fund or Other Client, 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 could have a substantial negative effect on an issuer in need of such an investment, might result in a lost opportunity for KKR Credit Funds or Other Clients to increase their participation in a successful investment, could result in KKR Credit Funds' or Other Clients' investments in the relevant issuer becoming diluted and, in circumstances where the follow-on investment is offered at a discount to market value, could result in a loss of value for the KKR Credit Fund or Other Client. 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 might be required to make representations typical of those made in connection with the sale of any such asset, including

representations in relation to the business and financial affairs of a portfolio investment. KKR Credit Funds or Other Clients could 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 result from time to time in liabilities, even after the disposition of an investment, which, if not satisfied out of KKR Credit Funds' or Other Clients' assets, might ultimately be required to be funded by investors making contributions to KKR Credit Funds or Other Clients or returning previous distributions received (or deemed 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 are required to make contributions or return distributions in order to satisfy contingent liabilities related to KKR Credit Fund and Other Client investments.

Portfolio Company Corruption and Fraud

Regulatory agencies or other counterparties in certain instances 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, and such corruption and fraud could result in the loss of rights to assets or profits or operational difficulties. 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 will likely suffer a partial or total loss of capital invested in that company.

Insurance

Certain losses of a catastrophic nature that impact companies and assets acquired by KKR Credit Funds or Other Clients, certain losses of a catastrophic nature, such as wars, natural disasters, epidemics and pandemics, terrorist attacks or other similar events, and are either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on such related investments.

Even where insurance is available, KKR Credit sometimes determines not to obtain such insurance if KKR Credit concludes that the terms are not commercially reasonable, and sometimes when such insurance is obtained, it has meaningful coverage limits and high deductibles. KKR Credit Funds and Other Clients or their affiliates could 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 are frequently 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 Funds and Other Clients invest, lost revenues, or increased expenses could result 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 – Fees and Compensation* above, KKR Credit Funds, Other Clients and KKR Credit will bear an allocable portion of the premiums and fees for such policies, including any expenses or fees of insurance

brokers. 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. Furthermore, because insurance policies maintained by KKR Credit cover multiple parties, if a substantial claim were to be made against one or several covered entities, including KKR Credit or its affiliates, there could be a resulting increase in insurance premiums for all parties covered under the applicable insurance policy.

Absence of Recourse; Indemnification

KKR Credit Fund or Other Client governing documents include exculpation and indemnification provisions that will limit the circumstances under which the relevant KKR Credit GP, KKR Credit and their respective affiliates and other persons can be held liable to the KKR Credit Fund or Other Client. Additionally, certain service providers and other consultants to KKR Credit, KKR Credit Funds or Other Clients, the KKR Credit GPs, their affiliates, agents and other persons, including, without limitation, the members of the advisory committees of the KKR Credit Funds, KKR Credit investment executives, depositary and placement agents and finders, are generally entitled to exculpation and indemnification (in certain cases, on terms more favorable to them than those available to indemnitees, generally). The assets of a KKR Credit Fund or Other Client, including the unused capital commitments of their investors, will be available to satisfy these indemnification obligations and investors are often required under governing fund documents to return distributions to satisfy such obligations, subject to certain limitations set forth in the KKR Credit or Other Client governing documents. Such obligations will generally survive the dissolution of the relevant KKR Credit Fund or Other Client.

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, for any proper purpose relating to the activities of the KKR Credit Fund or Other Client, including, without limitation, with respect to investments, payment of KKR Credit Fund or Other Client expenses, indemnification obligations, making distributions to limited partners and, where provided by operative fund documents, the payment of amounts to withdrawing limited partners. If a KKR Credit Fund or Other Client becomes subject to a liability, parties seeking to have the liability satisfied could have recourse to a KKR Credit Fund's or Other Client's assets generally and might 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 can 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, are often structured generally as a portfolio financing where all or certain investments provide security for such financing on a cross-collateralized basis and multiple investments are subject to the risk of loss in the event of a default. There likely will be circumstances in which investors have varying sharing 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, the exercise of excuse or exclusion rights or otherwise and could have sharing percentages (including in the

aggregate) in investments or otherwise with respect to investment proceeds generated by a KKR Credit Fund's or Other Client's investments to which third parties have recourse in respect of a KKR Credit Fund or Other Client liability that are higher or lower than such investors' sharing percentages in the investment giving rise to the liability. 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 for example, a small sharing percentage, could adversely impact investments in which such investor holds a greater sharing percentage. In addition, where co-investors or other third-party investors participate in an investment, a KKR Credit Fund or Other Client will at times (where the applicable KKR Credit GP deems appropriate and subject to the governing documents of the relevant KKR Credit Fund or Other Client)) 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 could remain outstanding on a temporary or ongoing basis over the term of the investment. In these circumstances, a KKR Credit Fund or Other Client will 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) would be available to satisfy such liabilities and costs (see also "*Credit Facilities; Guarantees; Contractual Obligations*" above).

Terrorism

KKR Credit Funds' or Other Clients' investments sometimes involve 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 could 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 could 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 could 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 general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts for additional premiums which can greatly increase the total costs of casualty insurance. As a result, not all portfolio investments will be insured against terrorism.

Force Majeure

Portfolio investments could 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). Some force majeure events could adversely affect the ability of any such parties to perform their obligations until they are able to remedy the force majeure event. For example, certain areas of North America have been affected by earthquakes, floods, hurricanes, tornadoes, landslides, explosions, drought, heat waves or forest fires, and Southeast Asia and many other countries in Asia, including China, Japan, Indonesia and Australia, have been affected by earthquakes, floods, typhoons, drought, heat waves or forest fires. Disease outbreaks have occurred globally in the past and are currently occurring (including severe acute respiratory syndrome, or SARS, avian flu, H1N1/09 flu and the novel coronavirus 2019-nCoV).

(“COVID-19”) and any prolonged occurrence of infectious disease, or other adverse public health developments or natural or man-made disasters in any country in which the KKR Credit Funds target investments could have a material adverse effect on the macro economy and/or the business operations of portfolio entities in which the KKR Credit Funds invest). In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, cause personal injury or loss of life, damage to property, or disruptions of service. Force majeure events that are incapable of or are too costly to cure might 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 global or local economy and international business activity generally, or in any of the countries in which KKR Credit Funds or Other Clients specifically invest. 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). Prolonged changes in climatic conditions, known generally as climate change, could have significant impact on the revenues, expenses and conditions of portfolio companies of KKR Credit Funds and Other Clients and therefore on the performance of KKR Credit Funds and Other Clients. Any of the foregoing could therefore adversely affect the performance of KKR Credit Funds or Other Clients and their respective investments.

Climate Change

Climate change and related regulation could result in significantly increased operating and capital costs and could reduce demand for the products and services of certain KKR Credit Fund and Other Client investments. Such investments could hold assets located in areas subject to the physical effects of climate change that carry the potential to materially impact the assets’ business and operations. While the precise future effects of climate change are unknown, it is possible that the physical effects of climate change could include extreme temperatures, irregular precipitation or sunlight levels, droughts, wind volatility, sea level rise and the increased severity and frequency of storms and other severe weather patterns or events.

These events and the disruptions that they cause, alone or in combination, also have the potential to strain or deplete infrastructure and response capabilities generally, leading to increased costs and higher taxes, decreases in economic efficiency, or both. Climate change related disruptions could have material and adverse impacts on the business of portfolio companies of KKR Credit Funds and Other Clients and on the broader society and economy in which such portfolio companies operate.

KKR Credit Funds, Other Clients and their portfolio companies also face climate transition risks that could arise, for example, from climate-related legislation and policy developments (both domestically and internationally), and business trends and changes in consumer behavior related to climate change and technology (such as the process of transitioning to a lower-carbon economy). New climate-related regulations or interpretations of existing laws could result in enhanced disclosure obligations, which could negatively affect KKR Credit Funds, Other Clients and their portfolio investments and materially increase regulatory burdens and costs of compliance.

Moreover, various regulatory agencies have enacted or proposed new or revised environmental regulations in an effort to reduce carbon emissions and the emissions of other gases believed to be contributing factors to climate change. These measures are varied and diverse across national, state, or provincial and local jurisdictions, including targeted reductions in emissions, mandatory quotas, tax regimes based on emissions, bans or restrictions on the production of fossil fuels or on the construction of new infrastructure supporting the fossil fuel industry, and other measures. These measures could materially impact the performance of portfolio companies in many ways, including by increasing costs of doing business or

compliance, through the imposition of fines or other penalties, or through reputational damage resulting from association (or perceived association) with industries viewed as contributing to climate change.

Various governments have in the past and are expected to continue to provide subsidies for “green” energy technologies, such as solar, wind, biofuel, geothermal, hydrogen and other non-fossil fuel-based energy sources, with the goal of reducing carbon emissions in an effort to mitigate the impacts of climate change. Even with potentially large public and private investment in these technologies, it is possible that “green” energy technologies will be unable to be deployed at a scale sufficient to meet growing global energy demand, or even existing energy demand. Moreover, these technologies require significant changes to existing infrastructure in order to provide for a level of energy security and reliability comparable to existing fossil fuel-based energy generation technologies. The cost of upgrading infrastructure for this purpose, or energy disruptions if such infrastructure upgrades are not successfully completed, could result in significant disruptions to local, regional, or national economies.

As a result of climate change, and given its unpredictable nature, investments could also be vulnerable, without limitation, to the following risks: increased insurance claims which lead to higher premiums and deductibles; decreases in the availability of insurance coverage for investments in areas subject to extreme conditions; increases in energy costs that affect returns; changes in the availability of natural resources, or the quality of those resources, on which an investment depends; inaccurate long-term valuations of an investment landscape not previously anticipated at the time of the investment; indirect financial and operational disruptions; and other economic disturbances arising from the foregoing.

Real asset investments can be especially prone to adverse consequences of climate change and prolonged and potentially accelerating changes in climatic conditions, together with the response or failure to respond to these changes could have a significant impact on the revenues, expenses and conditions of real assets and related investments of KKR Credit Funds and Other Clients.

Capital Structure Arbitrage

KKR Credit Funds or Other Clients can 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, incompleteness or breach of covenants can 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

Investments in the debt of distressed companies could be subject to U.S. state and federal bankruptcy laws and state fraudulent transfer laws, which vary from state to state, 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 might 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 could 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 will 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 could have its claims against the issuer subordinated or disallowed, or might be found liable for damages suffered by parties as a result of such actions. Such claims could 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 can 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.

In recent years, a number of judicial decisions in the U.S. have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed ‘lender liability’). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of KKR Credit's investments, a KKR Credit Fund or Other Client could be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims in certain European jurisdictions, some courts will elect to subordinate loans given by shareholders of their affiliates to companies under certain circumstances or subordinate corporate debt to shareholders under a remedy called “equitable subordination” or “equitable substitution”. Because of the nature of certain of KKR Credit investments, a KKR Credit Fund or Other Client could be subject to claims from creditors of

an obligor that such KKR Credit Fund or Other Client's investments issued by such obligor should be equitably subordinated. Some KKR Credit investments will involve investments in which the applicable KKR Credit Fund or Other Client would not be the lead creditor or in which a KKR Fund, KKR Credit Fund or Other Client has an equity interest. It is, accordingly, possible that lender liability or equitable subordination claims affecting the investments of a KKR Credit Fund or Other Client could arise.

Recharacterization

KKR Credit Funds or Other Clients sometimes will 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 might 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 can 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) might also prevent KKR Credit Funds or Other Clients from freely disposing of their debt investments and 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.

Investments in Highly Leveraged Companies

Investments by KKR Credit Funds and Other Clients include investments in portfolio companies and other issuers whose capital structures 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 might 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 could 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 could 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 can 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 might incur leverage on behalf of KKR Credit Funds or Other Clients.

Expedited Investment Decisions; Opportunistic Investments

Investment analyses and decisions by KKR Credit will sometimes 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 is often limited. Therefore, no assurance can be given that KKR Credit will have knowledge of all circumstances that adversely affect an investment. Similar concerns arise to the extent that a KKR Credit Fund or Other Client makes opportunistic investments in broadly syndicated debt. The circumstances of such investments might not facilitate the type of due diligence KKR Credit generally seeks to conduct in respect of investments. KKR Credit expects to often 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 might 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 will 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 will be unable to, or will choose not to, implement risk management strategies because of the costs involved or other relevant circumstances.

Investments in Initial Public Offerings

Investments in initial public offerings invested by KKR Credit Funds or Other Clients 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. Further, whether or not a KKR Credit Fund or Other Client is able to participate in such initial public offerings will be subject to the terms outlined in the governing documents.

Exchange Traded Funds, Closed End Funds and Other Blind Pools

KKR Credit Funds or Other Clients can 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 might 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 can also invest in closed-end funds and other blind pools. Investments in such vehicles can subject KKR Credit Funds or Other Clients to additional risks, including, without limitation, the risk that KKR Credit might 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 could 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 Client's expenses (e.g., management fees and operating expenses), investors might 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 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 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.

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 might 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 can be exposed to losses resulting from default and foreclosure. In the event of a foreclosure, KKR Credit Funds or Other Clients might 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 will 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 could 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 might not have priority over other creditors as anticipated. Furthermore, KKR Credit Funds or Other Clients cannot assure that claims will 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 will, 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 can also invest in second-lien debt investments and will 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, can 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 could 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 could 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 can operate, or expect to operate, at a loss or have significant variations in operating results, require substantial additional capital to support their operations or maintain their competitive position, or otherwise have a weak financial condition or be experiencing financial distress.

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 sometimes 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 can 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), 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 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 can 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 could be involved, it is impossible to generalize about the effect of such 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. 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 might 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 are sometimes 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 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 can be subject to transfer or assignment restrictions and approvals and are generally treated and traded differently than debt securities. In addition, a loan will sometimes 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 will 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

Certain KKR Credit Funds and Other Clients invest in securities and/or loans and other obligations and assets of companies that are in 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 could 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, 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 could 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.

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. Some mezzanine debt investments are also 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 sometimes 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.

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 are sometimes 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 might be contrary to the interests of KKR Credit Funds or Other Clients, particularly in those jurisdictions which 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. This is particularly the case in those jurisdictions which are considered to have 'debtor-friendly' insolvency or bankruptcy regimes and give a comparatively high priority to preserving the debtor company as a going concern or, alternatively, which seek to protect the interests of creditors with higher-ranking claims in bankruptcy or of other key stakeholders such as certain employees, pension trustees and/or trade creditors.

Generally, the duration of a bankruptcy, restructuring or insolvency proceeding can only be roughly estimated. The reorganization of an issuer usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the issuer and KKR Credit Funds or Other Clients and could be subject to unpredictable and lengthy delays, particularly in jurisdictions which do not have specialized insolvency courts or judges and/or have a higher risk of political interference in insolvency proceedings, all of which can have adverse consequences for KKR Credit Funds or Other Clients. During such processes, an issuer's competitive position could erode, key management might depart, and an issuer might not be able to invest adequately. In some cases, an issuer will not be able to reorganize and could be required to liquidate assets. The debt of companies and other issuers in financial reorganization will, in most cases, not pay current interest, might not accrue interest during reorganization and could 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 might 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 can 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 could 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 might 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 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, 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 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 are subject to the risk that the returns will decline during periods of falling interest rates because money market funds could 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 can 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 could 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 is especially vulnerable to inflation risk because variable-rate securities could 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. The U.S. and other developed economies have been experiencing higher than normal inflation rates. It remains uncertain whether substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time or have a significant adverse effect on the U.S. or other economies. In an attempt to stabilize inflation, countries could impose wage and price controls or otherwise intervene in the economy, and certain central banks have raised interest rates, as described above. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Further, some countries have historically experienced substantial rates of inflation. Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed. Inflation and rapid fluctuations in inflation rates have had, and could continue to have, negative effects on the economies and securities markets of certain emerging economies, including in countries where KKR Credit Funds and Other Clients are expected to invest.

Non-Performing Loans Directive

On November 24, 2021, the European Parliament approved the final version of Directive 2021/2167 which addresses high levels of non-performing loans held by banks in the EU (the "NPL Directive"). The NPL Directive took effect December 28, 2021, with the deadline for implementation in all member states being December 29, 2023. The NPL Directive targets certain entities acting as credit servicers which become

subject to new requirements in relation to the conduct of credit servicing business. The impact of the NPL Directive on the operations of KKR Funds or Other Clients and their service providers is presently unclear and will take time to quantify, but could be significant, taking into consideration the new obligations of credit servicers and credit purchasers, and the new pre-sale and post-sale disclosures and reporting, as foreseen under the NPL Directive.

Commodity Price Risk

Certain investments made by KKR Credit Funds or Other Clients are subject to commodity price risk. The operation and cash flows of any issuer in which KKR Credit Funds or Other Clients invest will 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 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, pandemics, changes in law, governmental regulations, price and availability of alternative commodities, international political conditions and overall economic conditions. As noted above, the actions taken by Russia in the Ukraine and the conflict in the Middle East have caused volatility and uncertainty in the commodities markets and have caused substantial disruptions to the European and global energy markets.

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 could influence the value of debt securities. Therefore, the credit rating assigned to a particular instrument might not fully reflect the true risks of an investment in such instrument. Credit rating agencies can change their methods of evaluating credit risk and determining ratings. These changes could occur quickly and often. While KKR Credit Funds or Other Clients can 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, from time to time, hold debt investments that are 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 can 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, can also decrease the value and liquidity of these high yield debt investments.

Convertible Securities

KKR Credit Funds or Other Clients sometimes invest in or otherwise hold convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that could 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. If the value of the underlying common stock decreases, the conversion value of the convertible security will also decrease.

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 could 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 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 can be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends could be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock also is sometimes subject to optional or mandatory redemption provisions.

Participations Interests

KKR Credit Funds or Other Clients 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 note holder can, 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 borrower, the note holder or the KKR Credit Fund's or Other Client's counterparty in such indirect investment or derivative transaction.

Asset-Backed Securities

Some KKR Credit Funds or Other Clients 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 could be prepaid at any time because the underlying loans or other assets generally can 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 might not have a proper security interest in all of the obligations backing such ABSs. Therefore, there is a possibility that recoveries on repossessed collateral might 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.

Residential Mortgage-Backed Securities

Some KKR Credit Funds or Other Clients can also invest in residential mortgage-backed securities ("RMBS"). Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by residential mortgage loans. Such loans can be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans could be securitized, and the securities issued in such securitization could be guaranteed or credit enhanced. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan can be a lengthy and difficult process and could involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties could be very limited.

At any one time, a portfolio of RMBS could be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the residential mortgage loans can be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. In addition, the residential mortgage loans could include so-called "Jumbo" mortgage loans, having original principal balances that are higher than is generally the case for residential mortgage loans. As a result, such portfolio of RMBS could experience increased losses.

Residential mortgage loans in an issue of RMBS will be subject to various federal and state laws, public policies and principles of equity that protect consumers, which among other things will regulate interest

rates and other charges, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information and regulate debt collection practices. Violation of certain provisions of these laws, public policies and principles could limit the servicer's ability to collect all or part of the principal of or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and sanctions. Any such violation could result also in cash flow delays and losses on the related issue of RMBS.

RMBS have structural characteristics that distinguish them from other asset-backed securities. The rate of interest payable on RMBS could be set or effectively capped at the weighted average net coupon of the underlying mortgage loans themselves. As a result of this cap, the return to investors is dependent on the relative timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Federal and state law could also affect the return to investors by capping the interest rates payable by certain mortgagors. For example, the Service Members Civil Relief Act of 2003 provides relief for soldiers and members of the reserve called to active duty by capping the interest rates on their mortgage loans at 6% per annum. Certain RMBS could provide for the payment of only interest for a stated period of time. In addition, structural and legal risks of RMBS include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer and could be substantively consolidated with those of the originator, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. Challenges based on such doctrines could result also in cash flow delays and losses on the related issue of RMBS.

Commercial MBS

Mortgage loans on commercial properties often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

The repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related real estate project rather than upon the liquidation value of the underlying real estate. Furthermore, the net operating income from and value of any commercial property is subject to various risks, including changes in general or local economic conditions and/or specific industry segments; the solvency of the related tenants; declines in real estate values; declines in rental or occupancy rates; increases in interest rates, real estate tax rates and other operating expenses; changes in governmental rules, regulations and fiscal policies; access to transportation; acts of God; terrorist threats and attacks and social unrest and civil disturbances. Changes in work patterns, such as telecommuting and shared space among workers, which trends have increased in recent years, could depress demand for office space and adversely affect the value of office assets. Most commercial mortgage loans underlying commercial MBS are effectively non-recourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks and governmental disclosure requirements with respect to the condition of the property may make a third-party unwilling to

purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related MBS. Revenues from the assets underlying such MBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court appointed receiver to control collateral cash flow.

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 have terms longer than the term of a KKR Credit Fund or Other Client and certain loans have grace periods of several years. Furthermore, a KKR Credit Fund or Other Client could, 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, and certain investments might 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, could 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 could 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 can invest in loans that have limited mandatory amortization requirements. While these loans could obligate the borrower to repay the loans out of asset sale proceeds or with annual excess cash flow, repayment requirements could 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 could 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 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 might not include some of the covenants and protections KKR Credit Funds and Other Clients 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 could 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 could 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.

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 can 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. There are from time to time significant expected and unexpected movements in interest rates, which movements could have adverse effects on portfolio companies and the broader economy as a whole. In light of the foregoing, and more generally, a KKR Credit Funds or Other Clients could periodically experience imbalances in the interest rate sensitivities of their assets and liabilities and the relationships of various interest rates to each other, which could adversely affect their performance.

KKR Credit Funds, Other Clients and their portfolio companies regularly utilize the corporate debt markets in order to obtain financing for their operations, and as indicated above, certain KKR Credit Funds or Other Client investments are highly leveraged. As such, movements in the level of interest rates affect the returns from these assets more significantly than other assets. The structure and nature of the debt encumbering an investment is therefore an important element to consider in assessing the interest rate 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.

Favorable market conditions in certain countries have been and are dependent to some extent on continued monetary policy accommodations from central banks, including the U.S. Federal Reserve. Beginning in early 2022 various central banks, including among others the U.S. Federal Reserve as well as the ECB and the Bank of England, began raising interest rates in an effort to stabilize rising inflation. Although, in general, central banks are expected to seek to increase interest rates gradually, to the extent such rate increases continue, many central banks will have raised interest rates more quickly, and to a larger extent, than many had forecasted, and there is no guarantee that any further increases in global interest rates will occur gradually. Accordingly, there could be significant fluctuations in interest rates and in light of the foregoing, and more generally, KKR Credit Funds and Other Clients could periodically experience imbalances in the interest rate sensitivities of their assets and liabilities and the relationships of various interest rates to each other, which could adversely affect their performance. During 2022 and 2023, economic activity was adversely impacted by the effects of monetary and fiscal policy tightening as years of fiscal stimulus from governments and continued accommodative monetary policy from global central banks began to wane and central banks took measures to combat significant inflationary pressures in many major economies around the world. Market participants remain uncertain about how long interest rates will stay near current levels. In particular, in response to persistent inflationary pressure and central bank policy designed to combat inflation, short- and medium-term interest rates have and could continue to rise, which could adversely impact equity and credit markets with tightening financial conditions and slowing growth. Furthermore, higher interest rates in the U.S. have and could continue to reduce the relative attractiveness of other global markets, thereby applying pressure to foreign asset values and currencies. To the extent that credit markets render such financing difficult to obtain or more expensive, this may negatively impact the

operating performance of KKR Credit portfolio companies and, therefore, the investment returns of KKR Credit Funds and Other Clients.

Recent Developments in the Banking Sector

In early 2023, bank failures in the U.S. and EU caused uncertainty for financial services companies especially in the banking sector, and U.S. middle market banks in particular and fear of instability in the global financial system generally. Many financial institutions experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors have withdrawn, or could withdraw in the future, significant sums from their accounts at these institutions (each, a “Distress Event”). As a result, U.S. governmental agencies (including the U.S. Federal Deposit Insurance Corporation (the “FDIC”) and the U.S. Federal Reserve Bank) intervened directly and indirectly to protect the uninsured depositors of banks that have recently closed or who have experienced a significant Distress Event. Simultaneously, as a result of depositary outflows and other existential issues, the Swiss Financial Market Supervisory Authority intervened in the collapse of Credit Suisse, one of the global systemically important banks, brokering its partial sale to UBS. There is a risk that other financial institutions could undergo Distress Events as a result of contagion disconnected from market fundamentals or for other reasons, and it is unclear what steps regulators would take, if any, in the event of further bank closures or continuing (or increasing) market distress.

Banks and other financial institutions, including those that could undergo Distress Events could provide credit facilities and/or other forms of financing to KKR Credit Funds, Other Clients or their portfolio investments. There can be no assurance that such financial institutions will honor their obligations as creditors or that another financial institution would be willing and able to provide replacement financing or similar capabilities and on similar terms.

If a financial institution closes, whether as a result of a Distress Event or otherwise, there is no guarantee that its uninsured depositors, which could include KKR Credit Funds, Other Clients or their portfolio investments, will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. Pursuant to statute, U.S. bank accounts are insured by the FDIC in an amount up to \$250,000. While the U.S. government has considered raising that limit, there can be no guarantee that such limit will be increased. As a consequence, for example, if a Distress Event occurs, KKR Credit Funds, Other Clients or their portfolio investments could be delayed or prevented from accessing a portion or all of their bank accounts or making required payments under their debt or other contractual obligations. Investors could be impacted in their ability to honor capital calls and/or receive distributions for related reasons.

Distress Events could have a potentially adverse effect on the ability of KKR Credit GPs to manage KKR Credit Funds and their investments, and on the ability of KKR Credit Funds, Other Clients and any portfolio investment to maintain operations, which in each case could result in significant losses and in unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event KKR Credit Funds or Other Clients are not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a financial institution experiencing a Distress Event, the inability of KKR Credit Funds or Other Clients to access capital contributions or otherwise); the inability of KKR Credit Funds or Other Clients to acquire or dispose of investments, or acquire or dispose of such investments at prices that KKR Credit believe reflect the fair value of such investments; and the inability of portfolio companies to make payroll, fulfill obligations or maintain operations. If a Distress Event leads to a loss of access to a financial institution’s services, it is also possible that KKR Credit Funds, Other Clients or their portfolio investments will incur additional expenses or delays in putting in place alternative arrangements or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to

capital or otherwise). Although KKR Credit GPs expect to exercise contractual remedies under agreements with financial institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. KKR Credit Funds, Other Clients and their portfolio investments are subject to similar risks if any financial institution utilized by investors in KKR Credit Funds or Other Clients or by suppliers, vendors, service providers or other counterparties of KKR Credit Funds, Other Clients or their portfolio investments become subject to a Distress Event, which could have a material adverse effect on KKR Credit Funds and Other Clients.

Many financial institutions require, as a condition to using their services (including lending services), that KKR Credit GPs and/or KKR Credit Funds or Other Clients maintain all or a set amount or percentage of their respective accounts or assets with the financial institution, which heightens the concentration risks associated with a Distress Event with respect to such financial institutions. Although KKR Credit seeks to only do business with financial institutions that it believes are creditworthy and capable of fulfilling their respective obligations to KKR Credit Funds and Other Clients, KKR Credit is generally under no obligation with respect to KKR Credit Funds and Other Clients to use a minimum number of financial institutions or to maintain account balances at or below the relevant insured amounts.

Uncertainty caused by recent bank failures—and general concern regarding the financial health and outlook for other financial institutions—could have an overall negative effect on banking systems and financial markets generally. The recent developments could also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen or adversely affect KKR Credit Funds, Other Clients or their portfolio investments.

Transition Away from LIBOR

Transition away from the London interbank offered rate (“LIBOR”) as a benchmark reference for interest rates could affect the cost of capital and require amending or restructuring existing debt instruments and related hedging arrangements for KKR Credit Funds, Other Clients and their portfolio investments, and could impact the value of floating rate securities or loans based on LIBOR that KKR Credit Funds or Other Clients have held, all of which could result in additional costs or adversely affect portfolio investments of KKR Credit Funds and Other Clients.

In January 2021, International Swaps and Derivatives Association amended the definitions used in derivative contracts to incorporate Secured Overnight Financing Rate (“SOFR”) as the successor rate to LIBOR. Furthermore, on December 16, 2022, the U.S. Board of Governors of the Federal Reserve System (the “Federal Reserve Board”) adopted the final rule that implements the Adjustable Interest Rate (LIBOR) Act by identifying benchmark rates based on SOFR that replaced LIBOR in certain financial contracts after June 30, 2022. Remaining tenors of USD LIBOR ceased to be published as of June 30, 2023, in the United States, and SOFR became the predominant replacement for LIBOR. On April 3, 2023, the FCA announced its decision to require LIBOR’s administrator to continue to publish certain LIBOR short tenors pursuant to an unrepresentative synthetic methodology through September 30, 2024, and thereafter is expected to be permanently discontinued.

Certain credit assets held by KKR Credit Funds and Other Clients and long-term indebtedness incurred by KKR Credit Funds, Other Clients and their portfolio investments have residual exposure that bears interest at variable interest rates, including rates linked to LIBOR. KKR Credit Funds, Other Clients and their portfolio investments have other LIBOR-based debt instruments and related hedging arrangements that could require amending or restructuring, which could be difficult, costly and time consuming. In situations where existing LIBOR-based contracts do not contain clear fallback language governing the transition to a

successor reference rate, KKR Credit, KKR Credit Funds or Other Clients could incur increased costs, including litigation-related costs, related to the determination of an appropriate successor rate.

Currency Risk

A significant number of investments by KKR Credit Funds and Other Clients, and the income received by KKR Credit Funds and Other Clients with respect to such investments are denominated in various currencies. The books of KKR Credit Funds and Other Clients, will however, be maintained and capital contributions to and distributions from KKR Credit Funds and Other Clients will be made, in U.S. dollars or euros or another base currency. Accordingly, fluctuations in currency values could 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 investments and the amount of distributions, if any, made by the KKR Credit Funds or Other Clients. In particular, certain countries have experienced substantial devaluations compared to the U.S. dollar and further devaluations could occur in the future. Certain countries have implemented or could implement strict controls on foreign exchange, which could result in artificially pegged exchange rates that distort the results of, and returns on, investments in such countries. Relatedly, foreign exchange rates are often affected by countries' monetary and fiscal responses to inflationary trends. To the extent that the U.S. dollar appreciates relative to these currencies, the U.S. dollar value of these investments is likely to be adversely affected. In addition, if the currency in which a KKR Credit Fund or Other Client receives dividends, interest or other types of payments (such as liquidating payments) declines in value against the U.S. dollar before such payments are distributed, the dollar value of these payments would be adversely affected if not sufficiently hedged. Among the factors that could affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political and economic developments. In certain cases, KKR Credit attempts to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and selling options on foreign currencies, but there can be no assurance such strategies will be effective. Further, the ability of a KKR Credit Fund or Other Client and companies in which they invest to convert freely between the U.S. dollar and the local currencies could be restricted or limited and, in a number of instances, exchange rates and currency conversion are controlled directly or indirectly by governments or related entities. Currencies of some countries in which KKR Credit Funds or Other Clients are expected to invest are often subject to government intervention, restrictions on repatriation and similar restrictions, which exacerbate the risk of unexpected fluctuations and/or could cause KKR Credit Funds or Other Clients and/or their investments to incur significant costs or experience substantial delays in, or be prohibited from, converting currencies. 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 are 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.

Leverage and Borrowing Risk

General

Certain KKR Credit Funds or Other Clients seek to make investments on a leveraged basis, and a portion of such borrowing could be at floating interest rates. Leverage might also be employed for hedging, advancing capital calls and other cash management purposes. Leverage can 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 could 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 might 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 might 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 could 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 could, 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 can 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 could 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, can 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 could require the investors to make additional capital contributions to KKR Credit Funds or 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 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, could 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 might 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 could 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 can be structured generally as a portfolio financing where all investments are cross-collateralized and multiple investments could 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

KKR Credit Funds or Other Clients expect to 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 purposes, 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 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 can 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. There generally is no limitation on the amount of time any such borrowing can remain outstanding and the interest expense and other costs of any such borrowings will be fund expenses and, accordingly, could 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 might 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 could 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 is permitted to 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. Please also see "*Credit Facilities; Guarantees; Contractual Obligations*" above.

Bridge Financings

KKR Credit Funds and Other Clients can 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 could 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 also 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 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 sometimes will result in significant financial distress to such asset, if not covered by insurance. Certain environmental laws and regulations can 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 is 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 can 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 could protest about the development or operation of energy assets, which might 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. Some of the most onerous environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements 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 include those imposed by energy, zoning, land use, safety, labor and other regulatory agencies. Certain environmental laws and regulations require that an owner or operator of an energy asset address prior environmental contamination, which could involve substantial cost. In certain jurisdictions, such laws and regulations 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 could 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 could 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 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 could 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. Such adverse effect could continue for some time. In the event of such defaults, KKR Credit Funds or Other Clients could 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 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 might 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 this sector. Absent such a recovery or in the event of a further market deterioration, the value of KKR Credit Funds' or Other Clients' portfolio investments might not appreciate as projected (if applicable) or could 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 and economic conditions and events in foreign oil, natural gas and natural gas liquid ("NGL") producing countries, including embargoes, continued hostilities in the Middle East and other sustained military campaigns, such as the armed conflict in Ukraine and associated economic sanctions on Russia, conditions in South America, Central America and China, and acts of terrorism or sabotage; information technology failures or cyberattacks; the foreign and domestic production and exportation of hydrocarbons in relevant markets and the price, adverse variations from estimates of reserves, production, prices and expenditure requirements, and associated inability to replace reserves through exploration and development activities; 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 interruptions; 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.

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, various U.S. federal agencies as well as non-U.S. governmental authorities. 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 Environmental Protection Agency (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 and could require the installation of additional pollution control equipment. 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 U.S. on an annual basis, which include operations on certain KKR Credit Fund properties. These requirements could impose material costs, 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. Shortly after being inaugurated, President Biden reentered the United States in the Paris Agreement, overturning the Trump administration's withdrawal from the agreement in June 2017. President Biden's executive actions have also revoked executive orders of the Trump administration that weakened requirements to reduce GHGs from federal operations, sped up environmental reviews, fast-tracked oil and gas pipelines and promoted offshore drilling. President Biden also put a moratorium on fossil fuel leasing on federal land and water, and directed agencies to curtail fossil fuel subsidies. These executive actions and other new initiatives and likely 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 certain KKR Credit Funds' or Other Clients' ability to economically develop properties.

Investments in Real Estate

KKR Credit Funds or Other Clients are permitted to 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 or 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, the burdens of ownership of real property, general and local economic conditions or events; the supply and demand for properties; competition from other properties; energy and supply shortages; instability of banking institutions that hold deposits (to the extent that deposits exceed FDIC insurance limits); 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 could 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; contingent liabilities on disposition of assets; and uninsured or uninsurable casualties.

In addition, a KKR Credit Fund's or Other Client's investments will be subject to various risks which cause fluctuations in occupancy, rental rates, operating income and expenses, or render the sale or financing of its properties difficult or unattractive. For example, following the termination or expiration of a tenant's lease there could 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 could 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 could 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 could 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 will often 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 from time to time agrees 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 are the tenant's improvements thereon, or the liability of the is 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 could experience delays in enforcing its rights as lessor, incur substantial costs in protecting its investment and experience an impairment of value.

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 could be limited. While investments can generally 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 could 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 KKR Credit Funds' or Other Clients' real estate debt investments will likely be unsecured and structurally or contractually subordinated to substantial amounts of indebtedness, all or a significant portion of which could be secured. Moreover, such debt investments are sometimes not protected by financial covenants or limitations upon additional indebtedness or the provision of collateral to other indebtedness, and there could be no minimum credit rating for such debt investments. Other factors 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, interest rates, government fiscal policy and domestic or worldwide economic conditions or events.

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 sometimes are non-performing 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 could require a substantial amount of workout negotiations and/or restructuring, entailing, 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 could find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by KKR Credit Funds or Other Clients, resulting in the conversion of the KKR Credit Fund's or Other Client's investment from an investment in a loan to an equity investment. 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 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 generally has 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 disrupts ongoing leasing and management of the property.

Real Estate Market Conditions

Further, KKR Credit's strategy for a KKR Credit Fund or Other Client investment could 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. 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 or events, 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 can 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. Office real estate valuations in the U.S. and globally, in particular, proved to be highly volatile during 2023 based on a variety of challenging macroeconomic fundamentals described above, including as a result of reduced tenant demand and employees of potential tenants continuing to work from home at a higher frequency than many expected. In addition, slowing growth in certain real estate sectors with excess near-term supply, such as life sciences offices and U.S. multifamily, has been negatively impacted and could continue to negatively impact the valuations of assets in such sectors in the near-term.

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, could 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 could materially and adversely affect the business, results of operations and financial condition of a KKR Credit Fund or Other Client.

Asset-Level Management

The management of the business or operations of a real asset (such as aviation or maritime assets) are sometimes 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 is 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 could 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 might be necessary to find a replacement operator, which could require the approval of a government or agency that has granted a concession with respect to the relevant portfolio company. It might 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 often 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 might not be as effective in passing on risks to its subcontractors as intended and this could 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 could 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 will generally not 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 could potentially fail to meet the service standards it has agreed with certain counterparties and there could 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 could 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 will 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 could be a loss of revenue during the time taken to find a replacement subcontractor and the replacement subcontractor could 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 might 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 could 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 could 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 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 could impose liability on KKR Credit Funds or Other Clients.

Furthermore, changes in environmental laws or regulations or the environmental condition of an investment could create liabilities that did not exist at the time of its acquisition and that could not have been foreseen. Community and environmental groups sometimes protest about the development or operation of real assets, which might 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 can have significant impact on the revenues, expenses and conditions of certain KKR Credit Fund and Other Client investments. Such investments could hold assets located in areas subject to the physical effects of climate change that carry the potential to materially impact the assets' business and operations. While the precise future effects of climate change are unknown, it is possible that the physical effects of climate change could include extreme temperatures, irregular precipitation or sunlight levels, droughts, wildfires, wind volatility, sea level rise and the increased severity and frequency of storms and other severe weather patterns or events.

Reductions in precipitation levels, wind or sunlight could materially and 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 might 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 can be forced to incur expenses to prevent assets from being damaged or rendered unusable by such rising sea levels. Potential changes in climatic conditions, together with the response or failure to respond to these changes, could precipitate natural disasters. Moreover, if the evidence supporting climate change continues to grow, various regulatory agencies might enact more restrictive environmental regulations. These more restrictive regulations could materially impact the revenues and expenses of a portfolio company.

Construction and Other Capital Expenditures

KKR Credit Funds or Other Clients make real asset investments in both existing assets and businesses and "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 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) the availability and timely receipt of regulatory, environmental or other approvals and permits; (iii) the availability of construction financing on favorable terms or at all; (iv) slower than projected construction progress and the unavailability or late delivery of necessary equipment; (v) less than optimal coordination with public utilities in the relocation of their facilities; (vi) natural disasters, adverse weather conditions and unexpected construction conditions; (vii) accidents or the breakdown or failure of construction equipment or processes; (viii) risks associated with holding direct or indirect interests in undeveloped land or underdeveloped real property; and (ix) catastrophic events such as explosions, fires, terrorist activities or cyber-attacks and other similar events. These risks could create substantial unanticipated delays or expenses and, under certain circumstances, could result in prolonged construction periods or prevent completion of construction activities once undertaken, which could cause investments to not be cash generative for a prolonged period or indefinitely.

Investments in the Airline Industry

KKR Credit Funds or Other Clients are permitted to 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 are 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.

Risks Associated with Aircraft Leases

Certain KKR Credit Funds and Other Clients, including, without limitation, Global Atlantic Accounts, participate in Platform Arrangements or other contractual arrangements relating to aircraft leasing and/or invest in companies or other issuers that acquire financial or hard assets relating to the aircraft industry. The airline industry is cyclical and highly competitive. Airlines and related companies (including airports) could 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, pandemics and other further 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 has been materially impacted by the COVID-19 pandemic. Any further downturn in the global economy or in the relevant local economy could further adversely affect results of operations and financial conditions. Any such negative impact on the airline industry could increase the risk of any airline defaulting on the terms of any aircraft lease investment made by a KKR Credit Fund or Other Client and the ability of a KKR Credit Fund or Other Client to source alternative airline operators to assume the obligations under such leases, which could adversely impact the performance of such investments.

Investments in the Shipping Industry

KKR Credit Funds or Other Clients make 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, and might 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 could require ship modifications and changes in operating procedure; (ii) risks associated with investments and force majeure risks (for example, international sanctions, embargoes, restrictions, nationalizations, and wars or acts of piracy or terrorist attacks, severe weather, natural disasters and pandemics or other health issues, (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.

Investments in the Life Settlements Industry

Certain KKR Credit Funds or Other Clients make investments in the life settlements industry. The value of a policy in the life settlements or secondary market depends significantly on the health and medical condition and life expectancy of the insured, life expectancy tables then in use by the life settlement industry, and any changes in general economic conditions, including interest rates, inflation rates, government and state regulations, overall industry conditions, competition, political conditions, volatility in the financial markets, and applicable regulations at the time KKR Credit Funds or Other Clients could seek to sell the policy or other related investment. The demand for the purchase, and the liquidity, of in-force policies and related investments is uncertain. Policies or other investments acquired by KKR Credit Funds or Other Clients might be over-priced and/or might not be readily saleable in the life settlements

secondary market. Additionally, as a result of historical legal and regulatory issues, the life settlements industry is subject to regulatory and other scrutiny and potential legal exposure.

Issuers and Issuer Management

Control Person Liability

Some KKR Credit Funds and Other Clients 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, trade sanctions and anti-corruption laws and anti-trust laws) and other types of liabilities for which the limited liability characteristic of business ownership could 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. In addition to claims by governmental agencies, exercising control over a portfolio company could expose the assets of such KKR Credit Fund or Other Client to claims by a portfolio company, its security holders and its creditors.

Risk Arising from Potential Control Group Liability

Under ERISA, upon the termination of a tax-qualified single employer defined benefit pension plan, the sponsoring employer and all members of its “controlled group” will be jointly and severally liable for 100% of the plan’s unfunded benefit liabilities whether or not the controlled group members have ever maintained or participated in the plan. In addition, the U.S. Pension Benefit Guaranty Corporation (“PBGC”) can assert a lien with respect to such liability against any member of the controlled group on up to 30% of the collective net worth of all members of the controlled group. Similarly, in the event a participating employer partially or completely withdraws from a multiemployer (union) defined benefit pension plan, any withdrawal liability incurred under ERISA will represent a joint and several liability of the withdrawing employer and each member of its controlled group.

A “controlled group” includes all “trades or businesses” under 80% or greater common ownership. This common ownership test is broadly applied to include both “parent-subsidiary groups” and “brother-sister groups” applying complex exclusion and constructive ownership rules. However, regardless of the percentage ownership that a KKR Credit Fund holds in one or more of its portfolio entities, a KKR Credit Fund itself cannot be considered part of an ERISA controlled group unless the KKR Credit Fund is considered to be a “trade or business”.

While there are a number of cases that have held that managing investments is not a “trade or business” for tax purposes, in 2007, the PBGC Appeals Board ruled that a private equity fund was a “trade or business” for ERISA controlled group liability purposes and at least one U.S. Circuit Court of Appeals has similarly concluded that a private equity fund could be a trade or business for these purposes based upon a number of factors including the fund’s level of involvement in the management of its portfolio entities and the nature of any management fee arrangements.

If a KKR Credit Fund were determined to be a trade or business for purposes of ERISA, it is possible, depending upon the structure of the investment by the KKR Credit Fund and/or its affiliates and other co-investors in a portfolio entity and their respective ownership interests in the portfolio entity, that any tax-qualified single employer defined benefit pension plan liabilities and/or multiemployer plan withdrawal

liabilities incurred by the portfolio entity could result in liability being incurred by a KKR Credit Fund, with a resulting need for additional capital contributions, the appropriation of KKR Credit Fund assets to satisfy such pension liabilities and/or the imposition of a lien by the PBGC on certain KKR Credit Fund assets. Moreover, regardless of whether or not a KKR Credit Fund were determined to be a trade or business for purposes of ERISA, a court might hold that one of the KKR Credit Fund's portfolio entities could become jointly and severally liable for another portfolio entity's unfunded pension liabilities pursuant to the ERISA "controlled group" rules, depending upon the relevant investment structures and ownership interests as noted above. Similar laws that could be applied with similar results also exist outside of the U.S.

In October 2023, the U.S. Department of Labor proposed a rule that, if finalized, would materially increase the likelihood that a fund sponsor could inadvertently become a fiduciary to plans governed by ERISA, individual retirement accounts ("IRAs") within the meaning of Section 4975 of the U.S. Internal Revenue Code (the "Code"), and similar plans, by reason of being deemed to have rendered investment advice in the context of fundraising and investor engagement. The proposal broadly applies to any communication made to ERISA-governed plans, IRAs, and their fiduciaries that would reasonably be viewed as a suggestion that the plan engage in, or refrain from taking, a particular course of action, and, therefore, could potentially create a fiduciary relationship between the fund sponsor and an ERISA plan or IRA for purposes of that communication. In the event that the fund sponsor was deemed to be an investment advice fiduciary, such fund sponsor would generally need to satisfy a complicated exemption to avoid a self-dealing prohibited transaction under ERISA and the Code.

Investments in Platform Arrangements and Platform Managers

KKR Credit Funds or Other Clients make investments in newly formed Platform Arrangement and Platform Managers established to pursue direct lending opportunities through joint venture and other origination, investment or servicing arrangements. Such companies often have no or short operating histories, new technologies and products and their management teams have limited experience working together, all of which enhance the difficulty of evaluating these investment opportunities. The management of such companies will need to have sufficient resources and personnel and be able to implement and maintain financial and 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 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

Certain KKR Credit Funds or Other Clients engage in originating, lending and/or servicing loans, and 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. Such KKR Credit Funds or Other Clients might 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 could 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.

Hedging

KKR Credit, on behalf of a KKR Credit Fund or Other Client generally has discretion to (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 might 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 could result in a poorer overall performance for the KKR Credit Fund or Other Client than if it had not entered into such hedging transactions. Due to the regulation of OTC derivatives, KKR Credit Funds' and Other Clients' ability to enter into such hedging transactions could be limited. 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 sometimes differ in material respects. The absence or divergence of hedging strategies for a particular KKR Credit Fund or Other Client could 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 could 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 can 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 could 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. In addition, although such hedging transactions may hedge economic risks, they might not be effective hedges for tax purposes. For example, the tax character of the gain or loss on the hedging transaction may differ from the character of the loss or gain on the investment, or the timing or gain or loss for tax purposes may differ between the hedging transaction and the investment.

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 can 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 are permitted to, 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 could 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, could result in losses greater than if they had not been used. The use of derivative instruments carries 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 might 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, are sometimes, so that in volatile markets KKR Credit Funds and Other Clients might 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 conduct their transactions in derivative instruments could prevent prompt liquidation of positions, subjecting KKR Credit Funds and Other Clients to the potential of greater losses. Derivative instruments that are purchased or sold by KKR Credit Funds or Other Clients 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 might not be available in connection with such transactions. In addition, significant disparities could 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 could be required to be delivered to settle trades and the potential shortage of such actual certificates relative to the number of derivative instruments can cause the price of the actual certificated debt securities to rise, which could adversely affect the holder of such derivative instruments. The risk of nonperformance by the counterparty on such an instrument might 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 could 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 can 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 has been 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 can 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 will be exposed to such risks by reason of their investment in the relevant issuer.

Credit Default Swaps

KKR Credit Funds or Other Clients also invest in 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 can 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 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 could 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 could have divergent views. KKR Credit Funds or Other Clients also could 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

Some KKR Credit Funds or Other Clients 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, such KKR Credit Funds or Other Clients 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 might 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.

Credit Risk; Collateral

The terms of derivative hedging arrangements entered into by a KKR Credit Fund or Other Client can provide that related collateral given to, or received by, the KKR Credit Fund or Other Client be reinvested

or otherwise reused by the KKR Credit Fund or Other Client for its own purposes which exposes the KKR Credit Fund or Other Client to the risk of loss on that investment and reduced 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 might 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

KKR Credit Funds and Other Clients 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), and other KKR Credit Funds and Other Clients that make debt investments in or relating to real estate-related businesses, assets or interests. 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 might 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 might not be available or sufficient to cover such liabilities. Commercial bank lenders and other creditors could 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 are often made in loans and other forms of debt that are not marketable securities and therefore are not liquid. Sub-participation interests in syndicated debt could be subject to certain risks because they have no direct contractual relationship with underlying borrowers. Debt securities and instruments in which KKR Credit Funds and Other Clients invest are generally 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 from time to time become involved in bankruptcy or other reorganization and liquidation proceedings. Such investments involve a substantial degree of risk. Any deterioration of real estate fundamentals generally, and in the U.S. in particular, generally negatively impact the performance of KKR Credit Funds and Other Clients that make real estate debt investments, increasing the default risk applicable to borrowers, and/or making it relatively more difficult for such vehicles to generate attractive risk-adjusted returns. Please see *"Investments in Real Estate"* below for further information.

Options

KKR Credit Funds and Other Clients 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 ("OTC") 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.

Synthetic Instruments

KKR Credit Funds or Other Clients 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. 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. In 2021, the SEC proposed rules that would require any entity that establishes positions in security-based swaps above certain specified threshold levels to file reports with the SEC, which would become publicly available. This requirement could adversely affect KKR Credit Funds and Other Clients by making it more costly and burdensome, and potentially impractical, to enter into security-based swap transactions. Additionally, KKR Credit Funds and Other Clients are subject to regulatory minimum swap margin requirements, which increase the costs of trading and could make it infeasible in certain instances.

Market, Economic and Political Risks

KKR Credit Funds or Other Clients and portfolio companies and other issuers in which they invest could 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, changes in competitive environment, changes in national or international economic and market conditions and changes in laws, regulations, trade barriers, commodity prices and controls, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks, security operations, infectious disease outbreaks, epidemics and pandemics. The market price of any publicly traded securities held by a KKR Credit Fund or Other Client will separately be impacted by these conditions in various ways, including in a manner that does not reflect the direct impact on the relevant portfolio companies. 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 could reduce the ability of KKR Credit Funds or Other Clients to make attractive new investments. Difficult market and economic conditions or events generally 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 often 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 could 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 consequences on the investments of KKR Credit Funds and Other Clients, including in particular on portfolio companies whose operations are directly or indirectly dependent on international trade (see also "*Global Limitations on Trade and Foreign Investment*" below). More generally, political scrutiny, legislative acts, rulemaking adjudicatory or other activities, including in particular by the U.S. Congress, the SEC, the Federal Reserve Board, the Financial Industry Regulatory Authority, Inc. ("FINRA") or other U.S. or non-U.S. 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. Many of these regulations are described in the following risk factors.

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, tax law, immigration policy, environmental protection and/or climate change policies or regulations and/or government entitlement programs could have a material adverse impact on the KKR Credit Funds and Other Clients and their investments, and/or result in KKR Credit Funds or Other Clients targeting significantly different types of investment opportunities than originally anticipated, subject to their stated investment objectives and focus. More generally, legislative acts, rulemaking, adjudicatory or other activities by U.S. or non-U.S. 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 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 can vary significantly.

General fluctuations in the market prices of debt investments and interest rates can have a substantial negative impact on KKR Credit Funds' or Other Clients' investments and investment opportunities and accordingly could 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 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, or suffer mandatory liquidation of the pledged debt obligations to compensate for the decline in value.

Non-U.S. Investment Considerations

Non-U.S. Bankruptcy Laws

Portfolio companies and other issuers located in non-U.S. jurisdictions sometimes will 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 might 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 could 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

Some KKR Credit Funds or Other Clients provide financing to European companies and companies that have operations that will be affected by the Eurozone economy. For example, 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 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 can directly affect non-U.S. investment in securities and/or loans in those countries and can 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 can 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 contribute to instability in some countries of Europe. Such instability impedes business activity and adversely affect the environment for non-U.S. investments. KKR Credit Funds and Other Clients might 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.

BEPS Considerations

The Organization for Economic Co-operation and Development (the "OECD"), which represents a coalition of member countries, is in the process of implementing changes to numerous long-standing tax principles through its Base Erosion and Profit Shifting ("BEPS") project, and individual jurisdictions are introducing domestic legislation implementing certain of the BEPS actions. The BEPS project is focused on a number of issues, including profit shifting among affiliated entities in different jurisdictions, interest deductibility and eligibility for the benefits of double tax treaties. Various countries have implemented or intend to implement the OECD's recommended model rules. The OECD also recently finalized guidelines recommending that certain multinational enterprises be subject to a minimum 15% tax rate effecting from 2024. Several of the areas of tax law (including double taxation treaties) on which the BEPS project is focusing are relevant to the ability of KKR Credit Funds and Other Clients to efficiently realize income or capital gains and to efficiently repatriate income and capital gains from the jurisdictions in which they arise to investors.

Further to Action 1 of the BEPS project, the OECD published blueprints (commonly referred to as "BEPS 2.0") divided into two "pillars" of issues, seeking to address tax challenges arising from digitalization of the economy, and proposing fundamental changes to the international tax system. Pillar One proposes the reallocation of taxing rights between jurisdictions, and Pillar Two proposes additional global anti-base erosion rules. The implementation of the Pillar One and Pillar Two proposals is scheduled for 2023. While an implementation plan on BEPS 2.0 was agreed upon in the OECD Statement of October 8, 2021, the detailed rules are to be developed over the coming months. On December 12, 2022, EU member states reached agreement to implement Pillar Two at the EU level, with a directive to be transposed into the EU member states' national law by the end of 2023. On July 28, 2023, the Luxembourg Council of Ministers adopted a bill transposing the EU Directive on global minimum tax into the country's domestic tax law ("BEPS 2.0 Bill"). While sector-specific exclusions have been proposed for investment funds and other financial services, it cannot be excluded, depending on the application of the technical detail of BEPS 2.0, that KKR Credit Funds or Other Clients could suffer additional tax as effective tax rates could increase within the KKR Credit Fund structures or on investments. KKR Credit Fund and Other Clients and their portfolio companies could be significantly impacted by the model rules, or any future variation that, have been or will be implemented in any of the countries in which KKR Credit Funds or Other Clients or their portfolio companies' business or investment structures are located. Effective tax rates could increase within KKR Credit Funds or Other Clients or their portfolio companies' businesses or investment structures, including by way of higher levels of tax being imposed than is currently the case, possible denial of deductions or increased withholding taxes and/or profits being allocated differently. The proposals could also lead to an increase in the complexity, burdens and cost of tax compliance. Given ongoing design, implementation and administration, the timing, scope and impact of any relevant domestic legislation or multilateral conventions remain subject to significant uncertainty.

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 could 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 are permitted to 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. Although not all the regulatory technical standards specifying the risk management procedures, including the levels and type of collateral and segregation arrangements, required to give effect to EMIR have been finalized and it is therefore not possible to be definitive, investors should be aware that certain provisions of EMIR impose obligations on a KKR Credit Fund or Other Client in relation to their transaction of OTC derivative contracts.

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 could result in additional costs and might be on less favorable 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 can 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 can increase the costs to KKR Credit Funds or Other Clients of utilizing OTC derivatives.

Amendments to EMIR, commonly referred to as “EMIR Refit,” came into force in June 2019 and required that all AIFs managed by an AIFM authorized or registered in accordance with the AIFMD be classified as financial counterparties, which is an expansion of scope that impacts KKR’s business and increases its compliance burden within our European operations.

Senior Managers and Certification Regime and its International Equivalents

In December 2019, the United Kingdom's Senior Managers and Certification Regime ("SMCR") was extended to all firms authorized and regulated by the FCA under the FSMA. Several other jurisdictions in which KKR Credit operates, including Hong Kong, Australia and Singapore, have since adopted corporate governance legislation equivalent to the SMCR. The SMCR and its international equivalents seek to increase firm and individual accountability within the financial services sector, and create new obligations and responsibilities on KKR Credit's affiliates and personnel who perform certain types of functions within KKR Credit's businesses located in such jurisdictions, including with respect to certain KKR Credit Funds and Other Clients. These regulatory regimes have required KKR Credit, in part, to adapt its governance and operating frameworks so as to ensure compliance with the new regimes, which have caused, and will cause on an ongoing basis, increased compliance costs that could impact the financial performance of its businesses. Moreover, given the increased focus on individual accountability and personal conduct, there is an increased risk of enforcement action against KKR Credit personnel in the UK and such other jurisdictions, including, but not limited to, fines and restrictions on their ability to operate within the financial services industry, which can make it harder to recruit qualified personnel.

Sixth Money Laundering Directive

After the implementation of the Fifth Money Laundering Directive ("MLD5") in January 2020, the Sixth Money Laundering Directive ("MLD6") was introduced and came into effect on December 2, 2020, with the aim of strengthening its measures on combatting financial crime and terrorist financing. The changes brought about by MLD6 will be applicable to all of KKR Credit's operations and have required that KKR Credit make adaptations to its existing anti-money laundering and know your customer framework. The implementation of these new requirements will increase the complexity of compliance obligations to which KKR Credit's operations are subject, which can lead to increased costs on an ongoing basis.

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.

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 applicable governing documents of such KKR Credit Funds or Other Clients. Trade 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 limited partnership agreement, investment management agreement, prospectus or other offering document or KKR Credit Funds or Other Clients.

Risks of Multi-Step Acquisitions

In the event that KKR Credit chooses to affect 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

Some KKR Credit employees serve as directors of some portfolio companies and, as such, have duties to persons other than a KKR Credit Fund or Other Client, including other stockholders of such portfolio companies. Although holding board positions could be important to the KKR Credit Fund's or Other Client's investment strategy and is believed to improve KKR Credit's oversight 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 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 Vote by a Limited Partner

From time to time during the term of certain KKR Credit Funds or Other Clients, a KKR Credit GP is expected to require or otherwise solicit the vote, consent or waiver of limited partners or the limited partner 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 could potentially have an adverse impact on certain investors. For certain KKR Credit Funds or Other Clients, any such vote, waiver or consent will be tabulated or made as if (subject to certain exceptions specified in the governing documents of KKR Credit Funds and Other Clients) 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 are sometimes 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 could 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 could continue. To the extent that disclosure of confidential

information relating to KKR Credit Funds or Other Clients or their portfolio companies results from interests being held by public investors, KKR Credit Funds or Other Clients could be adversely affected.

Misconduct of Employees and Third-Party Service Providers

KKR Credit depends to a large extent on its business relationships and reputation for integrity and high-caliber professional services to attract and retain qualified professionals and to pursue investment opportunities for KKR Credit Funds and Other Clients. Misconduct by employees of KKR Credit or by third-party service providers could cause significant losses to KKR Credit Funds or Other Clients. Types of potential employee misconduct 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, could result in unknown and unmanaged risks or losses). Employee misconduct could also involve illegal or otherwise inappropriate acts that are not directly related to a KKR Credit Fund, Other Client or any portfolio company but nonetheless have a material adverse impact (including reputational damage) on KKR's Funds and Other Clients, KKR or their affiliates. KKR Credit also relies on third parties whom it does not control for significant operational support and assistance and other aspects of its business, including for various operational, accounting, and data processes and systems as well as on the systems of third party service providers. Other aspects of the KKR Credit business that depend on the services of third parties include law firms, prime brokers, custodians, escrow agents, placement agents, distribution partners, administrators and other consultants and agents to carry out administrative or other services, including valuations, insurance policy administration, securities transactions, recordkeeping, tax preparation, government filings, paying agent services, trustee services, technology services, administration services, tax and accounting services, and compliance functions. Losses could also result from erroneous, sub-standard or otherwise deficient actions by such third-party service providers, including, without limitation, failure to recognize trades and misappropriating assets. In addition, employees and third-party service providers might 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.

Furthermore, KKR Credit relies on individual consultants and other contingent workers who are not KKR Credit employees but work directly in KKR Credit's business alongside employees. Certain aspects of KKR Credit's business also depends on the efforts, skills, reputations, business contacts, and conduct of these consultants and other contingent workers, sometimes to the same extent as employees. KKR Credit expects to continue to rely on the engagement of consultants and other contingent workers to service important aspects of its business, the inability to retain them or to find their replacements could adversely impact KKR Credit and KKR Credit Funds and Other Clients. In addition, even though these consultants and other contingent workers are not KKR Credit employees, there are circumstances when their misconduct could adversely impact KKR Credit and KKR Credit Funds and Other Clients to the same degree as if they were employees.

Cybersecurity Risks including Business Disruption and Information Security Risks

KKR Credit Funds, Other Clients, and their portfolio companies, KKR and their affiliates and service providers are subject to risks associated with cybersecurity compromises. 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, including harmful malware and ransomware, denial-of-service attacks, social engineering, and other

means to affect service reliability and attempt 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. Third parties could also attempt to fraudulently induce employees, KKR Credit counterparties and third-party service providers to disclose sensitive information in order to gain access to KKR Credit data or that of KKR Credit Funds and Other Clients. The risk of a security breach or disruption, particularly through accidental actions or omissions by trusted insiders, cyber-attacks or cyber intrusions, including by computer hackers, viruses, foreign governments, and cyber terrorists, has increased as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased. A successful penetration or circumvention of the security of such systems could result in the unauthorized transfer of funds to an illegitimate counterparty, financial loss and expense, theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. KKR Credit Funds, Other Clients, KKR and their affiliates will be exposed to a more significant risk if these activities are taken by state actors. These same cybersecurity breaches, cyber-attacks and cyber intrusions could also be employed against various KKR Credit stakeholders or other third parties, including to impersonate KKR Credit or its employees, which could cause similar security impacts and materially and adversely impact KKR Credit and KKR Credit Funds and Other Clients. Certain damage or interruptions to information technology systems would cause losses to KKR Credit Funds, Other Clients 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 would also incur substantial costs as the result of certain cybersecurity incidents, including those associated with forensic analysis of the origin and scope of the incident, 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 cybersecurity incidents 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 and confidential information.

KKR Credit Funds, Other Clients, KKR Credit and their affiliates rely extensively on computer programs and systems (and will 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 might also depend on information technology systems and, notwithstanding the diligence that KKR Credit Funds, Other Clients will perform on its service providers or the assurances that KKR Credit might seek to obtain that these third parties will implement appropriate security controls to protect KKR Credit's confidential information, KKR Credit might not be in a position to verify the risks or reliability of such information technology systems, and there is a risk that unauthorized individuals could improperly gain access to KKR Credit's confidential data stored or accessed by third parties. Moreover, third parties that have access to KKR Credit's systems are subject to risks of cyber-attacks, which could adversely affect KKR Credit, KKR Credit Funds, Other Clients and their portfolio companies. The techniques used by cyber criminals change frequently, might not be recognized until launched, and can originate from a wide variety of sources, including outside groups such as external service providers, organized crime affiliates, terrorist organizations, hostile foreign governments or agencies, or cybersecurity researchers. KKR Credit's controls and procedures, business continuity systems, and data security systems could also prove to be inadequate. Certain failures, corruptions or cybersecurity incidents (including as a result of the occurrence

of a disaster such as a cyber-attack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in KKR Credit's disaster recovery systems, or a support failure from external providers) or the inability of such systems to satisfy investor's needs, including the execution of orders, would have a negative effect on KKR Credit's ability to conduct business and thus, KKR Credit Funds or Other Clients, particularly if those events affect KKR Credit's computer-based data processing, transmission, storage and retrieval systems or destroy KKR Credit's data. If a significant number of KKR's personnel were to be unavailable in the event of a disaster or other event, KKR Credit's ability to effectively conduct the business of KKR Credit Funds or Other Clients would likely be compromised. A KKR Credit Fund's or Other Client's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems could arise in KKR Credit's internally developed systems and the systems of third-party service providers. KKR Credit could have insufficient recourse against such third parties and could have to expend significant resources to mitigate the impact of such an event, and to develop and implement protections to prevent future events of this nature.

Information and technology systems of KKR Credit Funds, Other Clients and their affiliates (in addition to those of the issuers of the investments of a KKR Credit Fund or Other Client) could be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and cybersecurity incidents, 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 might 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 SEC has underscored its focus on cybersecurity. In July 2023, the SEC adopted new cybersecurity disclosure rules, aimed at enhancing and standardizing disclosures made by public companies regarding cybersecurity risk management, strategy, governance and incident reporting. Some jurisdictions have also enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. In February 2022, the SEC proposed similar cybersecurity regulations for regulated investment advisers. The SEC has also proposed a similar cybersecurity rule for broker-dealers, and other security market participants. Many other regulators have also indicated an intention to take more aggressive enforcement actions regarding cybersecurity matters, and private litigation resulting from such matters is increasing and resulting in progressively larger judgments and settlements.

Information Security and Data Privacy Risks

KKR Credit, KKR Credit Funds and Other Clients and/or a KKR AIFM are subject to various requirements, risks and costs associated with the collection, processing, storage and transmission of personal information. KKR Credit employees (and, in certain cases, third-party service providers) have access to, and process, personal information of investors, employees, contractors and other counterparties and third parties through a variety of media, including technology systems. Third-party administrators and their employees also have access to, and routinely process, personal information of investors, employees, contractors and other counterparties and third parties, and KKR is also dependent on such third parties and their systems to protect such data. Any inability, or perceived inability (even if unfounded), by KKR Credit, KKR Credit Funds and Other Clients and/or a KKR AIFM to adequately address privacy and data protection concerns, or comply with applicable privacy and data protection laws, regulations, policies, regulatory or industry standards and guidance, or relevant contractual obligations could result in significant regulatory and third

party liabilities or penalties, increased costs, disruption to KKR Credit, KKR Credit Funds and Other Clients, and/or a KKR AIFM, and a loss of fund investor confidence and other reputational damage.

Legal requirements relating to the collection, storage, handling, and transfer of personal data continue to develop. KKR Credit Funds and Other Clients and/or a KKR Credit AIFM are directly or indirectly subject to the requirements of European data protection laws, including, the EU GDPR, the UK GDPR, and the EU Digital Operational Resilience Act (“DORA”), which became effective in January 2025. The EU GDPR and DORA have direct effect in all European Economic Area (“EEA”) member states, and the UK GDPR applies in the UK. Both the EU GDPR and UK GDPR have extraterritorial effect in certain circumstances, including, where non-EEA or non-UK entities or persons process personal information in relation to the offering of goods or services to individuals in the EEA or UK or the monitoring of the behavior of individuals in the EEA or UK.

Both the EU GDPR and the UK GDPR impose a number of obligations on “data controllers” (which are persons or entities that are responsible for determining the purposes for which, and means by which, personal information is processed), and strengthen the rights for data subjects, including, among others: (i) accountability and transparency requirements, which require controllers to demonstrate and record compliance with the EU GDPR and UK GDPR and to disclose specific information to data subjects regarding how their personal information is used; (ii) requirements to identify a lawful basis for any processing of personal information; (iii) obligations to consider data protection as part of the development of any new products or services and to limit the amount of personal information processed to what is strictly necessary; (iv) obligations to comply with data protection rights requests made by data subjects; and (v) requirements to report certain types of personal information breaches to supervisory authorities or affected individuals within prescribed timeframes.

Both the EU GDPR and the UK GDPR also contain rules relating to fines that may be levied for violations of their requirements. Depending on the violation, such fines may be up to the higher of 4% of annual worldwide turnover or €20,000,000/£17,500,000. Data subjects may also have a right to compensation for financial or non-financial losses (e.g., distress) arising in relation to breaches of applicable data protection. While KKR Credit and its affiliates intend to comply with their privacy obligations under EU GDPR and the UK GDPR and other applicable data privacy laws, it is possible that KKR Credit and its affiliates will not be able to accurately anticipate the ways in which regulators and courts will apply or interpret the law. Furthermore, KKR Credit, KKR Credit Funds and Other Clients and their portfolio companies frequently have privacy compliance requirements as a result of entering into contractual obligations with counterparties. As new privacy-related laws and regulations are implemented, the time, cost and resources needed to comply with such laws and regulations continues to increase. 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. In the event of violations of the EU GDPR and the UK GDPR, a KKR Credit Fund, Other Client or KKR Credit AIFM or portfolio company could face significant administrative and monetary sanctions, remediation related costs, as well as reputational damage, which could have a material adverse effect on their respective operations.

U.S. states, either have recently passed their own comprehensive consumer privacy legislation (such as California, Colorado, Connecticut, Utah, Virginia, Texas, Florida, New Jersey), or are considering doing so. In recent years, there have also been attempts in the U.S. Congress to pass a comprehensive federal privacy law. The U.S. also has a variety of sector-specific privacy legislation, such as, the U.S. Health Insurance Portability and Accountability Act and the Gramm-Leach-Bliley Act.

At the U.S. federal level, KKR Credit, KKR Credit Funds and Other Clients and/or a KKR Credit AIFM are directly or indirectly subject to the Gramm-Leach-Bliley Act of 1999 as amended in June 2023 (“Gramm-Leach-Bliley Act”), which imposes privacy requirements on financial institutions, including obligations to protect and safeguard consumers’ nonpublic personal information and records, and limits the ability to share and reuse such information. In March 2023, the SEC proposed amendments to Regulation S-P, its rules implementing the Gramm-Leach-Bliley Act, which, if adopted, would require broker-dealers, registered investment companies and investment advisers to adopt written policies and procedures creating an incident response program to deal with unauthorized access to customer information, including procedures for notifying persons affected by the Incident within 30 days.

Additionally, KKR Credit, KKR Credit Funds and Other Clients and/or a KKR Credit AIFM are directly or indirectly subject to the requirements of the California Consumer Privacy Act of 2018 as amended by the California Privacy Rights Act of 2020 (“CPRA”) along with their implementing regulations (collectively, the “CCPA”). The CCPA imposes a number of obligations on covered businesses, including, among others: (i) obligations to comply with certain requests made by California residents to exercise rights in their personal information; (ii) requirements to provide disclosures about the way in which, and the purposes for which their personal information will be used; and (iii) a requirement to ensure that all individuals responsible for handling consumer inquiries about the business’s privacy practices are informed of the CCPA’s requirements.

The CCPA is enforced by the California Attorney General and the California Privacy Protection Agency and it authorizes civil penalties up to \$2,500 for each non-intentional violation or \$7,500 for each intentional violation. The CCPA also provides a private right of action but only in connection with certain “unauthorized access and exfiltration, theft, or disclosure” of a California resident’s non-encrypted or non-redacted personal information that was a result of the business’s failure to implement and maintain reasonable security procedures and practices appropriate to the nature of the information. The CPRA took effect on January 1, 2023 (with certain provisions having retroactive effect to January 1, 2022). The CPRA amended and expanded the pre-existing rules under CCPA by creating additional privacy rights for California residents, establishing the California Privacy Protection Agency as an enforcement body, and imposing additional obligations on covered businesses. The California Privacy Protection Agency issued the California Consumer Privacy Act Regulations which took effect on March 29, 2023. These regulations are designed to implement the CPRA and operationalize new rights and concepts that form part of California’s consumer privacy framework.

Legal frameworks relating to privacy and data protection are rapidly evolving, and KKR Credit, KKR Credit Funds and Other Clients and/or a KKR Credit AIFM are and will be directly or indirectly subject to new or changing legal obligations both domestically and internationally. The application, interpretation, and enforcement of these developing legal and regulatory obligations are often uncertain, may conflict among themselves, and could require KKR Credit to further modify certain information practices and could subject KKR Credit, KKR Credit Funds and Other Clients and/or a KKR Credit AIFM to additional compliance costs and regulatory scrutiny. There is a risk that the measures taken to comply with the privacy and data protection laws and regulations will not be sufficient or implemented correctly, particularly where conflicting requirements may exist, or if individuals within the business are not fully compliant with the requirements, controls and related procedures applicable to them. If the measures taken to comply with privacy and data protection laws and regulations are insufficient or incorrectly implemented, KKR Credit, KKR Credit Funds, and Other Clients and/or a KKR Credit AIFM and their respective affiliates (as relevant) could face significant administrative and monetary sanctions, liability to individuals or third parties, as well as reputational damage which could have a material adverse effect on their respective operations.

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.

Artificial Intelligence Developments

The use of artificial intelligence by KKR Credit and others, and the overall adoption of artificial intelligence throughout society, could exacerbate or create new and unpredictable competitive, operational, legal and regulatory risks to KKR Credit, KKR Credit Funds, Other Clients and their portfolio companies. Artificial intelligence and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to fully predict the future risks that will arise from such developments. Technological innovation, including the use of artificial intelligence and data science, has the potential to disrupt industries and change the ways they do business. Competitors of portfolio companies of KKR Credit Funds and Other Clients could be swifter and/or more successful in the development and implementation of services and platforms based on artificial intelligence and machine learning technology, resulting in a competitive disadvantage for portfolio companies of KKR Credit Funds and Other Clients and a material adverse impact on the performance of KKR Credit Funds and Other Clients.

There is also a risk that artificial intelligence could be misused or misappropriated by employees or third parties engaged by KKR Credit and its affiliates. For example, a user could input confidential information, including material non-public information or personally identifiable information, into artificial intelligence applications, resulting in such information becoming a part of a dataset that is accessible by third party technology applications and users, including competitors. Further, KKR Credit and its affiliates will generally not be able to control how third-party artificial intelligence selected for use is developed or maintained, or how data input is used or disclosed, even where contractual protections with respect to these matters have been obtained. The misuse or misappropriation of the data of KKR Credit and its affiliates could have an adverse impact on KKR Credit's reputation and could subject KKR Credit, KKR Credit Funds, Other Clients or their portfolio companies to legal and regulatory investigations or actions or create competitive risk.

If the data KKR Credit and its affiliates, or third-party service providers, use in connection with the possible development or deployment of artificial intelligence is incomplete, inadequate or biased in some way, the performance of KKR Credit Funds, Other Clients and their portfolio companies could suffer. In addition, KKR Credit and its affiliates analyze data through different means, including manual reviews, automated rules as well as the use of artificial intelligence and machine learning technologies. Recent technological advances in artificial intelligence and machine-learning technology both present opportunities and pose risks to KKR Credit, KKR Credit Funds, Other Clients and their portfolio companies. Data in technology that uses artificial intelligence could contain a degree of inaccuracy and error, which could result in flawed algorithms in various models used by KKR Credit and its affiliates, or by the portfolio companies of KKR Credit Funds or Other Clients. KKR Credit's personnel or the personnel of KKR Credit's service providers could improperly utilize artificial intelligence and machine learning-technology while carrying out their responsibilities. This could reduce the effectiveness of artificial intelligence technologies and adversely impact KKR Credit and KKR Credit Funds or Other Clients to the extent that KKR Credit or its affiliates rely on the work product of such artificial intelligence in their operations.

In addition, the use of artificial intelligence by KKR Credit and its affiliates or others could require compliance with legal or regulatory frameworks that are not fully developed or tested, and KKR Credit, KKR Credit Funds, Other Clients and their portfolio companies could face litigation and regulatory actions related to the use of artificial intelligence. There has been increased scrutiny, including from global regulators, regarding the use of "big data," diligence of data sets and oversight of data vendors. KKR Credit's ability to use data to gain insights into and manage KKR Funds and Other Clients could be limited in the future by regulatory scrutiny and legal developments. For more information on risks relating to

information security and developing global privacy and data laws see also “*Cybersecurity Risks including Business Disruption and Information Security Risks*” and “*Information Security and Data Privacy Risks*” above.

Certain Social Media Risks

The use of social networks such as Facebook, Twitter and Instagram, message boards such as Reddit and other internet channels has become widespread within the U.S. and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation without relying on traditional media intermediaries. Information often spreads rapidly across large segments of the U.S. and global population, frequently without any independent verification as to its accuracy, which has led to the spread of misinformation in many cases. The spread of information or misinformation regarding KKR Credit, KKR Credit Funds or Other Clients and their respective portfolio companies could result in material and adverse effects on any of the foregoing. Furthermore, certain administrators of or other service providers to social networks, message boards, app stores, websites and other internet outlets have taken actions to ban, block, verify or censor the content disseminated on their networks. Such actions, or similar actions taken by government regulators or courts, could negatively affect KKR Credit, KKR Credit Funds Other Clients and their respective portfolio companies (e.g., if a portfolio company were to face public backlash or regulatory penalties for taking such actions, or if a portfolio company were itself the subject of such a ban).

Investments in Technology

Investments in Technology Companies

KKR Credit Funds and Other Clients 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. Moreover, increasingly, companies that are not primarily involved in the technology industry are subject to disruption through accelerating changes in technology used in more traditional industries. 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 by companies providing or adopting disruptive technologies, 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 and adopted broadly and quickly at relatively low cost. Many of the areas in which KKR Credit Funds and Other Clients and their portfolio companies are expected to participate evolve rapidly with changing and disruptive technologies, shifting user needs, and frequent introductions of new products and services. For example, the use of generative artificial intelligence tools could disrupt the business models of portfolio companies in which KKR Credit Funds and Other Clients invest. Moreover, competition in the technology sector or the adoption of highly efficient new technologies can result in significant downward pressure on pricing. Valuations of technology companies are volatile, and in the event that the technology sector valuations decline, returns to investors from any portfolio companies involved in the technology industry will likely decrease. Moreover, the valuation of early-stage technology companies, including those pursuing regulatory approvals for commercialization, are often less predictable than later stage companies or companies in other sectors with more observable valuation inputs or readily available market pricing.

Third-party Infringement Claims

KKR Credit Funds or Other Clients or a portfolio company could, 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 could 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 could use “open source” software in their products. Such open source software is generally licensed by its authors or other third parties under open source licenses. Licensing authors or third parties could 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 could 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 could cause operating margins to decline. In addition to money damages, in some jurisdictions plaintiffs can seek injunctive relief that could 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 could lead to termination of the research or have a detrimental impact on significant customers or counterparties. In addition, the patent position of health care products in many countries is highly uncertain and involves complex legal, scientific and factual questions. Furthermore, if a portfolio company or one of its significant customers or counterparties develops of a particular product that 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 company are infringed by third parties, then it might 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 attack portfolio company products and services). Costs for remediating the unauthorized disclosure of source code and other cybersecurity incidents 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 can have been caused. Remediation costs could also include incentives offered to portfolio company customers or other business partners in an effort to maintain the business relationships after a cybersecurity incident.

Health Care Industry Investments; Regulatory Risk and Political Uncertainty

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.

The success of certain KKR Credit Funds' and Other Clients' investments is expected to be dependent upon obtaining certain governmental approvals. Obtaining governmental approval for new products from governmental agencies can be lengthy, expensive and uncertain. The research, development, preclinical and clinical trials, manufacturing, labeling, and marketing related to a biotechnology or medical technology company's products are subject to an extensive regulatory approval process by the U.S. Food and Drug Administration and other regulatory agencies in the U.S. and abroad. There can be no assurance regarding the ability to meet anticipated clinical trial commencement and completion dates, regulatory submission and approval dates, or as to whether or when regulatory approval will be received, which will depend on the assessment by regulatory authorities of the benefit risk profile suggested by the totality of the efficacy and safety information submitted. Decisions by regulatory authorities regarding labeling, ingredients and other matters could adversely affect the availability or commercial potential of products. If an investment is unable to obtain approvals or other milestones in a timely fashion, the investment could experience significant adverse effects, which in turn, could adversely affect the performance of KKR Credit Funds or Other Clients.

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 likely would not receive full approval for these products and could 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 can 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 payers such as government health administration authorities, private health insurers and other organizations. The continuing efforts of governmental and third-party payers 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 can 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.

ESG and Sustainability Risk

KKR Credit is subject to the increased focus by regulators on sustainability matters, such as climate change and environmental stewardship, diversity, equity and inclusion, human rights, support for local communities, corporate governance and transparency, or other environmental, social, or governance ("ESG") related areas.

KKR Credit Funds and Other Clients could be adversely affected if KKR Credit or portfolio companies of KKR Credit Funds or Other Clients fail to comply with applicable ESG regulations. If regulators enact new rules, disagree with KKR Credit's responsible investing procedures or standards, or require methodology that is different from KKR Credit's current practice, it could materially and adversely affect KKR Credit and KKR Credit Funds or Other Clients in various ways, including the incurrence of significant compliance costs and an increase in the risk of litigation and regulatory action. There has been increased regulatory focus on the sustainability-related practices of investment managers, including in relation to improving transparency regarding the definition, measurement and disclosure of ESG factors. There are many recently proposed and final ESG rules, regulations, priorities and enforcement actions that could materially and adversely affect KKR Credit and KKR Credit Funds and Other Clients.

In the United States, various proposals by the SEC regarding, among others, enhanced disclosure requirements around ESG practices for investment managers, registered investment companies and advisers and rules aimed at enhancing and standardizing climate-related disclosures for registrants, have been adopted, and will require climate-related disclosures for registrants beyond current requirements or practice. In addition, unless challenges to the rules are successful, California's recently enacted climate legislation will require certain companies that do business in California to provide certain climate-related disclosures.

In the EU, several ESG-related rules have been finalized or proposed, including proposals that affect the manner in which asset managers and portfolio companies operate within the EU and also, in certain circumstances, outside the EU. Such finalized or proposed rules include mandatory disclosure and reporting requirements, which supplement the disclosure framework set out in the Sustainable Finance Disclosure Regulation ("SFDR") and the Corporate Sustainability Reporting Directive ("CRSD"), which introduce significantly more detailed sustainability reporting requirements and significantly expand the number of EU and non-EU companies subject to this reporting framework. The SFDR framework is currently under review and it can be expected that further changes will be introduced.

In Asia, various regulators have introduced requirements for asset managers to integrate climate risk considerations in investment and risk management processes and disclosures, together with enhanced disclosure and reporting, and have also issued enhanced rules for certain investment vehicles on general ESG risk management and disclosure.

Globally, a lack of harmonization in relation to ESG legal and regulatory reform across the jurisdictions in which KKR Credit Funds and Other Clients invest could affect the future implementation of, and compliance with, rapidly developing ESG standards and requirements. Additionally, collecting, measuring, and reporting sustainability information and metrics can be costly, difficult and time consuming, is subject to evolving reporting standards, and can present numerous operational, reputational, financial, legal and other risks. Compliance efforts by asset managers raise a number of challenges, including with respect to the allocation of significant resources to both comply with regulatory requirements and implement monitoring and related controls at the firm level and investment product level, as well as challenges related to investment product classification. If regulators enact rules that govern ESG matters, such as climate change, or disagree with the procedures or standards used by KKR Credit Funds or Other Clients for ESG investing, or new regulation or legislation requires a methodology of measuring or disclosing sustainability impact that is different from KKR Credit's current practices, KKR Credit Funds or Other Clients could be adversely affected. Generally, KKR expects investor demands and the prevailing legal environment to require KKR Credit to devote additional resources to sustainability matters in KKR Credit's review of prospective investments and management of existing investments, which increase expenses of KKR Credit Funds and Other Clients.

In addition, on June 22, 2020, a regulation on the establishment of a framework to facilitate sustainable investment was published in the Official Journal of the European Union (the "Taxonomy Regulation"). The Taxonomy Regulation sets out a framework for classifying economic activities as "environmentally sustainable" and also introduces certain mandatory disclosure and reporting requirements (which supplement those set out in SFDR) for financial products which have an environmentally sustainable investment objective or which promote environmental characteristics. The Taxonomy Regulation took effect in part from January 2022 and in part from January 2023. Compliance with the SFDR, the Taxonomy Regulation (and equivalent UK legislative or regulatory initiatives, which diverge from those in force in the EEA) will create additional compliance burdens and costs for KKR Credit, and KKR Credit Funds and Other Clients. To the extent the KKR Credit assess alignment with the Taxonomy Regulation of their investments, there is a risk that the KKR Credit will not be able to maintain alignment of a particular investment with the Taxonomy Regulation, in particular in light of the Taxonomy Regulation's stringent technical screening criteria.

The universe of sustainability events or conditions is very broad, and their relevance, materiality and impact on investments will depend on a number of factors such as asset location and/or sector. Depending on the circumstances, examples of sustainability risks can include but are not limited to physical environmental risks, climate change transition risks, supply chain disruptions, improper labor practices, lack of board diversity and corruption. The likely impact on the returns of KKR Credit from an actual or potential material decline in the value of an investment due to an ESG event or condition will vary and depend on several factors including, but not limited to, the type, extent, complexity and duration of the event or condition, prevailing market conditions and the existence of any mitigating factors.

The ESG information used to determine whether companies are managed and behave responsibly is based on backward-looking analysis. The subjective nature of non-financial ESG criteria means a wide variety of outcomes are possible. The data may not adequately address material sustainability factors. The analysis is also dependent on companies disclosing relevant data and the availability of this data can be limited.

More broadly, there can be no assurance that KKR Credit's responsible investment policies and procedures will remain unchanged because KKR Credit continuously reviews its approach to these issues. Thus, such policies and procedures could change, even materially, or might not be applied to a particular investment. KKR Credit could determine at any time that it is not feasible or practical to implement or complete certain of its sustainability-related initiatives, policies, and procedures based on considerations relating to particular business, regulatory, policy, geopolitics, cost, timing, or other considerations. Growing interest on the part

of investors and regulators in ESG factors and increased demand for, and scrutiny of, asset managers' sustainability-related disclosure, have also increased the risk that asset managers could be perceived as, or accused of, making inaccurate or misleading statements regarding these matters. The occurrence of any of the foregoing could have a material and adverse impact on KKR Credit and the investment activities of KKR Credit Funds and Other Clients.

Uncertainty of Renewable Energy Market

KKR Credit Funds and Other Clients have in the past made and can in the future make investments in renewable energy assets and businesses. The market for renewable energy assets and businesses continues to rapidly evolve. Diverse factors, including the cost-effectiveness, performance and reliability of renewable energy technology, changes in weather and climate and availability of government subsidies and incentives, as well as the potential for unforeseeable disruptive technology and innovations, present potential challenges to investments in renewable assets. Renewable resources (e.g., wind, solar, hydro, geothermal, etc.) are inherently variable. Variability arises from site specific factors, daily and seasonal trends, long-term impact of climatic factors, or other changes to the surrounding environment. Variations in renewable resource levels impact the amount of electricity generated, and therefore cash flow generated, by renewable energy investments. Renewable power generation sources currently benefit from various incentives in the form of feed-in-tariffs, rebates, tax credits, regulations that require an increased production of energy from renewable energy sources ("**Renewable Portfolio Standard**") and other incentives. The reduction, elimination or expiration of government subsidies and economic incentives could adversely affect the cash flows and value of a particular portfolio investment, the flow of potential future investment opportunities and the value of any platform in the sector. In addition, the development and operation of renewable assets is at times subject to public opposition. For example, with respect to the development and operation of wind projects, public concerns and objections often center around the noise generated by wind turbines and the impact such turbines have on wildlife. While public opposition is usually of greatest concern during the development stage of renewable assets, continued opposition could have an impact on ongoing operations.

Amendments; Written Agreements

The applicable management agreement and other governing documents of KKR Credit Funds and Other Clients can 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 could, 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 can 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 could include, without limitation: (i) excuse rights applicable to particular investments (which might

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 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 could 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 can 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

Regulatory Oversight

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 and continue to be subject to intense and increasing regulatory oversight and enforcement actions. Such scrutiny increases 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. KKR Credit's compliance with laws and regulations is subject to frequent examinations, inquiries and investigations by U.S. federal and state as well as non-U.S. governmental agencies and regulators and self-regulatory organizations in the various jurisdictions KKR Credit operates in around the world. Increased regulatory oversight also imposes 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 could divert the KKR Credit GPs' and KKR Credit's time, attention, and resources from portfolio management activities. Any of these governmental and regulatory authorities could challenge KKR Credit and its employees' compliance with any applicable laws and regulations and KKR Credit and its employees could become subject to civil or criminal proceedings brought by them for non-compliance. Many of these regulators are empowered to impose fines, penalties, restrictions on activities, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist

orders or the suspension or expulsion of applicable licenses, authorizations and memberships. Any resolution of claims brought by a governmental and regulatory authority could, in addition to the imposition of significant monetary penalties, require an admission of wrongdoing or include adverse limitations or prohibitions on the ability of KKR Credit and its affiliates to conduct business. Any of the foregoing consequences or events could impair KKR Credit's ability to carry out investment activities for KKR Credit Funds or Other Clients.

Since the enactment of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**"), there has been extensive rulemaking and regulatory changes that have affected private fund managers, the funds that they manage and the financial industry. 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 could interact.

In August 2023, the SEC adopted new rules and amendments to existing rules under the Investment Advisers Act of 1940, as amended (the "Advisers Act") (collectively, the "Private Fund Adviser Rules"), which include, among other things, requiring registered investment advisers, like KKR Credit, to: (i) prepare and distribute to private fund investors quarterly statements containing detailed information about compensation, fees and expenses, portfolio investments, and performance; obtain an annual audit for the private funds that they manage; and require registered advisers to obtain a fairness or valuation opinion and make certain disclosures in connection with adviser-led secondary transactions; (ii) be restricted from engaging in various practices unless they satisfy specified disclosure requirements and, in some cases, consent requirements, including charging various fees and borrowing money from a private fund client; (iii) be prohibited from providing preferential treatment to investors with regard to liquidity and information rights unless certain conditions are met; and (iv) retain certain records evidencing their compliance with the rules. The compliance dates for the Private Fund Adviser Rules are generally in September 2024 or March 2025, although the rules are being challenged in court by various private fund industry organizations. While the full extent of the Private Fund Adviser Rules' impact cannot yet be determined, it is generally anticipated that they will have a significant effect on private fund advisers and their operations, including by increasing regulatory and compliance costs and burdens and heightening the risk of regulatory action. The Private Fund Adviser Rules could significantly increase certain costs for KKR Credit, KKR Credit Funds and Other Clients.

In May 2023, the SEC adopted changes to Form PF, a confidential form relating to reporting by private funds, which expands existing reporting obligations by requiring large hedge fund advisers to make a filing within 72 hours of certain current reporting events and large private equity fund advisers to provide additional information regarding general partner clawbacks and fund strategy and borrowing in their annual Form PF filings. The compliance dates for these expanded Form PF reporting requirements are in December 2023 and June 2024. In addition, in February 2024, the SEC and CFTC jointly adopted amendments to Form PF that expand the information that private fund advisors must provide in their Form PF filings. The compliance dates for these joint amendments are expected to be in the first half of 2025. The SEC has also adopted new and amended rules applicable to KKR Credit and/or its investment advisory and other entities that, among other things, shorten the deadlines for filing beneficial ownership reports with the SEC, require annual reporting of votes on say-on-pay proxy matters, and increase reporting of short positions in equity securities. The foregoing SEC rules and amendments are expected to increase the costs of compliance, expose KKR Credit and its affiliates to regulatory scrutiny, censure, and penalties if they are unable to comply and could materially alter terms of agreements governing KKR Credit Funds and Other Clients, including in ways that are less commercially attractive to KKR Credit clients.

In September 2022, the SEC announced charges against 15 broker-dealers and one affiliated investment adviser for failures by those firms and their employees to maintain and preserve required electronic communications. In 2023 and 2024, over 40 broker-dealers, investment advisory firms and/or credit rating agencies also agreed to penalties and agreed to implement improvements to their compliance policies and procedures, including, in certain instances, the appointment of an independent third-party compliance monitor to conduct regular testing regarding such practices, in order to settle these matters. A failure by KKR Credit to maintain and preserve required electronic communications could result in further regulatory investigations, charges, penalties, and potential disqualifications, as affiliates of KKR Credit and certain other alternative asset managers and investment advisers are presently subject to inquiries by the SEC related to business-related electronic communications. For further information, please see Item 9 **“Disciplinary Information.”**

The U.S. Federal Trade Commission (“FTC”) and the Antitrust Division of the DOJ have recently announced a number of initiatives and policy shifts to increase antitrust enforcement in the United States, where many KKR Credit Funds and Other Clients and their portfolio companies conduct business. For example, on December 18, 2023, the FTC and DOJ jointly issued the final updated Merger Guidelines, which describe and guide the FTC’s and DOJ’s review of mergers and acquisitions under the federal antitrust laws. These Merger Guidelines reflect the U.S. government’s commitment to rigorous and aggressive antitrust enforcement practices. DOJ enforcement of Section 8 has resulted in a number of director resignations from companies since the effort began in October 2022. The increased scope and vigor of antitrust regulation and enforcement could impact KKR Credit’s business, the investment activities of KKR Credit Funds and Other Clients and the businesses of portfolio companies. These initiatives are consistent with statements by officials from both the FTC and DOJ’s Antitrust Division, including the May 2023 statement by DOJ Assistant Attorney General Jonathan Kanter that the enforcement of Section 8 will continue to be a focus for the DOJ. In prior years, for example, in speeches in June and September 2022, in highlighting enforcement priorities, a DOJ Antitrust Division official stated that the DOJ is reviewing whether companies are fully complying with obligations with respect to merger filings under the Hart-Scott-Rodino (“HSR”) Act. In November 2022, the FTC issued a policy statement regarding the scope of unfair methods of competition under Section 5 of the Federal Trade Commission Act, declaring that Section 5 reaches beyond the Sherman and Clayton Acts to encompass various types of unfair conduct that tend to negatively affect competition conditions, including roll ups, price discrimination, interlocking directorates, and non-compete agreements. The FTC also announced in September 2022 that it would increase enforcement of the Robinson Patman Act, which targets price discrimination, across all industries. The increased scope and vigor of antitrust enforcement could impact the KKR Credit business, the investment activities of KKR Credit Funds, Other Clients and their portfolio investments. KKR Credit and certain other alternative asset managers and investment advisers are presently subject to various investigations by the Antitrust Division of the DOJ related to antitrust matters. For further information, please see Item 9 **“Disciplinary Information”**.

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. Such changes could result in KKR Credit Funds or Other Clients being unable to meet their investment objectives, or could require KKR Credit Funds or Other Clients to make, hold, manage and exit investments and otherwise operate in a manner that involves greater potential liability, risk and expense with lower potential returns for investors.

Enhanced oversight and regulation have 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 could 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 can 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 can 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 could be subjected to responding to inquiries or examinations. KKR Credit Funds or Other Clients might 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. 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), and guidance on leveraged lending also create a more challenging borrowing environment for KKR Credit Funds and Other Clients. The implementation of such regulatory reform has resulted in elevated capital ratio requirements on large global banks, and further balance sheet "de-risking" within the sector as historical providers of capital for European corporates have scaled back their balance sheets due to reduced risk appetite, stringent regulatory developments such as Basel III and

geopolitical events such as Brexit. In the circumstances where banks do lend, U.S. leveraged lending guidelines, which are applicable to European based U.S. banks and the more recently issued ECB leveraged lending guidelines, which are applicable to significant banks operating in the EU further limit the type and quantum of lending that banks are willing to do. In addition, the future implementation in the EU of Basel IV, as well as new capital, leverage ratio and liquidity rules contained in the amendments to the Capital Requirements Regulation and the Capital Requirements Directive, could have a further constraining effect on European-based U.S. banks' lending capacity. These factors will continue to have a significant impact on the ability and willingness of banks to provide financing and such reforms and actions with respect to the banking industry could 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 could therefore have difficulty completing otherwise profitable acquisitions or 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 that 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 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 their employees or affiliates or any service provider 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 the AIFMD

The Alternative Investment Fund Managers Directive (the "AIFMD") provides for a comprehensive regulatory and supervisory framework for alternative investment fund managers ("AIFMs") managing or marketing alternative investment funds in the EU. The AIFMD came into force in July 2011 and has been implemented in all EU member states. The AIFMD applies to (i) 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. 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. AIFMD allows authorized AIFMs to market AIFs to professional investors throughout the EU under an "EU passport."

KKR Credit is affiliated with KKR AIM, an Irish AIFM that is subject to various requirements under AIFMD. The operating requirements imposed by 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 could impact an AIF's ability to recapitalize, refinance or potentially restructure an European Economic Area ("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; rules on an AIF's exposure to securitizations, disclosure and reporting requirements to both investors and home state regulators; and independent valuation of an AIF's assets, which could lead to delays in the fundraising process and thus decrease the speed with which KKR Credit Funds or Other Clients can deploy capital. As a result, 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 are not subject to the requirements of AIFMD. 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 U.S. and the EU or EEA member states. Although KKR Credit is affiliated with an Irish AIFM authorized under the AIFMD, KKR Credit might not be able to benefit from the EU passport for all KKR Credit Funds and Other Clients under the AIFMD.

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 ("ESMA"), further EU legislation amending the AIFMD or a change to the national private placement regime of any member state. Some aspects of the requirements of AIFMD remain uncertain due to lack of judicature, official regulatory guidance and established market practice. 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, guidance contained in the AIFMD Q&A issued by the European Securities and Markets Authority could 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 European Commission published on November 25, 2021, a proposal for a directive amending the AIFMD with respect to delegation, arrangements, liquidity risk management, supervisory reporting, provision of depositary and custody services and loan origination by AIFs ("AIFMD 2"). AIFMD 2 is expected to be agreed in early 2024 and would come into effect in 2026. These changes could further increase compliance burdens on KKR Credit and certain KKR Credit Funds and Other Clients and require them to make changes to their operations, including, among other things, in respect of their use of leverage, which could impact the returns of KKR Credit Funds and Other Clients.

Distribution of New Investment Products through Private Wealth Channels

Certain new investment vehicles, other than our traditional fund vehicles, offered to both institutional and individual investors could subject KKR Credit and certain KKR Credit Funds and Other Clients to new and greater levels of public and regulatory scrutiny, regulation, risk of litigation, and reputational risks.

For example, the offering of opportunities to invest in funds registered under the Investment Company Act (or other non-U.S. investment vehicles) and in operating companies not registered under the Investment Company Act, or other new investment vehicles, such as the K-Series Vehicles, may expand KKR Credit's client base and could enhance the level of risks applicable to KKR Credit and introduce new types of risks. The distribution of products suitable for individual investors, including through new channels whether directly or through market intermediaries, could expose KKR Credit to allegations of improper conduct and/or actions by state and federal regulators in the U.S. and regulators in jurisdictions outside of the U.S. with respect to, among other things, product suitability, investor classification, compliance with securities laws, anti-money laundering requirements, conflicts of interest regarding investment allocations, the adequacy of disclosure to customers to whom our products are distributed through those channels, including with respect to frequency and complexity of the valuation process for private assets and liquidity and execution of timely processes, such as ongoing general management and satisfying investor redemption requests in accordance with organizational documents.. Although KKR Credit seeks to ensure through due diligence and onboarding procedures that the third-party channels through which individual investors access our investment products conduct themselves responsibly, KKR Credit is exposed to the risks of reputational damage and legal liability to the extent such third parties improperly sell its products to investors. For example, in certain cases, KKR Credit could be viewed as responsible for the content of materials prepared by third-party distributors. Similarly, there is a risk that KKR Credit employees involved in the direct distribution of our products, or employees who oversee independent advisors, brokerage firms and other third parties around the world involved in distributing our products, do not follow our compliance and supervisory procedures. Many of these vehicles could also face significant additional litigation risks, including the increased potential for class actions and other investor lawsuits, which could distract our employees, including our investment executives, and ultimately have a negative impact on KKR Credit, and such KKR Credit Funds and Other Clients.

Laws of Other Jurisdictions Where KKR Credit Funds are Marketed

Interests in KKR Credit Funds are 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 involves, 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 could limit the ability of KKR Credit Funds to participate in investment opportunities and impose onerous or conflicting 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 could 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.

Tax Considerations

Tax Risks

An investment in KKR Credit Funds or Other Clients involves complex U.S. federal income tax, U.S. state, local, 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. In selecting, structuring, acquiring and

disposing of investments, KKR Credit GPs generally will consider the investment objectives (including tax structuring considerations) of a KKR Credit Fund or Other Client, as a whole, not the investment, tax or other objectives of any investor individually. There could be changes in tax laws or interpretations of such laws adverse to KKR Credit Funds, Other Clients or their investors. Prospective investors are urged to consult their own tax advisors with reference to their specific tax situation.

U.S. Tax Reform

There could be significant changes in U.S. tax law and regulations. The passage of new legislation, as well as changes or modifications in existing judicial decisions could substantially modify the tax treatment described in this disclosure document, possibly on a retroactive basis. While the likelihood and nature of any such legislation or regulations is uncertain, any such changes could materially increase the amount of taxes KKR Credit Funds, Other Clients or their portfolio companies are required to pay. The U.S. Federal government signed into law the Inflation Reduction Act of 2022, which, among other things, imposes a corporate minimum "book" tax on certain large corporations, creates a non-deductible 1% excise tax on net stock repurchases made by certain publicly traded corporations after December 31, 2022, and modifies certain clean energy investment tax credits. While the likelihood and nature of further legislation or regulations is uncertain, the administration could pursue tax policies seeking to increase corporate and capital gains tax rates, limit the deductibility of interest and overhaul international tax rules, among other things. Such changes could materially increase the amount of taxes KKR Credit Funds, Other Clients and their portfolio companies are required to pay.

It is unclear whether any legislation will be enacted into law or, if enacted, what form it would take, and it is also unclear whether there could be regulatory or administrative action that could affect U.S. tax rules. The impact of U.S. tax reform on KKR Credit Fund and Other Clients and their investments and investors is uncertain but could be significant. KKR Credit Funds and Other Client investments cannot predict whether the U.S. Congress or any other legislative body will enact new tax legislation or whether any tax authority will issue new regulations or other guidance, nor can they predict what effect such legislation or regulations might have. There can be no assurance that new legislation or regulations, including changes to existing laws and regulations, will not have an adverse effect on the KKR Credit Fund's and Other Clients' investment performance. Investors should consult their own tax advisors regarding these developments and potential future changes in tax laws.

Taxation in Other Jurisdictions

In addition to U.S. federal income tax consequences, investors should consider potential U.S. state, local and non-U.S. tax consequences of an investment in KKR Credit Funds or Other Clients in the jurisdiction in which they are a resident for tax purposes. An investor could 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 could be subject to income or other tax in such jurisdictions. Additionally, withholding tax or branch tax could 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 might 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 could 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 could result in additional taxation to a KKR Credit Fund or Other Client or investors. 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.

KKR Credit Funds and Other Clients Might 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 might 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 could be reduced as result of the KKR Credit Fund's or Other Client's obligations to pay any taxes associated with an adjustment. The legal and accounting costs incurred in connection with any audit of the KKR Credit Fund's or Other Client's tax return will be borne by the relative fund or investment. The cost of an audit of any investor's tax return will be borne solely by that investor. Many aspects, including 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 executives 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 proposed tax reform legislation would require 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. If any such legislation or regulation were to be enacted and apply with respect to KKR Credit or its affiliates, KKR Credit's investment executives 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 could have an adverse effect on KKR Credit's ability to achieve the investment objectives of KKR Credit Funds and Other Clients.

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

KKR Credit Funds or Other Clients can 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.

Phantom Income; and other Tax Information

There can be no assurance that the KKR Credit Funds or Other Client investments will have sufficient cash flow to make distributions to investors in amounts necessary to enable investors to pay all tax liabilities resulting from their investment in the KKR Credit Fund or Other Client investment. As a result, an investor could have to satisfy a tax liability with respect to its investment in the KKR Credit Fund or Other Client investment from cash available to the investor from other sources. It is possible investors may not receive tax information prior to the time when their tax reporting obligations become due and could be forced to file for an extension or file based on estimates.

FATCA

Under the Foreign Account Tax Compliance Act (“FATCA”) provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, payments of most types of income from sources within the United States (as determined under applicable U.S. federal income tax principles), such as interest and dividends from sources within the United States (collectively, “**Withholdable Payments**”), in each case, a foreign financial institution or other foreign entity generally are subject to a 30% U.S. federal withholding tax, unless certain reporting and other applicable requirements are satisfied. Additionally, the 30% withholding tax applies to certain “foreign passthru payments” made beginning on the date that is two years after the date that relevant regulations are published in the Federal Register.

Non-U.S. KKR Credit funds and certain non-U.S. entities in which KKR Credit Funds and Other Clients invest (each, including the relevant KKR Credit Funds and Other Clients, an “**Offshore Entity**”) are generally each 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, each Offshore Entity generally needs 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 is 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 United States 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 require their investors to provide information regarding themselves and controlling persons (as applicable). If such KKR Credit Funds or Other Clients were unable to satisfy their reporting obligations (including, if they cannot collect the requisite information from some or all of their investors), payments received by such KKR Credit Funds or Other Clients could be subject to this withholding tax.

Each Offshore Entity is 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

are required to automatically exchange information as outlined above with the IRS and other foreign fiscal authorities.

EU Risk Retention Rules

Risk retention and due diligence requirements (the “EU Risk Retention Rules”) apply under EU legislation in respect of various types of investors, including credit institutions, investment firms, authorized alternative investment fund managers and insurance and reinsurance undertakings (together, “Affected Investors”). Amongst other things, such requirements restrict an investor who is subject to the EU Risk Retention Rules from investing in securitizations issued on or after January 1, 2011 (or securitizations issued before that date to which new underlying exposures are added or substituted after December 31, 2014), unless: (i) the originator, sponsor or original lender in respect of the relevant securitization (the “Risk Retention Holder”) has explicitly disclosed 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 securitized exposures; and (ii) the investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including but not limited to (a) its note position, (b) the underlying assets, and (c) (in the case of certain types of investors) the relevant sponsor or originator. Risk Retention Holders must hold the retained net economic interest throughout the life of the securitization, and cannot enter into any arrangement designed to mitigate the credit risk in relation thereto. Failure to comply with one or more of these requirements could result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge.

Investments by KKR Credit Funds and Other Clients which involve the tranching of credit risk associated with an exposure or pool of exposures are likely to be treated as “securitizations” under the EU Risk Retention Rules. If such investments involve affected investors, the sponsor or originator of the transaction (which could be the KKR Credit, KKR Credit Funds and Other Clients or a subsidiary) could be required to act as the Risk Retention Holder. This could increase the costs of such investments for the KKR Credit Funds and Other Clients and, where it acts as the Risk Retention Holder, reduce the Funds’ liquidity and prevent KKR Credit Funds and Other Clients from entering into any credit risk mitigation in respect of such investments.

The EU Risk Retention Rules have been replaced by those contained in Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the “Securitization Regulation”). The Securitization Regulation applies from January 1, 2019 (subject to certain transitional provisions regarding securitizations the securities of which were issued before January 1, 2019). Investors should be aware that there are material differences between the EU Risk Retention Rules and the Securitization Regulation. For example, the Securitization Regulation imposes a direct retention obligation on sponsors and originators of securitizations. Failure by the sponsor or originator to comply with this retention obligation could result in criminal sanctions and fines of up to 10% of total annual turnover (calculated on a consolidated basis). Moreover, the Securitization Regulation expands on the types of Affected Investor to which the due diligence requirements apply. The Securitization Regulation does not explicitly provide for sanctions for failure by an Affected Investor to comply with the due diligence requirements, although sanctions or other adverse implications could apply under the relevant sectoral EU legislation governing the affected investor (such as the AIFMD). Prospective investors should be aware that the range of investment strategies and investments that the Funds are able to pursue could be limited by the Securitization Regulation, and that there could be other adverse consequences for shareholders and their capital investments in KKR Credit Funds as a result of changes to the EU risk retention and due diligence requirements that have been introduced through the Securitization Regulation.

Item 9 Disciplinary Information

Except as described below, neither KKR Credit, including its affiliates, 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.

KKR is currently subject to investigations by the Antitrust Division of the DOJ related to antitrust matters, including civil investigative demands and a grand jury subpoena seeking information with respect to the accuracy and completeness of certain filings made by KKR pursuant to the premerger notification requirements under the Hart-Scott-Rodino Act of 1976 for certain transactions in 2021 and 2022. In addition, KKR is currently subject to an investigation by the Antitrust Division of the DOJ related to the restrictions on interlocking directorates under Section 8 of the Clayton Act. KKR is also currently subject to investigations by the SEC related to business-related electronic communications, including with respect to the preservation of text messages and similar communications on electronic messaging application under the Advisers Act. KKR is currently cooperating with each of these named investigations.

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.

In the ordinary course of business, KKR Credit and its affiliates are party to litigation, investigations, inquiries, employment-related matters, disputes and other potential claims. Further information can be found in KKR & Co.’s Annual Report on Form 10-K for the fiscal year that ended December 31, 2023, filed with the SEC on February 29, 2024, and its other periodic filings with the SEC, which are available at www.sec.gov.

Item 10 Other Financial Industry Activities and Affiliations

Affiliated Broker-Dealers

KKR Credit is an affiliate of KKR Capital Markets, LLC and KKR Capital Markets II, LLC (formerly MCS Capital Markets, LLC), each of which is registered as a broker-dealer in the U.S. with the SEC and FINRA. KKR Credit is also affiliated with KKR Capital Markets Partners LLP located in London, which is authorized and regulated by the FCA to conduct broker-dealer activities in the UK; KKR Capital Markets (Ireland) Limited located in Dublin, which is authorized and regulated by the Central Bank of Ireland to conduct broker-dealer activities in Ireland; 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; KKR Capital Markets Asia Limited, which is licensed by the Hong Kong Securities and Futures Commission to conduct certain broker-dealer and asset management activities. In addition, KKR Credit is also affiliated with KKR Australia Pty Limited and KKR Australia Investment Management Pty Limited, KKR MENA Limited, KKR Saudi Limited, KKR Singapore Pte. Ltd. and KKR Credit Advisors (Singapore) Pte. Ltd., and KKR Holdings Mauritius, Ltd., which hold financial services licenses from the Australian Securities and Investment Commission, the Dubai Financial Services Authority, the Capital Market Authority in Saudi Arabia, the Monetary Authority of Singapore, and the Financial Services

Commission, Mauritius, respectively, permitting them among other things to conduct capital raising and other broker-dealer activities (collectively, the “**Affiliated Brokers**”).

Affiliated Brokers (including their respective related lending vehicles) manage or otherwise participate in underwriting syndicates and/or selling groups with respect to the existing or potential securities, debt instruments or other financial products portfolio companies and other non-controlled entities in or through which KKR Credit Funds or Other Clients invest, including for or in connection with the acquisition of such portfolio companies, in respect of securities or other instruments of such portfolio companies in which KKR Credit Funds or Other Clients have not invested and with respect to securities and other instruments held directly or indirectly by certain co-investment vehicles. From time to time, affiliated brokers are otherwise involved in the public or private placement of such securities and other instruments, and/or the provision of capital markets advisory services to portfolio companies and other non-controlled entities in or through which KKR Credit Funds or Other Clients invest, including in connection with mergers and acquisitions, recapitalizations, refinancings and restructurings, and will alone, or with other counterparties, which might include other KKR Credit investment vehicles, third party banks or other unaffiliated finance providers, provide acquisition financing, lines of credit, bridge financing, hedging and other corporate lending services to such entities in addition to financing provided through a KKR Credit Fund’s or Other Client’s investment. Affiliated Brokers also provide loans and lines of credit or bridge financing to portfolio companies of KKR Credit Funds and Other Clients through the Affiliated Brokers’ respective related lending vehicles. Affiliated Brokers alone or with other lenders (including other KKR entities), arrange lines of credit for (i) portfolio companies and other controlled or non-controlled entities in or through which KKR Credit Funds or Other Clients invest; (ii) KKR Credit Funds; (iii) Other Clients; and (iv) other third parties. Affiliated Brokers (through their respective lending related vehicles) also provide loans and lines of credit or bridge financing to such entities, or participate actively in the financing of a KKR Credit Fund’s or Other Client’s portfolio investments, including, for example, by arranging financing. Affiliated Brokers also provide syndication services to such entities including in respect of co-investments in transactions participated in by KKR Credit Funds or Other Clients. Affiliated Brokers will generally receive fees, including underwriting, arranger, placement, syndication fees, transaction, commissions, underwriting discounts, interest payments and other compensation, which are payable in cash or securities and/or loans, in respect of the activities described above. KKR Credit Funds and Other Clients will directly bear, or indirectly bear through portfolio companies, holding vehicles and other entities in or through which they invest (including where such costs are shared between such entities and KKR Credit Funds or Other Clients), the foregoing fees paid to Affiliated Brokers, as well as the expenses, charges and costs of any benchmarking, verification or other analysis related thereto. Affiliated Brokers from time to time waive such fees.

Affiliated Brokers and other KKR Credit affiliated entities will, 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 will commit to provide capital support for the syndication on a short-term basis (i.e. to provide certainty to KKR Credit 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 Funds and Other Clients to facilitate the syndication, which KKR proprietary entities may in either scenario sell down prior to KKR Credit Funds or Other Clients disposing of their respective investments in the portfolio company.

An Affiliated Broker also has acted and could act in the future as placement agent or underwriter of securities and/or loans of a third party that a KKR Credit Fund or Other Client purchases (for example, a co-investment vehicle). Where an Affiliated Broker acts as the placement agent for a KKR Credit Fund in certain jurisdictions and such Affiliated Broker does not receive compensation for such service; however,

if compensation is received, such compensation would be made on a fully disclosed basis. As described in Item 10, Global Atlantic Distributors LLC serves as wholesaler in furtherance of the distribution of several RICs managed by affiliates of KKR Credit, and is compensated by an Affiliated Broker for such services. The Affiliated Brokers do not otherwise execute transactions on behalf of KKR Credit 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 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 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 Funds, Other Clients and Manager Co-investment Vehicles as discussed in *Item 5 - Fees and Compensation*.

Under certain circumstances, the relationship KKR Credit has with its Affiliated Brokers gives rise to a potential conflict of interest between KKR Credit and KKR Credit 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, such relationships could create a perception that KKR has sought to influence. KKR Credit might 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 are 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 Fund or Other Client holds investments in the same or different levels of the capital structure, under certain cases, the arrangement will lead to a conflict between the Affiliated Broker and the KKR Credit 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 can 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 undertaken by such portfolio company have a valid claim against the underwriter, the participating KKR Credit Fund or Other Client will have a conflict in determining whether to seek recourse or sue an Affiliated Broker. KKR Credit 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 fees, including underwriting, placement, syndication fees, transaction fees, commissions, underwriting discounts, interest payments 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 Funds or Other Clients, or that are service providers, suppliers, customers, or other counterparties with respect to such companies ("**Competitor Companies**") and act as placement agent in respect of investment funds that are sponsored and managed by other third party investment managers, including funds that could compete with KKR Credit 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 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 Funds or Other Clients. In addition, Affiliated Brokers can also be engaged to provide financing or other capital markets services to third parties in connection with transactions that are also appropriate for a KKR Credit Fund or for Other Clients. In some cases, these services offered to third parties in connection with a transaction might be provided concurrently with services being provided in a similar manner to a KKR Credit Fund or Other Client even if the KKR Credit Fund or Other Client has a competing interest with the third party. Affiliated

Brokers providing services to third parties, including to Competitor Companies, have and will come into possession of information that they are prohibited from acting on (including on behalf of a KKR Credit Fund or Other Client) or disclosing to KKR Credit 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 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 Fund's or Other Client's participation is 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 Fund or Other Client, KKR Credit, through the Affiliated Brokers, will, in certain cases, have a conflict of interest between a KKR Credit 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 Fund or Other Client invests, such KKR Credit Fund or Other Client will 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. In certain cases, this will prejudice a KKR Credit Funds' or Other Clients' ability to dispose of such security at an opportune time. Affiliated Brokers have access to confidential and/or material non-public information regarding KKR Credit Funds, Other Clients or their portfolio companies and, subject to applicable law and confidentiality agreements, are permitted to use such information in connection with financing and other services provided by the Affiliated Brokers.

Transactions involving a KKR Credit Fund or Other Client and an Affiliated Broker are reported periodically to KKR's Global Conflicts Committee. In addition, KKR Credit reviews such transactions to ensure that the requirements of Section 206(3) of Advisers Act in respect of principal transactions between any KKR Credit 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 Fund or Other Client and an Affiliated Broker are reported periodically to KKR Credit Conflicts Committee.

Other Investment Advisers

Special Purpose Vehicles

KKR Credit Advisors (US) has the following wholly-owned special purpose subsidiaries in the U.S., and the Cayman Islands, through which it provides investment management and administration services to certain KKR Credit Funds and Other Clients:

- KAM Advisors LLC
- KAM Fund Advisors LLC
- KAM Credit Advisors LLC
- KKR Credit Fund Advisors LLC
- KKR CS Advisors I LLC
- KKR FI Advisors Cayman Ltd.
- KKR FI Advisors LLC
- KKR Financial Advisors II LLC
- KKR Mezzanine I Advisors LLC

Each of the above entities is a special purpose vehicle (each, a "KCA SPV") established by KKR Credit Advisors (US) for certain administrative and operational convenience purposes. KKR Credit Advisors (US) is the sole member or shareholder, as applicable, of each KCA SPV. Accordingly, the activities of each

KCA SPV are wholly controlled by KKR Credit Advisors (US). Each of the directors of KKR FI Advisors Cayman Ltd is an employee of KKR Credit Advisors (US).

Relying Advisers

KKR Credit Advisors (US) is affiliated with KKR Credit Advisors (Ireland), which is regulated by the Central Bank of Ireland. KKR Credit Advisors (Ireland) provides management, sub-advisory and administration services to or otherwise in respect of specific KKR Credit Funds or Other Clients and provides certain operational and other efficiencies with respect to such services. KKR Credit Advisors (Ireland) is subject to KKR Credit's regulatory oversight and its Code of Ethics (see response to *Item 11* below) together with its other compliance policies and procedures as adopted by KKR Credit pursuant to the requirements of the Advisers Act. More particularly, certain KKR Credit officers and employees serve as dual personnel of both KKR Credit and KKR Credit Advisors (Ireland). KKR Credit treats all officers and other personnel of KKR Credit Advisors (Ireland) as its "associated persons" and access persons for purposes of the Advisers Act.

Participating Affiliates

KKR Credit Advisors (US), either directly or indirectly, controls or is under common control with KKR Credit Advisors (EMEA) LLP, which is located in the United Kingdom, and KKR Credit Advisors (Singapore) Pte. Ltd., which is located in Singapore.

KKR Credit Advisors (EMEA) LLP and KKR Credit Advisors (Singapore) Pte. Ltd. are "**Participating Affiliates**" and are involved in identifying, negotiating and monitoring investments recommended by KKR Credit Advisors (US) to KKR Credit Funds and Other Clients in the relevant jurisdictions and regions. KKR Credit Advisors (EMEA) LLP is authorized and regulated by the U.K. Financial Conduct Authority ("FCA") as an investment manager and KKR Credit Advisors (Singapore) Pte. Ltd. is authorized and regulated by the Monetary Authority of Singapore (the "MAS") as an investment manager and is a SEC-registered investment adviser. Both are subject to KKR Credit's supervision and Code of Ethics together with its compliance policies and procedures as adopted pursuant to the requirements of the Advisers Act, as applicable (in addition to applicable local laws and regulation). Any employees of the Participating Affiliates who provide services to KKR Credit's Clients will be considered "associated person" of KKR Credit and access persons for purposes of the Advisers Act.

Kohlberg Kravis Roberts & Co. L.P.

KKR Credit 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. Certain executives of KKR serve on investment committees established by KKR Credit. KKR Credit also, from time to time, acts as sub-adviser in respect of capital allocated within KKR Funds to strategies implemented by KKR Credit and also delegates sub-advisory authority to KKR in respect of capital allocated within certain KKR Credit Funds or Other Clients to strategies implemented by KKR (in each case, at no incremental cost to the relevant KKR Fund, KKR Credit Fund or Other Client). Please see *Item 11* for a discussion of the relationship of KKR Credit, KKR Credit Funds and Other Clients and the KKR Funds. KKR is affiliated with KKR Credit Advisors (Ireland). Certain employees of KKR Credit Advisors (Ireland) are employees of KKR. Certain KKR Credit Advisors (Ireland) personnel also participate in Manager Co-investment Vehicles. Private funds, managed accounts and CLOs managed and advised by KKR Credit Advisors (Ireland) generally pursue primarily European credit strategies including investments in European leveraged loans and high yield bonds, alternative credit opportunities such as investments in

mezzanine-like instruments, originated senior loans and specific types of syndicated credit investments (e.g., investments in revolver credit facilities) and other structured and illiquid credit investments.

Please see *Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* for a discussion of the relationship of KKR Credit, KKR Credit Funds and Other Clients.

Please see *Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* which discusses the relationship of KKR Credit, KKR Credit Funds, Other Clients, Stakes and Seed Managers, and Stakes and Seed Funds for further information.

FS/KKR Advisor, LLC

On April 2, 2018, KKR Credit Advisors (US) and Franklin Square Holdings, L.P. (“FS Investments”) combined their respective BDC platforms and created FS/KKR Advisor, LLC, an SEC-registered investment adviser under the Advisers Act of 1940. FS/KKR Advisor, LLC provides investment advisory services to FS KKR Capital Corp., a BDC listed on the NYSE, and KKR FS Income Trust, a privately-placed BDC. KKR Credit Advisors (US) owns a 50% interest in FS/KKR Advisor, LLC.

KKR Registered Advisor, LLC

KKR Credit is also affiliated with KKR Registered Advisor LLC (“KRA”), an investment adviser that is separately registered with the SEC. KRA advises KKR Real Estate Select Trust Inc., a closed-end management investment company registered under the Investment Company Act, which will invest primarily in stabilized, income-oriented commercial real estate, prime single tenant equity investments and real estate debt investments.

KKR Capstone

In conjunction with the Reorganization described above under Item 4 – “Ownership/Structure,” KKR acquired KKR Capstone on January 1, 2020. KKR Capstone is a KKR affiliate owned and controlled by KKR. KKR Capstone operating executives are generally employees of subsidiaries of KKR subsequent to KKR’s acquisition. Prior to the acquisition, KKR Capstone was owned and controlled by its senior management and was not a subsidiary or affiliate of KKR. KKR Capstone Japan Limited is licensed by the Tokyo Labor Bureau to provide paid employment placement services. For further information, please also see Item 5 “**KKR Capstone and Other Consultants.**”

KKR Alternative Investment Management

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 EU alternative investment fund manager (“AIFM”) which is pursuant to the EU Alternative Investment Fund Managers Directive (the “AIFMD”), and separately files reports as an exempt reporting adviser with the SEC. KKR AIM has entered into delegation and/or sub-advisory agreements with KKR Credit under which KKR Credit will provide certain portfolio management services to KKR AIM related to the investment funds with respect to which KKR AIM will serve as alternative investment manager for the purposes of the AIFMD.

Global Atlantic Financial Group Limited

A subsidiary of KKR & Co. is the sole voting shareholder and 100% equity owner of The Global Atlantic Financial Group Limited (“Global Atlantic” or “GA”). Global Atlantic is a leading U.S. retirement and life insurance company that provides a broad suite of protection, legacy and savings products and reinsurance

solutions across individual and institutional markets.. As of December 31, 2023, Global Atlantic served over three million policyholders. Global Atlantic conducts its business in substantial part through its U.S. insurance subsidiaries, which are subject to regulation and supervision under U.S. federal and state laws. Global Atlantic's U.S. insurance subsidiaries are licensed to transact insurance business in, and are subject to regulation and supervision by, all 50 states of the United States and the District of Columbia and the U.S. Virgin Islands. Global Atlantic's insurance subsidiaries in Bermuda, are subject to regulation and supervision by the Bermuda Monetary Authority and compliance with all applicable Bermuda laws and Bermuda insurance statutes and regulations, including but not limited to the Bermuda Insurance Act. Global Atlantic has a wholly-owned SEC registered investment adviser, Global Atlantic Investment Advisers, LLC, and a wholly-owned registered broker-dealer, Global Atlantic Distributors, LLC ("GAD"), which is registered as a broker-dealer with the SEC and is a member of FINRA. GAD serves as wholesaler for several RICs managed by affiliates of KKR Credit and a K-Series Vehicle structured as a U.S. holding company conglomerate. GAD is compensated by an Affiliated Broker for such services.

KKR Energy Assets Manager LLC

KKR Credit is affiliated with KKR Energy Assets Manager, LLC, which provides investment management services to Crescent Energy Company ("Crescent"), a publicly listed energy company (NYSE: CRGY). Crescent formed in December 2021 to become KKR's growth-oriented independent energy company engaged in the acquisition, development and operation of oil and natural gas properties.

KJR Management

KJR Management ("KJRM") is registered as an Investment Management Business Operator and Investment Advisory Business Operator under the Financial Instruments and Exchange Act of Japan, as a Type II Financial Instruments Business Operator (broker-dealer), and a real estate broker and entrustment-based agency servicer for transactions under the Real Estate Brokerage Act of Japan. KJRM manages diversified real estate assets including retail, office, and mixed used properties through two Tokyo Stock Exchange-listed real estate investment trusts: Japan Metropolitan Fund Investment Corporation and Industrial & Infrastructure Fund Investment Corporation.

Commodity Pool Operators and Commodity Trading Advisors

As a result of providing investment advisory services to certain KKR Credit Funds that invest in commodity futures and other commodity interests, KKR Credit, certain KKR Credit GPs and other related entities from time to time constitute or become commodity trading advisors and/or commodity pool operators for the purpose of the rules and regulations issued by the U.S. Commodity Futures Trading Commission ("CFTC") under the U.S. Commodity Exchange Act and as such, will rely on certain exemptions from registration with the CFTC under that Act or, in the event that such exemptions cease to apply, register under the applicable regulatory regime. KKR Credit does not view such status as giving rise to a material conflict of interest because it will be aligned with KKR Credit's investment management activities with respect to KKR Credit Funds.

Pooled Investment Vehicles and Regulated Subsidiaries and Sponsors of Limited Partnerships

KKR, KKR Credit and certain of their respective affiliates serve as sponsors or syndicators of a number of limited partnerships, including KKR Funds and KKR Credit Funds. KKR Credit also primarily serves as investment adviser to KKR Funds that are pooled investment vehicles. In addition, its affiliates and KKR Credit also serve as investment advisers of investment vehicles and accounts (i.e., KKR Credit Funds) that are, for the most part, pooled investment vehicles. While primarily unregulated, certain of such pooled vehicles are 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 Funds and KKR Funds may engage in transactions with or alongside each other that give rise to material conflicts of interest. KKR and KKR Credit 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 Funds. KKR and certain KKR Credit Funds have established regulated subsidiaries as required under applicable law in order to permit such subsidiaries or KKR Credit Funds to make portfolio investments in certain jurisdictions. As discussed in *Item 11*, KKR Credit's relationship with KKR also gives rise to additional conflicts of interest.

Please see *Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* for a discussion of the potential conflicts raised by KKR Credit's relationship with these and other affiliates and the policies and procedures KKR Credit has adopted to address these conflicts.

Dual Officers and Employees

Certain Employees of KKR Credit, including investment and marketing professionals, are also associated persons of one or more Affiliated Brokers ("**Dual Personnel**"). In this capacity, Dual Personnel are shared with and provide services to KKR Credit and also provide services to one or more affiliated entities. Dual Personnel can provide investment advisory services to KKR Credit Funds and Other Clients, participate in the marketing of KKR Credit Funds and KKR Funds, and, in certain cases, participate in the capital markets activities of Affiliated Brokers. The potential conflicts of interest discussed above in relation to Affiliated Brokers are more acute when investment executives of KKR Credit participate in the capital markets activities of Affiliated Brokers with respect to assets held by KKR Credit Funds and Other Clients; in particular, when Dual Employees originate loans and other credit investments that are suitable for KKR Credit Funds and Other Clients, but that also are syndicated to third-party investors by an Affiliated Broker. The compensation of Dual Personnel that provide services to multiple entities is based on a number of factors, which include, without limitation, the profitability of the affiliated entities, the performance of client accounts at the affiliated entities, and the amount of assets under management at the affiliated entities. Such Dual Personnel are, under certain circumstances, incentivized to allocate more of their time and attention to more profitable affiliated entities, which creates a conflict of interest. In addition, such Dual Personnel work with third party clients who are interested in acquiring assets that KKR Credit Funds or Other Clients are interested in acquiring. To mitigate these conflicts, KKR Credit and the Affiliated Brokers maintain compliance policies and procedures designed to ensure that such investment opportunities are made available to advisory clients before they are syndicated to third parties, and that the compensation of Dual Personnel is not structured in a manner that favors services provided to third-parties over those provided to KKR Credit Funds and Other Clients. Conflicts are further mitigated by each such Dual Personnel's responsibility to (i) be subject to the supervisory oversight of each affiliated entity when acting on its behalf, and (ii) render services in the client's best interest pursuant to the Firm's Code of Ethics.

Other Businesses

KKR Funds have acquired a controlling interest in Avendus Capital Private Limited (together with its wholly-owned subsidiaries, "**Avendus**"), which KKR and/or its affiliates are deemed to control due to their control of such KKR Funds. Avendus engages in investment banking, private wealth management and alternative asset management primarily in India and Southeast Asia.

In India, KKR also holds an equity interest in KKR India Asset Finance Limited, which is registered by the Reserve Bank of India as a non-deposit taking non-banking financial company and is authorized to undertake lending and financing activities in India.. In addition, certain investment funds managed by affiliates of KKR are registered with SEBI as a foreign portfolio investor or a foreign venture capital

investor to make investments in Indian securities. Affiliates of KKR also own companies in India that are authorized to act as the investment manager of an infrastructure investment trust registered with SEBI and to act as an investment manager and sponsor of alternative investment funds.

In China, KKR Investment Management (Hainan) Co., Ltd. is a private fund manager registered with the Asset Management Association of China (“AMAC”) and granted with the qualification and quota of Qualified Domestic Limited Partnership (“QDLP”) in Hainan, to carry on fundraising by means of private placement for the purpose of raising QDLP funds and to launch, manage and operate QDLP funds. Additionally, KKR Investment Management (Shanghai) Co., Ltd. Is a private fund manager also registered with AMAC and granted with the qualification and quota of Qualified Foreign Limited Partnership (“QFLP”) in Shanghai to carry on fundraising by means of private placement for the purpose of raising QFLP and RMB funds and to launch, manage and operate QFLP and RMB funds.

Please see *Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* for a discussion of the potential conflicts that are raised by KKR’s relationship with these and other affiliates and the policies and procedures KKR Credit has adopted to address these conflicts.

Please also see *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 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. 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 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 Funds and Other Clients.

The policies and procedures set forth in the Code recognize that as an investment adviser, KKR Credit is in a position of trust and confidence with respect to the KKR Credit Funds and Other Clients and has a duty to place the interests of the KKR Credit Funds and Other Clients before the interests of KKR Credit 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 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 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 Funds and Other Clients; and (iii) preserve the confidentiality of information that they obtain in the course of KKR Credit’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 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. The policy also requires preclearance of investments in private companies and non-KKR or KKR Credit 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 also maintain personal private investment holdings which from time to time include investments in private companies and assets that are owned or become targeted for acquisition by KKR or KKR Credit, or KKR or KKR Credit Funds, or Other Clients (or investments in private assets that compete with assets or business owned or targeted by KKR Credit Funds or Other Clients) and/or private funds that invest in or own private companies or other issuers or assets that compete with assets or businesses owned or targeted by KKR or KKR Credit Funds or Other Clients (i.e. through the acquisition of or investment in an asset of an affiliated or unaffiliated private fund sponsor). Certain of these personal investments are maintained with third-party investment managers, including third-party investment managers or sponsors that KKR Credit or its affiliates, KKR Credit Funds or Other Clients have an economic interest in, who sponsor investment vehicles that compete with KKR or KKR Credit, or that KKR, KKR Credit or their respective affiliates recommend to their respective clients (for example, through KKR's customized portfolio solutions business). Furthermore, certain of these personal investments have terms that are more favorable than those routinely offered by the unaffiliated investment manager (for example, reduced fees) and those favorable terms will not be shared with and might not be available to KKR Credit Fund or Other Clients. Such personal investments give rise to potential or actual conflicts of interest between KKR Credit Funds and Other Clients on the one hand, and KKR, KKR Credit and their respective affiliates, on the other hand, including, in particular, to the extent such investment personnel participate in the management of a KKR Credit Fund's or Other Client's investments in such assets and the personal investment interests of such investment personnel are not aligned with those of a KKR Credit Fund or Other Client. In addition, certain KKR personnel hold investments in entities that are or become service providers to KKR or KKR Credit or portfolio companies of KKR or KKR Credit Funds or Other Clients. Although the relevant KKR Credit personnel do not have control or other influence over the decisions of the relevant service provider (including whether to enter into a business arrangement with KKR Credit or portfolio companies of KKR Credit Funds or Other Clients), a conflict of interest or the perception thereof could nevertheless arise in engaging the relevant entity as a service provider in light of the personal benefits that accrue through the investment they hold in the service provider. KKR Credit'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 conflict with the interests of the KKR or KKR Credit Funds or Other Clients, requires pre-approval 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, Executive Advisors, Industry Advisors, KKR Advisors, and other Consultants from, time to time also serve as directors or interim executives, or otherwise could be associated with companies that are competitors of portfolio companies of certain KKR or KKR Credit 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 certain cases outside business activities, including serving on boards of directors of third party entities, which 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 and KKR Credit have adopted inside information barriers and other policies and procedures to provide for the proper handling of confidential information (i.e., nonpublic information received or created by KKR Credit 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. There could be circumstances in which one or more individuals associated with KKR Credit, including investment executives and committee members otherwise involved in investment activities, will be precluded from providing services to KKR Credit or from being involved in specific investment related activities or decisions because of certain confidential information available to those individuals or to other parts of KKR, or because of other applicable legal or regulatory restrictions resulting from their involvement. In such circumstances, applicable legal or regulatory restrictions (or applicable information barrier policies and procedures or other related compliance policies) could require such investment executives to recuse themselves from the relevant investment committees or otherwise from participating in investment activities or decisions relating to a KKR Credit Fund's or Other Client's investments or alternatively, KKR Credit could determine that such investment executives should so recuse themselves to ensure that they can participate in the investment activities and decisions of certain KKR Credit Funds or Other Clients. KKR Credit Funds and Other Clients could be adversely impacted in such circumstances.

The Code is available upon written request of KKR Credit 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's internal compliance policies and procedures, KKR Credit and its affiliates will not, as principal, sell a security to, or buy a security from, any KKR Credit Fund or Other Client without providing appropriate disclosure and obtaining the informed consent of such KKR Credit Fund or Other Client prior to the settlement of each such transaction, as well as the prior authorization of KKR Credit's Chief Compliance Officer. The BDCs, RICs and other regulated entities will generally not engage in principal transactions, except as permitted under the Investment Company Act and SEC guidance thereunder.

Principal transactions occur, for example, where KKR Credit warehouses an investment, in whole or in part, in one of its proprietary entities for the benefit of one or more KKR Credit Funds or Other Clients, seeds the initial portfolio of a KKR Credit Fund by making the initial commitment and capital contributions to the KKR Credit Fund pending the admission of third party investors to such KKR Credit Fund and the acquisition by the KKR Credit Fund or an Other Client 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 Fund or Other Client will seek to mitigate the conflict, 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 Fund or Other Client) or be calculated in accordance with a formula provided for in the governing documents of the KKR Credit Fund; and/or (ii) the consent of the respective KKR Credit Fund's limited partner advisory committee, independent client representative or investors or the consent of the Other Client or the independent directors of such Other Client, which if applicable could be obtained prior to completion of the relevant transaction or in connection with the investors' subscriptions to the KKR Credit Fund or the establishment of the Other Client relationship. For warehoused assets, the consent to transfer such assets to KKR Credit Funds or Other Clients is generally obtained through the signed approval of the subscription agreement or limited partnership agreement of the KKR Credit Fund or Other Client or the consent of the independent directors of the Other Client. As indicated in *Item 10*, Affiliated Brokers from time to time act as principal in underwriting or placing the securities of KKR Credit Funds or Other Clients.

Prior to the receipt by a KKR Credit Fund of capital contributions from its investors for which a capital call notice has been given, a KKR Credit GP will under certain circumstances fund such amounts on a temporary basis in order to permit the KKR Credit Fund to ensure that an investment is made within the applicable time constraints. In addition, KKR Credit, a KKR Credit GP or one of their affiliates will, from time to time, 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 Fund obligation, or 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 Fund or Other Client of a capital call in respect of such expenses. Such amounts will be reimbursed to the KKR Credit GP at cost as and when such capital contributions are made by the investors in the KKR Credit Fund or through a reduction of subsequent distributions by the KKR Credit Fund. KKR Credit does not consider such temporary arrangements to be principal transactions.

Stakes and Seed Managers and Stakes and Seed Funds

Affiliates of KKR Credit acquire or hold from time to time a non-controlling interest in a third-party hedge fund manager or other types of managers ("**Stakes and Seed Managers**") and funds or other vehicles sponsored or advised by such managers are referred to herein collectively as ("**Stakes and Seed Funds**"). For example, affiliates of KKR have acquired a 39.6% interest in Marshall Wace LLP, a global alternative investment manager specializing in long/short equity products, and a 39.9% interest in PAAMCO Prisma Holdings LLC ("**PAAMCO Prisma**"), an investment manager focused on liquid alternative investment solutions, including hedge fund-of-fund portfolios. No Stakes and Seed Funds are an advisory client of KKR. From time to time, a Stakes and Seed Manager is retained as a non-discretionary sub-adviser by KKR Credit in respect of certain KKR Credit Funds or Other Clients. KKR and KKR Credit also, from time to time, act as a non-discretionary sub-adviser of a Stakes and Seed Manager and/or a Stakes and Seed Fund, including in particular with respect to co-investments made alongside KKR Credit Funds or Other Clients. For example, advisory affiliates of KKR and KKR Credit Fund act as a sub-adviser with respect to capital allocated by investment vehicles and other accounts managed and advised by PAAMCO Prisma, and PAAMCO Prisma acts as investment adviser or sub-adviser to investment vehicles and other accounts established by KKR, KKR Credit and/or their advisory affiliates. Such transactions (which do not involve securities of KKR Credit advisory clients on both sides of the transaction) are neither principal transactions nor agency cross transactions. However, because of a KKR Credit affiliate's financial interest in Stakes and Seeds Managers, an affiliate of KKR Credit will receive additional compensation related to such transactions. Such additional compensation will not be shared with KKR Credit Funds or Other Clients or Manager Co-investment Vehicles. Also, Employees, in certain cases, are charged no (or reduced) management or incentive fees by the Stakes and Seeds Managers for their personal investments in Stakes and Seeds Funds. For further information, please see also "**Investments of Stakes and Seed Funds and Other Pooled Funds**" and "**Other Conflicts of Interest –Minority Investments in Other Businesses**" below.

Cross Transactions and Agency Cross Transactions

Under certain circumstances, KKR Credit from time to time arranges for purchases and sales of securities between two KKR Credit Funds and/or Other Clients (a “**Cross Transaction**”) (see also discussion of “*Rebalancing Transactions*” below). KKR Credit has adopted a specific cross-trading policy (“**Cross Transactions Policy**”) which is representative of any Investment Advisers Act requirements and complying with applicable law and additional governing documents, for the relevant KKR Credit Fund or Other Client. The Cross Transactions Policy establishes that a cross transaction can only be affected if appropriate and fair pricing is denoted and the cross transaction provides a clear benefit to each participating KKR Credit Fund or Other Client and further requires certain procedures are followed prior to the execution of the cross transaction. Cross transactions create conflicts of interest because, by not exposing buy and sell transactions to market forces, a KKR Credit Fund or Other Client might not receive the best price otherwise possible, or KKR Credit may have an incentive to improve the performance of one KKR Credit Fund or Other Client by selling underperforming assets to another KKR Credit Fund or Other Client, for example, to earn fees. KKR Credit will not arrange for a cross transaction to be implemented unless the requirements of the Cross Transaction Policy are fulfilled.

Accordingly, KKR has adopted a cross trades policy and procedures designed to properly manage related conflicts. In addition, the governing documents of KKR Funds or Other Clients generally impose certain restrictions on the ability of KKR or its affiliates to affect these transactions, unless client consent is obtained for such transactions in the manner set forth under such governing documents. Additional requirements under such governing documents also often include having the transaction price for such transactions determined using independent valuation sources, approved by an independent valuation expert, or otherwise determined to be fair to KKR Funds and Other Clients by an independent third party or calculated in accordance with the methodology set forth under such governing documents. In addition, KKR might elect to take other steps that seek to mitigate potential or actual conflict of interest involved in effecting principal transactions or cross transactions, such as identifying a third party investor in the portfolio company to participate in or lead the sell-side negotiations alongside KKR Funds or Other Clients, providing investors in KKR Funds or Other Clients the opportunity to participate on the buy side of the transaction alongside KKR Funds or Other Clients or running a sale auction to help validate the price of the transaction.

KKR Credit from time to time engages in agency cross transactions between Other Clients and KKR Credit 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 or one of its affiliates including, in particular, an Affiliated Broker, earns a fee for arranging a transaction between KKR Credit Funds or Other Clients. The BDCs, RICs and other regulated entities will generally not engage in cross transactions or agency cross transactions, except as permitted under the Investment Company Act and SEC guidance thereunder.

KKR proprietary entities from time to time 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 Funds or Other Clients as well as a KKR proprietary entity, KKR Credit will allocate such transactions in accordance with the procedures described in “**Allocations of Investment Opportunities**” below. For further information, please see “**Allocations of Investment Opportunities – Co-Investment Structuring**” and “**Other Conflicts of Interest – Secondary Transfers of Interests**” below.

Transactions Between KKR Credit Portfolio Companies

Portfolio companies of KKR Credit Funds or Other Clients from time to time will be counterparties to or participants in agreements, transactions or other arrangements with portfolio companies of another KKR Credit Fund or Other Client (for example, a portfolio company of one KKR Credit Fund or Other Client could engage a portfolio company of another KKR Credit Fund or Other Client to provide due diligence and special asset services). Agreements, transactions and other arrangements entered into between one KKR Credit Fund or Other Client portfolio company and another KKR Credit Fund or Other Client's portfolio company will indirectly benefit KKR Credit by increasing the overall value of all investments at the expense of a one KKR Credit Funds or Other Client's investment. Generally, transactions between portfolio companies of a KKR Credit Fund or Other Client and portfolio companies of another KKR Credit Fund or Other Client would not give rise to a conflict of interest as these transactions are typically negotiated between members of management of the portfolio companies that are independent of KKR Credit and without the participation of KKR Credit. However, KKR Credit's interest in maximizing such overall investments give rise to a conflict of interest in particular, but not limited to, where KKR Credit has the ability through its investments to influence the activities of such companies or encourages KKR Credit Fund or Other Client portfolio companies to transact therewith. Where KKR Credit determines that there is a conflict of interest, including possibly because members of management are not sufficiently independent of KKR Credit, KKR Credit will take actions to resolve the conflict, in accordance with its established procedures and policies for addressing conflicts, including potentially having other independent parties approve the transaction.

In addition, two or more portfolio companies in which a KKR Credit Fund and/or Other Client, KKR Credit proprietary vehicles and/or other persons (collectively, "Other Participants") hold an interest from time to time will merge or otherwise enter into a business or asset combination transaction (such merged or combined companies, businesses or assets, the "Successor Company"). In such transactions, the KKR Credit Fund and such Other Participants could have varied or no interests in certain of such portfolio companies participating in the merger or combination. Following such merger or combination, the KKR Credit Fund and the Other Participants will exchange securities issued by their existing portfolio companies, as applicable, for or otherwise hold or receive, securities in the Successor Company. If any of the portfolio companies involved in any such merger or business or asset combination (or their relevant businesses or assets) are under or over valued in connection with the merger or combination, the KKR Credit Fund and or any of the Other Participants will receive too great or too small an interest in the Successor Company, which would adversely impact the KKR Credit Fund and/or Other Participants receiving too small an interest and could otherwise be viewed as causing an indirect transfer of value between the KKR Credit Fund and Other Participants. Notwithstanding such transfer of value, such merger or combination transactions generally will not constitute or otherwise be treated by the KKR Credit Fund or Other Participants as principal or cross transactions that are subject to the restrictions applicable to such transactions pursuant to the governing documents of KKR Credit Funds and Other Clients.

Rebalancing Transactions

Subject to certain terms and conditions, on occasion and to the extent permitted by law and specific KKR Credit policies, KKR Credit from time to time effects rebalancing transactions between a KKR Credit Fund or Other Client and one or more other KKR Credit Funds or Other Clients pursuing similar investments. In such case, a KKR Credit Fund or Other Client will, directly or indirectly, purchase a security held by another KKR Credit Fund or Other Client or will sell a security to another KKR Credit Fund or Other Client (each a "**Rebalancing Client**"). From time to time, one or more KKR Credit Funds or Other Clients commit to an investment before an allocation decision is made, and such commitments will be aggregated in an underlying pooled investment vehicle (a "**Rebalancing Vehicle**") that rebalances the investment among such KKR Credit Funds or Other Clients after the allocation decision is made. KKR Credit will determine, in its sole discretion, whether a particular KKR Credit Fund or Other Client is a Rebalancing Client, provided that KKR Credit Funds and Other Clients invested in a Rebalancing Vehicle will be treated as

Rebalancing Clients. KKR Credit 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 effects these transactions based on the then-current independent market price and consistent with valuation procedures established by KKR Credit. Neither KKR Credit nor any of its affiliates receive any compensation in connection with such rebalancing transactions. These rebalancing transactions generally will be affected without brokerage commissions being charged. To the extent that such transactions are viewed as principal transactions due to KKR Credit's or its affiliates' ownership interest in a particular KKR Credit Fund, KKR Credit will either not affect such transaction or comply with the requirements of Section 206(3) of the Advisers Act.

Participation of Affiliated Broker-Dealers in KKR Credit Fund or Other Client Transactions

As described in response to *Item 10*, KKR Credit is affiliated with several broker-dealers. As further noted, certain of these Affiliated Brokers (including their respective related lending vehicles) manage or otherwise participate in underwriting syndicates and/or selling groups with respect to securities, debt instruments or other financial products issued or potentially issued by portfolio companies, holding companies and other controlled or non-controlled entities in or through which KKR Credit Funds or Other Clients invest (including securities that are senior or junior within the capital structure of those held by KKR Credit Funds or Other Clients). Further, Affiliated Brokers are otherwise involved in the public or private placement of securities or debt instruments issued by KKR Credit Fund or Other Client portfolio companies and other controlled or non-controlling entities in or through which a KKR Credit Fund or Other Client invests. Affiliated Brokers also provide capital markets advisory services to portfolio companies of KKR Credit Funds or Other Clients portfolio companies and other controlled or non-controlling entities in or through which a KKR Credit Fund or Other Client invests, including in connection with mergers and acquisitions, recapitalization, refinancings, and restructurings; and will alone, or with other counterparties, which might include other KKR Credit investment vehicles, third party banks or other unaffiliated finance providers, provide acquisition financing, loans and services to such entities in addition to financing provided through a KKR Credit Fund or Other Client's investment. In addition, Affiliated Brokers arrange lines of credit for (i) portfolio companies and other controlled or non-controlled entities in or through which KKR Credit Funds or Other Clients invest; (ii) KKR Credit Funds; (iii) Other Clients; and (iv) other third parties. Affiliated Brokers (through their respective lending related vehicles) also provide loans and lines of credit to such entities, or participate actively in the financing of a KKR Credit Fund or Other Client or their respective portfolio investments, for example, by arranging financing, including financings involving KKR Credit affiliates such as Global Atlantic Accounts as lenders. Affiliated Brokers, as a consequence of such activities hold positions in instruments and securities issued by a KKR Credit 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), enter into obligations to acquire such instruments or securities, and engage from time to time in transactions that are also appropriate investments for a KKR Credit Fund or Other Client. Subject to applicable law, Affiliated Brokers receive fees, including underwriting, arranger, placement, syndication and transaction fees, underwriting discounts, interest payments or other compensation including compensation that is payable in cash or securities and are not required to be shared with KKR Credit Funds or Other Clients. KKR Credit Funds and Other Clients will directly bear, or indirectly bear through portfolio companies, holding vehicles and other entities in or through which they invest (including where such costs are shared between such entities and KKR Credit Funds or Other Clients), the foregoing fees paid to Affiliated Brokers, as well as the expenses, charges and costs of any benchmarking, verification or other analysis related thereto. Affiliated Brokers from time to time waive such fees.

In certain circumstances, where an Affiliated Broker is participating in the above underwriting and financing transactions, does 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 Funds or Other

Clients might not be able to participate or be limited in certain investments due to tax law or regulatory constraints or other conflicts that could exist due to the Affiliated Broker's role in such transaction. Where an Affiliated Broker serves as underwriter with respect to a portfolio company's securities, the relevant KKR Credit Fund, Other Client or portfolio company are, in certain circumstances, 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 affects such KKR Credit Fund's or Other Client's ability to dispose of such securities at an opportune time.

In addition, an entity in which a KKR Credit Fund or Other Client has invested could become distressed and the participants in the relevant offering could have a valid claim against the underwriters of the relevant offering. Such underwriters could include an Affiliated Broker, in which case, the KKR Credit Fund or Other Client would have a conflict of interest in determining whether to sue such underwriters. Where such underwriters include non-affiliated broker-dealers, the relevant KKR Credit Fund or Other Client will also have a conflict of interest in determining whether to bring a claim because of concerns regarding the relationships of KKR Credit and its affiliates with such non-affiliated broker-dealers, which could relate to and otherwise benefit other KKR Credit Funds, Other Clients or KKR and its proprietary entities.

KKR Credit has conflicts of interest policies and procedures in place, where transactions involving a KKR Credit 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 Fund or Other Client and KKR Credit or its affiliates (including any Affiliated Broker) are complied with in the context of such transactions. Affiliated Brokers have access to confidential and/or material non-public information regarding KKR Credit Funds, Other Clients or their portfolio companies and, subject to applicable law and confidentiality agreements, use such information in connection with financing and other services provided by the Affiliated Brokers.

Affiliated Brokers also provide investment banking, advisory and other services to affiliated or unaffiliated corporations, financial sponsors, management or other persons. Such services could relate to transactions that could give rise to investment opportunities that are suitable for KKR Credit 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 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 Funds or Other Clients. In addition, Affiliated Broker could come into the possession of information through these new businesses that limits a KKR Credit Fund's or Other Client's ability to engage in potential transactions.

Affiliated Brokers or KKR Credit investment vehicles (including KKR proprietary Balance Sheet entities) will from time to time provide interim financing to, or make investments that are intended to be of a temporary nature in securities of, a third party sponsor or its acquisition vehicle or to another company for the purposes of acquiring a portfolio company or an interest in a portfolio company from a KKR or other KKR Credit Fund or Other Client. Although not limited to such arrangements, this type of financing has, in certain circumstances, been provided through pre-arranged buyer financing packages arranged and offered by Affiliated Brokers or other KKR Credit investment vehicles to potential bidders for the relevant portfolio company or interest. KKR Credit may face conflicts of interest where any Affiliated Broker or such other KKR Credit investment vehicle provides such acquisition financing, in particular in respect of its incentives to select a bidder using such financing for the purposes of creating an investment opportunity for such Affiliated Brokers or other KKR Credit investment vehicle and, potentially, related arranging fees for KKR Credit affiliates. Any such financing arrangements will be subject to KKR Credit's policies and procedures for addressing conflicts.

Financial Interest in KKR Credit Fund, Portfolio Company or Other Client Transactions

As described in *Item 5 - Fees and Compensation*, KKR Credit and its affiliates (including, in particular, KKR) 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 Fund or Other Client invests. Such parties also receive break-up fees and other compensation with respect to KKR Credit Fund or Other Client portfolio company investments (including unconsummated or terminated transactions). As noted above, such compensation is often shared with the relevant KKR Credit Funds or Other Clients, as described in their offering materials, documents and/or the governing documents.

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

Certain portfolio companies of KKR proprietary investments, KKR Credit Funds or Other Clients are counterparties to or participants in agreements, transactions or other arrangements with the portfolio companies of a separate KKR Credit Fund or Other Client (for example a portfolio company of a KKR proprietary investment or KKR Credit Fund has retained a company in which another KKR Credit Fund has invested to provide loan administration or asset leasing services or products). Agreements, transactions and other arrangements entered into by portfolio companies of KKR proprietary investments, different KKR Credit Funds or Other Clients indirectly benefit KKR Credit, the relevant KKR Credit Fund or Other Client as an investor in such companies or adversely impact the other KKR Credit Fund or Other Client portfolio companies with which they do business. The interest of KKR, any KKR Credit Fund or Other Client in maximizing its return on certain such investments gives rise to a conflict of interest in particular, but not limited to, where KKR Credit, the KKR Credit 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 Fund or Other Client to transact therewith.

Such portfolio companies will also in certain cases compete with a KKR Credit Fund's or Other Client's investments. For example, KKR Credit (through its proprietary investment activities) or a KKR Credit Fund from time to time invests in a company which competes with, is a customer of, or is a service provider or supplier to another KKR Credit Fund portfolio company. These arrangements have the potential for a conflict of interest to arise because the KKR Credit Fund portfolio company to which such services are provided is indirectly paying fees for services that indirectly benefit the other KKR Credit Fund (or proprietary entity) that has an ownership interest in the portfolio company service provider. KKR Credit could be perceived as incentivized under such circumstances to influence the negotiations between such portfolio entities to agree to terms or establish service levels (if applicable) that disproportionately favor one or more of the portfolio entities involved. Where such arrangements are between portfolio entities of a KKR Credit Fund or Other Client and another KKR Credit Fund or Other Client, the conflicts of interests

involved, including the allocation of expenses among such entities, will depend on the level of independence between the management of such portfolio entities and KKR Credit.

In providing advice and recommendations to a portfolio company, or with respect to a portfolio company's business dealings, KKR Credit, any KKR Credit Fund or Other Client is not, when acting in such capacity, obligated to and may not take into consideration the interests of the other relevant KKR Credit Fund or Other Client or their portfolio companies and other investments. Accordingly, these circumstances give rise to certain potential conflicts of interest. Certain portfolio companies of a KKR proprietary investment, KKR Credit Fund or Other Client has had or will have an economic incentive or will do something for commercial reasons that have adverse consequences for another KKR Credit Fund or Other Client or its portfolio company, such as seeking to expand its market share at the expense of the other KKR Credit Fund portfolio company, withdrawing business from the other KKR Credit 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 Fund's portfolio company. Certain KKR Credit Fund or Other Clients also obtain confidential information regarding its portfolio companies that it cannot act on or disclose to another KKR Credit 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, certain of such business dealings result in adverse consequences to such other KKR Credit Funds or Other Clients or their investments.

While KKR Credit Funds and Other Clients have only a limited ability pursuant to their applicable governing documents to invest in portfolio companies that are private equity, special situations, strategic investments or other equity investments of other KKR Credit Funds or Other Clients, such KKR Credit Funds and Other Clients are not restricted in their ability to provide financing to a sponsor, acquisition vehicle of a sponsor or another portfolio company for the purposes of acquiring another company that represents a private equity, special situations, strategic investments or other equity investment of another KKR Credit Fund or Other Client. In addition, certain KKR Credit Fund and Other Clients will not be limited in their ability to provide financing to a borrower, or to provide debt or equity financing to a third party which in turn will use such financing to provide financing to a borrower, for the purposes of refinancing an existing loan or other debt position in the relevant borrower held by another KKR Credit Fund or Other Client. To the extent such investment opportunities arise, KKR Credit will face actual or apparent conflicts of interest, in particular in respect of its incentives to facilitate a successful exit of any such investment by the relevant KKR Credit Fund or Other Client through financing provided directly or indirectly by another KKR Credit Fund or Other Client. In addition, KKR Credit Funds and Other Clients will not be restricted in their ability to refinance loans or other debt positions held by other KKR Credit Funds or Other Clients in a borrower prior to their stated maturity. Such prepayments result in KKR Credit Funds or Other Clients receiving a lower than anticipated yield on such investments which they will not recoup through the redeployment of the relevant investment proceeds or otherwise mitigate through any early repayment penalties negotiated with the relevant borrower. While not limited to such periods, debt refinancings are more likely to occur during periods of declining interest rates. To the extent that KKR Credit Funds and Other Clients reinvest the proceeds of a prepayment in these circumstances, they will likely receive a rate of interest that is lower than the rate on the debt positions that were prepaid as a result of the refinancing. In considering such refinancing opportunities, KKR faces actual or apparent conflicts of interest, in particular in respect of its incentives to source attractive refinancing opportunities for the benefit of Other KKR Credit Funds or Other Clients. The pricing and terms of any of the foregoing refinancing transactions will be established solely by KKR Credit and its affiliates without the involvement of an independent third party.

In addition, portfolio companies of KKR proprietary entities, KKR Credit Funds or Other Clients that provide financial services enter into agreements, transactions or other arrangements with KKR Credit, certain KKR proprietary entities, and Affiliated Brokers. For example, from time to time, investments

originated by KKR Credit, certain KKR proprietary entities, or Affiliated Brokers are sold to, purchased from, or distributed by a portfolio company that provides financial services. Agreements, transactions, and other arrangements entered into by a portfolio company that provides financial services directly or indirectly benefit KKR Credit, KKR proprietary entities and Affiliated Brokers, or adversely impact the relevant KKR Credit Fund or Other Client with which they do business. The interest of KKR Credit, the KKR proprietary entities, or Affiliated Brokers in maximizing its return on such investments gives rise to a conflict of interest including, but not limited to, where KKR Credit, the KKR proprietary entity or Affiliated Broker have the ability to influence or control the activities of such portfolio companies that provide financial services. KKR Credit has established policies and procedures to address these conflicts, including policies and procedures designed to ensure that any fees paid to or received from such portfolio companies 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 which are counterparties to or participants in agreements, transactions or other arrangements with portfolio companies of, a KKR Credit Fund or Other Client. These include certain Platform Managers and Platform Arrangements, loan servicing and administrative services and proprietary platforms described in detail in *Item 5*. In addition, certain portfolio companies of a KKR Credit Fund are likely to retain companies in which KKR or KKR Credit has a proprietary interest to provide services or products (please see *Service Providers* below) or could acquire an asset from such company). KKR's ownership (indirect) of KKR Capital Markets LLC (see *Item 10*) is another example. Certain agreements, transactions and other arrangements entered into by KKR Credit Fund or Other Client portfolio companies and any such companies indirectly benefit KKR Credit as an owner of such companies or adversely impact any KKR Credit Fund or Other Client portfolio companies with which they do business. KKR Credit's interest in maximizing its return on such investments can give rise to a conflict of interest in particular, but not limited to, where KKR Credit has the ability through its investments to influence the activities of such companies or encourages KKR Credit Fund or Other Client portfolio companies to transact therewith. Transactions between companies in which KKR (or any of its affiliates or personnel) acquires such proprietary interests, on the one hand, and KKR Credit 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 Fund or Other Client. For example, insurance brokerage fees or IT licensing fees payable by a KKR Credit Fund portfolio company to an affiliate of KKR Credit for related services of an affiliate of KKR Credit will not reduce management fees, but will benefit the KKR Credit affiliate. Similarly, fees paid to loan servicers, Platform Managers or Asset Servicers in which KKR Credit and its affiliates have an interest will not reduce management fees.

Certain KKR proprietary entities and Affiliated Brokers, on behalf of their proprietary and client accounts, are likely to make investments in companies, businesses or other investments that compete with a KKR Credit Fund's or Other Client's investments. For example, KKR Credit or its affiliates might invest in a company which competes with a KKR Credit 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 and its affiliates will not take into consideration the interests of the relevant KKR Credit Fund or Other Client or their portfolio companies and other investments. Accordingly, such advice, recommendations and dealings have the potential to result in adverse consequences to such KKR Credit Funds or Other Clients or their investments. Please also see to *Item 10 - Other Financial Industry Activities and Affiliations* for a discussion of services provided by Affiliated Brokers to Competitor Companies.

Under certain circumstances, a KKR proprietary entity could seek to hold a co-investment interest when a KKR Credit Funds sell, due to differences in strategy, asset allocation objectives or liquidity needs. KKR

Credit would endeavor to determine whether there would be a negative impact on the valuations of the KKR Credit Funds prior to implementing a hold strategy for a KKR proprietary account. However, there can be no assurances that such variations in timing of investment dispositions will not result in a difference in performance for such entities, which could mean better performance for such KKR proprietary entity.

As noted in response to *Item 5*, Employees, Senior Advisors, Executive Advisors, Industry Advisors, KKR Advisors and other Consultants sometimes serve on the boards of KKR Credit Fund or Other Client portfolio companies and in such capacity currently and could in the future receive director's fees, which might be retained in whole or in part by the relevant Employee, Senior Advisor, Industry Advisor, KKR Advisor, or Other Consultant. Serving in such capacity gives 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 Funds or Other Clients. As the KKR Credit Funds or Other Clients will generally be significant investors in such companies, it is expected that such interests will generally be aligned. Certain employees, Senior Advisors, Executive Advisors, Industry Advisors, KKR Advisors, and other Consultants also serve as directors or interim executives, or otherwise be associated with, companies that are competitors of portfolio companies of certain KKR Credit 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 Fund, Other Client or their portfolio company, and consistent with the fiduciary duty owed by Employees, Senior Advisors, Executive 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 Funds or Other Clients. Having KKR Credit Employees serve as directors or interim executives of a portfolio company of a KKR Credit Fund or Other client or another company (including a portfolio company of another KKR Credit Fund, Other Client or KKR proprietary entity) will, under certain circumstances, restrict the ability of a KKR Credit Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

KKR Credit and its affiliates receive certain fees through third parties pursuant to participation or "back-to-back" arrangements (please see Item 5 – *Non-Shared Fees*). While KKR Credit and its affiliates believe that such fees and other compensation are reasonable and generally at market rates for the relevant activities, such compensation is generally determined through negotiations with related parties and not on an arm's length basis. In connection with such arrangements, KKR Credit will make determinations of market rates based on its consideration of a number of factors, which are generally expected to include KKR Credit's experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by KKR Credit to be appropriate under the circumstances. While KKR Credit and its affiliates will generally seek to obtain benchmarking data regarding the rates charged or quoted by third parties for similar services, it is possible that appropriate comparisons are not available for a number of reasons, including for example, a lack of a substantial market of providers or users of such services or the confidential and/or bespoke nature of such services. Accordingly, any such market comparison efforts by KKR Credit could potentially result in inaccurate information regarding market terms for comparable services. Depending on the nature of the relevant services provided, expenses to obtain benchmarking data will be borne by the relevant portfolio company or directly by the KKR Credit Fund, Other Client and/or such other investment vehicles and accounts that invest.

As discussed below under *KKR Credit Purchases/Sales of Securities Recommended to KKR Credit Funds or Other Clients*, Employees and other persons associated with KKR Credit and executives of KKR Credit Fund portfolio companies are permitted to invest in Manager Co-investment Vehicles established as co-investment vehicles to facilitate participation by such persons in portfolio investments made by KKR Credit 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 as well as KKR proprietary entities also are permitted to co-invest in "opportunistic" investments by the Balance Sheet (described below), which can also be made alongside KKR Credit Funds or Other Clients.

Please see the *Proprietary Investments* and *Balance Sheet Investments* sections below for further information regarding such investments.

Certain KKR proprietary entities also make capital contributions to KKR Credit Funds and co-investments in portfolio companies. The KKR Public Company indirectly holds limited partnership interests in a number of KKR Credit Funds and co-investments in portfolio companies, each of which it has transferred or sold and could in the future transfer or sell (in whole or in part), to third parties (including other investors in KKR Credit Funds) in negotiated transactions. Please see the *Proprietary Investments* and *Balance Sheet Investments* sections below for further information regarding such investments

Certain KKR Credit Funds and Other Clients have in the past and could in the future sell a portfolio company interest to a limited partner of a KKR Credit 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 Fund or Other Client that is not invested in the portfolio company. Because such proposed sales are from KKR Credit Funds or Other Clients (and not KKR Credit) and to limited partners of KKR Credit 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 has policies and procedures to manage conflicts of interest that arise in these circumstances.

Investments in which KKR Credit, KKR Credit 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, an investment focus that is, at least in part, similar to the focus of certain KKR Credit Funds, Other Clients and Manager Co-investment Vehicles. In particular, certain KKR Credit Funds or Other Clients co-invest in private equity and other investments made by KKR Funds and KKR Funds are permitted to co-invest in KKR Credit investment strategies and other investments alongside KKR Credit Funds and Other Clients. The overlap of investment focus can be viewed as giving rise to certain conflicts of interest, including potential conflicts in allocating and managing certain investments, between clients of KKR Credit on the one hand and KKR Funds or Other Clients on the other hand.

Certain KKR Credit Funds, KKR Funds, Manager Co-investment Vehicles and other KKR proprietary entities, Other Clients and KKR affiliates, including an Affiliated Broker and Global Atlantic Accounts, invests in different parts of the capital structure of the same portfolio company. For example, a KKR Credit Fund or a KKR affiliate, including an Affiliated Broker or Global Atlantic Account, is permitted to invest in debt securities issued by a portfolio company in which a KKR Credit Fund or Other Client has a controlling or other equity interest, or an Affiliated Broker has or in the future underwrites an offering of debt securities issued by a portfolio company that are more senior or junior to those held by a KKR Credit Fund or Other Client, or a KKR Credit Fund or Other Client have or in the future hold preferred equity in a portfolio company in which another KKR Credit Fund or Other Client holds ordinary shares. The interests of the KKR Credit Fund and such KKR Fund or KKR Credit affiliate, including any Affiliated Broker or Global Atlantic Account, will not always be aligned, which may give rise to actual or potential conflicts of interest, or the appearance of such conflicts of interest. Certain actions taken for a KKR Credit Fund or Other Clients could be adverse to those taken for a KKR Fund, a KKR Credit affiliate, or vice versa and actions taken by an Affiliated Broker will be adverse to the interests of a KKR Credit Fund or Other Client, or vice versa. KKR and KKR Credit have 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 and take certain actions that, in the absence of a potential conflict, it would not take, such as (i) abstaining from exercising voting or other rights with respect to an investment in a certain debt or equity security class of a portfolio company; (ii) remaining passive in a restructuring or similar situations (including electing not to

vote or voting pro rata with other security holders; (iii) investing in the same or similar classes of securities as other accounts that have existing accounts to create alignment of interests; or (iv) otherwise taking an action designed to mitigate or eliminate the conflict.

Additionally, the investment programs employed by KKR Credit, 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 in managing KKR Credit Funds and Other Clients (or, as applicable, other KKR Credit Funds or Other Clients). For example, where a KKR Credit 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, in certain cases, KKR Credit and KKR gives advice or take action (including entering into short sales, derivative transactions or other “opposite way trading” activities) with respect to the investments held by, and transactions of, certain KKR Credit 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 Funds or Other Clients (or, as applicable, other KKR Credit Funds or Other Clients). In certain cases, such advice and actions could adversely impact a KKR Credit Fund or Other Client.

The timing of entry into or exit from a portfolio investment will, in certain cases, vary as among KKR Credit 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 will 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 Fund, Other Client or KKR Credit Fund to its general partner, where such securities are otherwise disposed of by such KKR Credit Fund, Other Client or KKR Fund for cash, in whole or in part. These variations or lack of variation that may be imposed by the general partner in timing or the form of consideration will, in certain cases be detrimental to another KKR Credit 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 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 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 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 Fund or Other Client.

Different advice and/or inconsistent actions is motivated by variety of reasons, including, without limitation, the differences between the investment objective, program, strategy or tax treatment of certain KKR Credit Funds or Other Clients, KKR Funds or KKR proprietary entities on the one hand and different KKR Credit Funds or Other Clients on the other, the regulatory status of certain KKR Credit Funds or Other Clients, KKR Funds and any related restrictions or obligations imposed on KKR Credit (or any affiliate) as a fiduciary thereof (including, for example, certain KKR Funds or Other Clients or KKR Credit Funds invested in by pension plans and employee benefit plans and constituting “plan assets” subject to ERISA and/or Section 4975 of the Code, or KKR Credit Funds or Other Clients or KKR Credit Funds that are registered as investment companies under the Investment Company Act). For example, certain KKR Credit Funds (either directly or indirectly through subsidiaries) are permitted to engage in *bona fide* hedging transactions in connection with their investments, and/or also enter into derivative transactions for investment purposes or speculative purposes where determined appropriate by the relevant KKR Credit GP, or alternatively, to hedge a given risk related to a given investment more or less fully than such KKR Credit Fund. KKR Credit proprietary entities could also enter into such hedging arrangements in connection with investments alongside a KKR Credit Fund and, like other investors in such KKR Credit Fund, also enter into hedging arrangements in connection with their investments made through such KKR Credit Fund

(including with respect to the applicable KKR Credit GP's entitlement to receive carried interest distributions), which arrangements are not employed by such KKR Credit 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 Fund or Other Client or other investors in the KKR Credit Fund or Other Client. In the future, certain KKR Credit Funds or Other Clients, KKR Funds or a KKR proprietary entity concurrently, or in close proximity in time with such acquisition by a different KKR Credit 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 Fund or Other Client and such short sale will result in a decrease in the price of the security acquired by or otherwise held by such KKR Credit Fund or Other Client or otherwise benefit the execution of the transaction entered into by another KKR Credit Fund or Other Client, or a KKR Fund and/or KKR proprietary entity.

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

KKR Credit Funds or Other Clients can also participate in re-leveraging and recapitalization transactions involving issuers of their portfolio investments in which other KKR Credit Funds, Other Clients, Global Atlantic Accounts or KKR Funds have invested or will invest. Recapitalization transactions will present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

For example, with respect to a KKR Credit Fund's, Other Client's or KKR affiliates' (including an Affiliated Broker and/or Global Atlantic Accounts) debt investments in certain companies, KKR Funds and/or Global Atlantic Accounts could invest in equity issued by the same companies. Certain interests of the KKR Credit Fund or Other Client or KKR affiliate (including an Affiliated Broker and/or Global Atlantic Account) might not be aligned in all circumstances with the interests of the KKR Funds and/or Global Atlantic Accounts 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, certain actions taken by KKR (or any affiliate) or the KKR Funds and/or Global Atlantic Accounts will be adverse to the KKR Credit Fund, Other Client or KKR affiliates (including an Affiliated Broker and/or Global Atlantic Accounts). The involvement of KKR, on the one hand, and KKR Credit, on the other hand, at both the equity and debt levels could inhibit strategic information exchanges among other creditors. In certain circumstances, KKR Credit Funds, Other Clients, KKR Funds or KKR affiliates (including an Affiliated Broker and/or Global Atlantic Accounts) will be prohibited from exercising voting or other rights, and could be subject to claims

by other creditors with respect to the subordination of their interest. The interests of the KKR Credit Fund, Other Client, KKR Credit and/or KKR Funds or KKR affiliates (including an Affiliated Broker and/or Global Atlantic Accounts) 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. If additional financing is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, in certain cases, it will not be in the best interests of a KKR Credit Fund, Other Client or KKR affiliate (including an Affiliated Broker and/or Global Atlantic Account), 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 Funds or Other Clients will be impaired or limited. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. In addition, it is possible that, in a bankruptcy proceeding, KKR Credit Funds or Other Client's interests will be subordinated or otherwise adversely affected by virtue of KKR's, KKR Fund's or Other Client's or KKR affiliates' (including an Affiliated Broker and/or Global Atlantic Accounts) involvement and actions relating to their investments. There can be no assurance that the term of or the return on a KKR Credit 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 or KKR affiliate (including an Affiliated Broker and/or Global Atlantic Account) participating in the transaction. In certain circumstances, actions taken by KKR in respect of any KKR Fund's interest in a portfolio company could result in a loss or substantial dilution of KKR Credit Fund's or Other Client's investment in the same portfolio company, while KKR, or a KKR Fund or KKR affiliate (including an Affiliated Broker and/or Global Atlantic Account) recovers all or part of amounts due to it. In addition, where a KKR Credit Fund or Other Client is a creditor of a portfolio company in which a KKR Fund holds equity securities, KKR Credit or such KKR Credit Fund or Other Client has and will in the future take actions in its own interests with respect to its rights as a creditor (for example, with respect to breaches of covenants) that may be adverse to the interests of the KKR Fund or KKR affiliates (including an Affiliated Broker and/or Global Atlantic Accounts) as a more junior debt holder or as an equity holder. Similarly, KKR Credit's ability to implement a KKR Credit Fund's or Other Client's strategies effectively will be limited to the extent that contractual obligations entered into in respect of the activities of KKR, KKR Funds, or KKR affiliates (including an Affiliated Broker and/or Global Atlantic Accounts) impose restrictions on such KKR Credit Fund or Other Client engaging in transactions that KKR Credit is interested in otherwise pursuing. Similar issues will arise with KKR Credit Funds and/or Other Funds are investing in different parts of the capital structure of the same portfolio company (e.g., in senior and junior debt or equity issued by the same company).

KKR Credit Funds, Other Clients, their portfolio companies and other entities in or through which KKR Credit Funds and Other Clients invest will enter into deal-contingent hedging arrangements with respect to prospective investments. Under these arrangements, in exchange for a fixed fee a bank or other counterparty unaffiliated with KKR Credit will agree to assume the market risk associated with a hedging arrangement entered into by or on behalf of the KKR Credit Fund, Other Client or such other entity in or through which a potential investment is proposed to be made (e.g., with respect to FX or interest rate risk) in the event that the relevant investment is ultimately not consummated. An affiliate of KKR Credit will in turn enter into agreements with such counterparty pursuant to which such KKR Credit affiliate will agree to assume some portion of the market risk under the deal-contingent hedging arrangement in consideration for a portion of the fee payable to such counterparty (see also Item 5 above). In these circumstances, the interests of the KKR Credit affiliate receiving this Indirect Fee in a deal-contingent hedging arrangement will not always be aligned with the interests of the KKR Credit Fund or Other Client. For example, if there is a market decline between the time the deal-contingent hedging arrangement is entered into and the closing of the investment, then the KKR Credit affiliate participating in such hedging arrangement will be facing an

unrealized loss (which could be substantial) that could be avoided by consummating the investment since the loss would only be realized if the investment does not close. Conversely, if there is a market increase between the time when the deal-contingent hedging arrangement is entered into and the closing of the investment, then the KKR Credit affiliate participating in such hedging arrangement will be facing an unrealized gain (which could be substantial) that could be realized by not consummating the investment since the gain would only be crystallized if the investment does not close. As a result, KKR Credit will face actual or apparent conflicts of interest in connection with the consummation (or abandonment) of an investment with respect to which a KKR Credit affiliate has participated in a related deal-contingent hedging arrangement.

KKR has a global conflicts and compliance committee (the “Global Conflicts Committee”) comprised of senior employees from across KKR’s asset management, legal, compliance and operations groups. KKR’s Global Conflicts Committee reviews conflicts of interest that arise in KKR’s business, including conflicts relating to specific transactions and circumstances, as well as those implicit in the overall activities of KKR and its various businesses. Additionally, KKR Credit has established its own conflicts committee (the “KKR Credit Conflicts Committee”), a separate sub-committee which reviews conflicts of interest that arise in KKR Credit’s course of business, including conflicts relating to specific transactions and/or circumstances, and reports up to the Global Conflicts Committee. In addition, KKR Credit has established conflicts of interest policies and procedures intended to mitigate potential conflicts of interest inherent in investments by KKR Credit Funds, Other Clients and KKR Funds in portfolio companies of other KKR Credit Funds or Other Clients. These policies and procedures, which include limitations on both the maximum amounts and types of certain 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 disclosed in the offering materials, disclosure documents and/or governing documents of any KKR Credit, Other Client or KKR Fund. KKR Credit Funds or Other Clients will seek to manage conflicts in an appropriate manner (which could involve, by way of example and without limitation, refraining from investing in, contributing additional capital to, or disposing of the investment giving rise to the conflicts of interest, or referring the matter to independent third-parties, obtaining a third-party fairness opinion, or seeking consent from a KKR Credit Fund’s or Other Client’s limited partner advisory committee or limited partners, or by a committee of independent directors, if applicable, or other means of resolving the conflict, to the extent permitted under the governing documents of such KKR Credit Fund or Other Client). See also “*Proprietary Investments*” below, which describes the potential for Balance Sheet involvement as an investor in portfolio companies of KKR Funds, KKR Credit Funds or Other Clients, including the potential role of KKR proprietary entities as sponsor of, or investment vehicles or continuation funds that invest in portfolio companies of other KKR Funds, KKR Credit Funds or Other Clients.

To the extent KKR Credit Funds, Other Clients, Global Atlantic Accounts, 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 will not be practicable or appropriate in all circumstances, however, and, subject to applicable law, a KKR Credit Fund or Other Client or co-investment vehicle will participate in such investments on different and potentially less favorable terms than other participants if KKR Credit deems such participation as being otherwise in the best interests of any relevant KKR Credit Fund or Other Client.

In addition to investing alongside KKR Credit Funds, certain KKR Credit Funds and other Clients will invest as limited partners in KKR Credit Funds and will have the right to exercise any vote, consent or waiver required or permitted under the partnership agreements of the KKR Credit Funds in which they invest in the same manner as other limited partners in such KKR Credit Funds. Such KKR Credit Funds typically (but not always) provide that all or certain votes, consents or waivers are exercised by the

underlying investor(s) or other third-party participants indirectly invested in such KKR Credit Funds. To the extent that any such vote, waiver or consent is permitted to be exercised independently by KKR Credit or an affiliate in its capacity as general partner, manager or a similar role KKR Credit and its affiliates will seek to exercise such vote, waiver or consent in accordance with the interests of such KKR Credit Funds or Other Clients investing as limited partners in KKR Credit Funds, or alternatively be voted in accordance with prescribed mechanisms (i.e., in the same proportions as other limited partners vote with respect to the relevant item). Further, in many circumstances, advisory committee approval (or any other form of client approval) will not be required under the governing documents of KKR Credit Funds and Other Clients for other KKR investment vehicles, proprietary entities or co-investors to acquire an interest in an existing investment of KKR Credit Funds or Other Clients pursuant to a transaction that such KKR Credit Funds or Other Clients elect not, or are unable, to participate in.

Investments of Stakes and Seeds Funds and Other Pooled Funds

Stakes and Seeds Funds and pooled funds or separate accounts managed by portfolio companies (or divisions or subsidiaries of portfolio companies) of KKR Funds or Other Clients pursue a broad range of investment strategies and invest in a broad range of securities and instruments and other assets globally. Certain of these funds or accounts invest in securities or other financial instruments of companies (or issuers) in which KKR Credit Funds or Other Clients also have an interest. These funds and accounts also invest in competitors of KKR Credit Funds, Other Clients or their respective portfolio companies. In addition, KKR Credit Funds and Other Clients can participate in co-investment opportunities that are sourced or managed by a Stakes and Seeds Manager. Certain actions taken by any Stakes and Seeds Manager or other funds or accounts in respect of any of the foregoing adversely impact a KKR Credit Fund or Other Client. Generally, any such investments and actions will be controlled by the respective Stakes and Seeds Manager and will generally be outside the control and oversight of KKR or KKR Credit. However, as it relates to investment opportunities where KKR Credit Funds and Other Clients directly participate in a strategy managed by a Stakes and Seeds Manager or where a Stakes and Seeds Manager participates in co-investment opportunities sourced by KKR Credit, its Funds or Other Clients, control and supervisory oversight will be retained by KKR Credit.

CLO Transactions

Affiliates of KKR Credit and KKR could invest in CLOs managed by KKR Credit and could 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 sometimes create a conflict of interest for KKR Credit in determining whether to take certain actions on behalf of the CLO, as a KKR Credit client, as a whole which can have a different impact on a particular investor. KKR Credit has adopted a policy designed to avoid any such conflicts, or to mitigate a conflict that arises.

Collateralized Debt Obligations

The Funds could invest in collateralized debt obligations and similar structured debt products (collectively, "CDO Instruments") including instruments issued by collateralized debt obligations that are structured, managed and/or advised by KKR Credit or its affiliates. CDO Instruments in which the KKR Credit Funds or Other Clients invests will be backed by certain fixed income instruments, such as ABS, corporate leveraged loans, credit default swaps and other derivatives. CDO instruments are instruments representing interests in pools, the underlying asset classes of which include bonds, debentures, syndicated loans and private placement debt and are limited-recourse obligations of the issuer thereof payable solely from the

underlying instruments in the portfolio of such issuer. CDO instruments are subject to various risks including the following credit, liquidity, interest rate and other risks.

CDO instruments can invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one obligor would subject the holder of the related CDO instruments to a greater degree of risk with respect to defaults by such obligor and the concentration of a portfolio in any one industry or region would subject the holder of the related CDO instruments to a greater degree of risk with respect to economic downturns relating to such industry or region.

The value of the CDO instruments owned by the KKR Credit Funds or Other Clients generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CDO (“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.

CDO instruments are subject to significant interest rate risk. Some of the CDO collateral of an issuer of a CDO instrument bears interest at a fixed rate, while such CDO instrument typically bears interest at a floating rate. As a result, there could be a floating/fixed rate mismatch between such CDO instrument and the CDO Collateral.

KKR Credit Purchases/Sales of Securities Recommended to KKR Credit Clients

Co-Investment Vehicles

As indicated above in response to *Item 4*, KKR Credit (and its affiliates) offer and sponsor a number of vehicles that are dedicated co-investment vehicles that facilitate the co-investment by third party co-investors in single or multiple portfolio companies alongside other KKR Credit Funds and Other Clients. Any such vehicle will be established at KKR Credit’s or its affiliates sole discretion, and KKR Credit and its affiliates have no obligation to offer a similar opportunity to any investors. Co-investment vehicles include, but are not limited to, investment vehicles that are only open to investment by Employees, Senior Advisors, Executive Advisors, Industry Advisors, and other persons associated with KKR, including executives of KKR portfolio companies and external consultants (i.e., Manager Co-investment Vehicles). These vehicles and their related co-investors will to the extent practicable typically invest in portfolio companies at the same time and price and on the same terms as the flagship KKR Credit Fund in the relevant strategy. These special purpose vehicles are established and administered by KKR Credit and its affiliates to facilitate the investments and related investment decisions and activities of such third-party co-investors. KKR Credit does not provide investment management, advisory, monitoring or supervisory services to such vehicles or the related co-investors. KKR Credit (and its affiliates) will sometimes charge management fees or receives incentive allocations for its services to certain co-investment vehicles. KKR Credit (and its affiliates) does not charge management fees or receive incentive allocations for its services to Manager Co-investment Vehicles and KKR Credit (or its affiliates) retains any allocated monitoring fees, transaction fees and service costs that could otherwise be allocated to these vehicles, co-investment vehicles or KKR proprietary entities based on their respective ownership of the relevant company or investment as discussed above in *Item 5*. KKR Credit (or its affiliates) also bear any allocable share of expenses on behalf of these vehicles.

Proprietary Investments

KKR & Co. 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, and improve the liquidity profile of the Firm. The Balance Sheet includes general partner capital commitments to, and

limited partnership interests in certain KKR Credit Funds, KKR Funds and co-investments in certain portfolio companies of KKR Funds and KKR Credit Funds. The Balance Sheet also owns a 100% economic interest in Global Atlantic, 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 KKR 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 finance 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. Subject to any required insurance regulatory approvals and the operative agreements of KKR Credit Funds and Other Clients, Global Atlantic Accounts could serve as lenders to or invest in the equity of structured finance transactions, invest directly into KKR Funds as a limited partner, and invest in the debt or equity of portfolio investments of KKR Credit Funds, including at different levels of a portfolio company’s capital structure than other clients and co-investors.

From time to time, the Balance Sheet will bridge investment activity during fundraising for a KKR Credit Fund by making Seed Investments for new KKR Credit Funds and also to acquire investments in order to help establish a track record for fundraising in new strategies. In addition, in certain circumstances the Balance Sheet could make a capital commitment to a KKR Credit 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 of the relevant vehicle. Such a “bridge” by the Balance Sheet is effected through a limited partner commitment by the Balance Sheet, which is subsequently transferred to the prospective investor or, subject to the minimum commitment amount for the KKR Credit Fund or Other Client, through the conversion of a portion of the interest of the general partner of the KKR Credit 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 Fund or Other Client might, subject to applicable law and applicable requirements in their governing documents, including potentially obtaining advisory committee consent, determine to sell a particular portfolio company interest into a separate vehicle, managed by KKR Credit and/or a third party advisor, with different terms than the KKR Credit Fund or Other Client (i.e., longer duration), and provide investors with the option to monetize their investment with the KKR Credit 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 invests in or alongside the new vehicle, or hold the entirety of the portfolio company interest sold by the KKR Credit 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). In addition, KKR Credit could establish and would likely receive carried interest or other incentive compensation as a result of such transaction. New KKR Credit Funds and/or other investment vehicles with capital from third party investors and/or the Balance Sheet, which has an investment strategy specifically designed for the purpose of acquiring portfolio companies or portfolio company interests in secondary market transactions from third party funds and/or KKR Credit Funds (sometimes referred to as a “continuation fund”). In a typical continuation fund transaction, one or more assets of an existing fund are acquired by a new vehicle managed by the same sponsor. Investors in the existing fund may be offered the option either to sell (i.e., to cash out) or “roll” their interests into the continuation fund (i.e., to remain invested in the underlying asset), and new investors will invest into the continuation fund generally in cash, and generally as a means of providing liquidity for investors in the existing fund who have elected to sell. When KKR Credit sponsors or advises a continuation fund or investment vehicle intended for this or a similar purpose, the Balance Sheet would likely participate as a new investor, notwithstanding the fact that KKR Credit or its affiliates also serve as investment adviser to the KKR Credit Funds or Other Clients selling such portfolio company or portfolio company interest and would likely receive carried interest or

other incentive compensation as a result of such transaction. In the event that a KKR Credit Fund or Other Client proposes to sell any assets to a continuation fund and that sale fails to close for any reason, such KKR Credit Fund or Other Client would typically bear the sourcing and diligence expenses related to the proposed transaction, including fees for services that would only have accrued to the benefit of certain subsets of investors, such as investors electing to continue their participation, if the transaction had closed. As described above, KKR Credit has established a conflicts of interest policy and procedures intended to mitigate potential conflicts of interest inherent in investments by KKR Credit Funds, Other Clients or KKR Credit proprietary entities in portfolio companies of other KKR Funds, Other Clients or KKR Credit Funds. These policies and procedures are intended to supplement the restrictions and other requirements relating to such investments, as disclosed in the governing documents of KKR Credit Funds, Other Clients and KKR Credit Funds. KKR Credit Funds and Other Clients will seek to manage such conflicts in an appropriate manner, which could involve, by way of example and without limitation, referring the matter to independent third parties, obtaining a third-party fairness opinion, seeking consent from a limited partner advisory committee or the investors of a KKR Credit Fund or Other Client, or by a committee of independent directors, if applicable, or other means of resolving the conflict, to the extent permitted under the governing documents of such KKR Credit Funds or Other Clients.

KKR Credit 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 Fund (or Other Client) on the other. Under the Balance Sheet Guidelines, the use of the Balance Sheet is 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 KKR Public Company’s businesses or earnings. Examples of such uses include strategic acquisitions, such as Global Atlantic, KJRM, KFN and the strategic partnership with FS Investments, general partner commitments to KKR Credit Funds and KKR Funds, warehoused investments for KKR Credit Funds and KKR Funds and Stakes and Seed Managers, or other strategic uses principally focused on supporting new investment strategies, sourcing channels or relationships, such as the provision of initial sponsor capital for a special purpose acquisition company (a “SPAC”). 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 Fund or Other Client) is deemed not within the investment focus of any KKR Credit Fund or Other Client and will not be allocated accordingly. In addition, KKR from time to time will 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). Although the initial sponsor capital to establish a SPAC is strategic activity, potential acquisition targets for a KKR sponsored SPAC will be offered to KKR Credit Funds or Other Clients with applicable investment mandates and such KKR Credit Funds or Other Clients will be given priority over the SPAC with respect to such investment opportunities.

Opportunistic uses are investments principally made to generate a return on investment and KKR can make opportunistic investments pursuant to investment strategies that mirror or are similar to, in whole or in part, investment strategies implemented by KKR Credit on behalf of KKR Credit 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 Funds or Other Clients. Similarly, KKR has established investment vehicles with both third-party capital and Balance Sheet capital to be deployed over the next five years in core investments in certain

private equity and real asset opportunities, including opportunities that are the same as or similar to opportunities targeted by certain KKR or KKR Credit Funds or Other Clients. Because more than 30% of certain core investment vehicles is comprised of the KKR Public Company's proprietary Balance Sheet capital, KKR treats such core investment vehicles as a proprietary entity. The core investment vehicles target opportunistic "core" investments, which are typically characterized by an expectation of lower returns and risks and longer hold periods than typical private equity investments, although no single attribute is determinative and attributes of a particular core investment change over time so that the realized return, risks and hold period of any particular core investment could become similar to those of a KKR or KKR Credit Fund or Other Client. While the targeted hold period for a core investment is generally longer than the targeted hold period for traditional private equity-focused KKR Funds' and Other Clients' investments, there are other attributes of core investments that are similar to investments targeted by traditional private equity-focused KKR Funds and Other Clients, such as the amount of leverage and the greater focus on income generation. In order to manage potential conflicts related to the allocation of such opportunistic core investments, KKR has established allocation policies and procedures which provide for core investments to be offered to relevant KKR or KKR Credit Funds and Other Clients pursuing the relevant private equity strategies and certain other investor transparency measures.

KKR proprietary entities from time to time co-invest in other KKR Credit 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 does not generally charge management or administration fees or performance related compensation for its services to such other KKR proprietary entities for such co-investment opportunities and KKR Credit (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 also bears its allocable share of expenses related to such co-investments on behalf of such KKR proprietary entities. The core investment vehicles also co-invest alongside certain KKR or KKR Credit Funds or Other Clients from time to time in investments that fall within their respective strategies and also meet the criteria for opportunistic core investments. Application of KKR Credit's allocation policies and procedures will in certain cases 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 Fund or Other Client in either the same or different parts of a target company's capital structure. Please also see "**Allocations of Investment Opportunities**" below for further information. In addition, a KKR Credit Fund or Other Client can, subject to applicable requirements in their governing documents including potentially obtaining limited partner advisory committee consent, determine to sell a particular portfolio company interest into a separate vehicle, advised by KKR Credit and/or a third party advisor, with different terms than the KKR Credit Fund or Other Client (for example, longer duration). Under such circumstances, KKR Credit will invest in the new vehicle alongside participating limited partners, or hold the entirety of the portfolio company interest sold by the KKR Credit Fund or Other Client through the new vehicle.

Moreover, KKR manages proprietary entities according to investment strategies that are inconsistent with, or deviate in material aspects from, the investment strategies pursued by KKR Credit Funds or Other Clients. The foregoing proprietary entities, including Seed Investments, KFN and Global Atlantic Accounts, invest in similar or the same types of securities, properties or other assets in which KKR Credit Funds or Other Clients invest or otherwise do or could in the future, or have investment objectives, programs, strategies and positions that are similar to, or conflict with, those of KKR Credit Funds or Other Clients. These proprietary entities will, in certain circumstances, compete with, and have interests adverse to a KKR Credit Fund or Other Client. The existence of Seed Investments and KKR proprietary entities, including KFN and Global Atlantic Accounts, investing in the same or similar investments made by KKR Credit 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 Fund or Other Client invests and

will affect the availability of such assets. In certain such circumstances, KKR's interest in maximizing the investment return of its proprietary entities and those of its affiliates will create a conflict of interest in that KKR will have an economic motivation to allocate more attractive investments to the proprietary entities under its management, and allocate less attractive investments to the KKR Credit Funds or Other Clients. Similarly, KKR will have an economic incentive to allocate scarce investment opportunities to the proprietary entities under its management rather than to the KKR Credit Funds or Other Clients. Investment executives who participate in investment decisions made on behalf of KKR Credit 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 KKR Public Company's businesses, including credit support to KKR Credit GP obligations to KKR Credit Funds and Other Clients and support of certain transactions by KKR Credit 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 also include provision by the Balance Sheet of credit support to a KKR Credit GP's obligation to a KKR Credit Fund or Other Client to support certain transactions by KKR Credit Funds or Other Clients as well as support of certain transactions by KKR Credit Funds or Other Clients or by their portfolio companies. For example, the Balance Sheet, also, from time to time, provides interest-free loans to special purpose vehicles or other entities through which a KKR Credit Fund or Other Client invests or to platform vehicles in order to bridge down payments or other transactional or operational needs of a portfolio investment pending the receipt by such entities of capital contributions from the KKR Credit Fund or Other Client and other equity owners. KKR has also provided, and could in the future provide, an interest bearing loan to a KKR Credit Fund to enable the KKR Credit Fund to acquire a portfolio investment prior to the KKR Credit Fund or Other Client obtaining a credit facility, and subject to any required insurance regulatory approvals and the governing agreements of applicable KKR Credit Funds and Other Clients, Global Atlantic Accounts serve as a lender in such circumstances. As an additional example, a KKR proprietary account, has in the past and could in the future, guarantee the obligations of a KKR Credit GP entity to post collateral on behalf of a KKR Credit 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 of other KKR Credit investment vehicles. KKR 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 Funds and to a strategic partner regarding the ownership of its business. KKR also might 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 Funds or Other Clients for investment allocation purposes.

Structured Finance Arrangements

Moreover, from time-to-time, KKR Credit finances, securitizes or employs other structured finance arrangements in respect of certain Balance Sheet assets. Such entities are permitted to hold limited partner interests in certain KKR Credit Funds. For example, KKR Credit has developed and completed several structured transactions in which KKR Credit provides subordinated or equity financing and third party investors provide senior financing to an investment vehicle that invests in KKR Credit Funds and certain other investment assets, and expects to continue to do so in the future. With respect to certain of the foregoing structured finance arrangements, the interests of KKR Credit financing partners in KKR Credit Funds will not be subject to management fees or carried interest. KKR Credit also employs structured financing arrangements with respect to co-investment interests and investments in KKR Credit Funds made by KKR's Balance Sheet or its affiliates, and could employ structured finance arrangements in connection with funding the investment by Balance Sheet investments in KKR Credit Funds (including, for example,

through securitized structures or other forms of structured finance to provide leverage for the General Partner's commitment to a KKR Credit Fund). KKR Credit has also established structured finance vehicles in which certain employees of KKR Credit or its affiliates and/or third-party co-investors are offered the opportunity to invest in the equity interest alongside, or in lieu of, the Balance Sheet. KKR Credit is in the process of seeking additional financing partners, which will also include Global Atlantic Accounts providing the senior or subordinated or equity financing in structured finance arrangements alongside, or in lieu of, the Balance Sheet, subject to any required insurance regulatory approvals and the operative agreements of KKR Credit Funds and Other Clients. Structured finance arrangements could alter KKR Credit's returns and risk exposure as compared to KKR Credit holding such assets outside of such structured finance arrangements and could create incentives for KKR Credit to take actions in respect of such assets that it otherwise would not in the absence of such arrangements.

Subject to the governing document of KKR Credit Funds, a portion of the minimum KKR Credit GP commitment to a KKR Credit Fund could be funded by a structured financing vehicle, even where the sole purpose of such vehicle is not to make capital commitments to the KKR Credit Fund. KKR Credit financing partners are generally entitled to and subject to the same rights and obligations as other investors in KKR Credit Funds. Whether KKR Credit financing partners will be permitted to vote in respect of capital commitments to a KKR Credit Fund made by structured finance arrangements, and the manner in which any vote, consent or waiver is exercised by relevant KKR Credit financing partners (if permitted), will depend on the terms of the structured finance arrangement and the governing documents of relevant KKR Credit Funds into which the structured financing vehicle invests. Such governing documents sometimes provide that votes, waivers or consents are permitted to be exercised by KKR Credit and its affiliates in their capacity as majority interest owner of the structured financing vehicle, in which case such votes, waivers or consents will be exercised by KKR Credit and its affiliates. Where applicable, KKR Credit and its affiliates are entitled to take into account their own interests in exercising any such vote.

Allocations of Investment Opportunities

KKR Credit has adopted policies and procedures designed to ensure allocations of opportunities among KKR Credit Funds, Other Clients, Manager Co-investment Vehicles and those KKR proprietary entities that participate in the relevant KKR Credit investment strategy, to the extent practicable and in accordance with each such 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 proprietary entities or other KKR Credit Funds or other parties, including other co-investors (as defined below under "**Allocations of Investment Opportunities – 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, and other supplemental investment allocation policies and procedures specific to certain investment strategies as further described below. With respect to investment strategies that Global Atlantic Accounts have a regular allocation to, KKR Credit (including KKR) generally expects to treat Global Atlantic Accounts as an Other Client for the purposes of allocating investment opportunities and related fees and expenses. Global Atlantic Accounts are defined as a "Hybrid Account" within KKR Credit's allocation methodology because they have qualities of both proprietary accounts and client accounts. Please see "**Allocations of Investment Opportunities – Balance Sheet Investments and Global Atlantic**" below for further information regarding KKR Credit's allocation procedures with respect to certain proprietary investments, including with respect to Global Atlantic Accounts.

Allocations of investment opportunities among KKR Credit Funds, or Other Clients, Manager Co-investment 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 will, in certain circumstances, 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 will 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.

Types of KKR Credit Funds or Other Clients

In determining how an investment opportunity will be allocated and whether a specific investment opportunity will be offered to KKR Credit Funds or Other Clients including Seed Investments, proprietary entities and co-investors, KKR Credit considers the following types of relationships:

Primary accounts represent those KKR Credit Funds or Other Clients that have a right to participate in KKR Credit investment opportunities on a pro rata basis (based on capacity and relevant investment criteria and limitations as further described below – *Process*) along with other KKR Credit Funds and Other Clients that have a primary allocation to the respective KKR Credit investment strategy (a “**KKR Credit Strategy**”) in which the investment opportunity is aligned (“**Primary Accounts**”).

Primary Accounts	
Private Funds	Multi-investor KKR Credit Funds and funds-of-one managed by KKR Credit.
Registered Investment Funds	The BDCs and RICs registered under the Investment Company Act of 1940 where KKR Credit or FS/KKR Advisor, LLC serves as investment advisor or sub-advisor to the Registered Investment Fund.
SMAs	KKR Credit Funds or Other Clients managed by KKR Credit pursuant to managed account arrangements.
Affiliated Co-Investment Accounts	KKR Credit Funds or Other Clients managed by an affiliated advisor that have an allocation to a KKR Credit Strategy and right to participate pro rata along with other Primary Accounts.
Strategy Overlap	KKR Funds and Other Clients managed by an affiliated advisor that have a right to participate pro rata along with other Primary Accounts where an allocation methodology has been agreed upon.
CLOs	Collateralized loan obligation vehicles managed by KKR Credit.
Manager Co-investment Vehicles²	These vehicles are permitted to invest alongside KKR Credit Funds and Other Clients in certain transactions up to a capped amount. The provisions relevant to such Manager Co-investment Vehicles, if

² A Manager Co-investment Vehicle will only be treated as a Primary Account for purposes of receiving an allocation in Tier 1 if express consent has been received by all KKR Credit Funds, Registered Investment Funds, and Other Clients who also have a primary allocation in Tier 1 with respect to the relevant KKR Credit Strategy for which the investment opportunity relates to.

	applicable, are set out in the offering materials, disclosure documents and/or governing documents for the Primary Accounts investing alongside Manager Co-Investment Vehicles.
Hybrid Accounts	Certain Other Clients, as determined by KKR Credit, that have qualities of both proprietary accounts and client accounts. Global Atlantic Accounts are deemed to be a Hybrid Account.

With respect to the allocation tiers set forth below, these relationships enable KKR Credit to consummate transactions on behalf of the Primary Accounts where excess capital is required above the relevant Primary Accounts capacity amount as further detailed below:

Secondary Accounts	
Other Funds / SMAs/Accounts with Strategy Allocation	Certain KKR Credit Funds and Other Clients that have a co-investment relationship with KKR Credit or an affiliated advisor that maintain an allocation to a KKR Credit Strategy; however, KKR Credit does not owe an obligation to allocate investment opportunities, except to the extent of excess capacity (“ Secondary Accounts ”). Further, there is no right to participate in pro rata allocation and therefore these participate second in the allocation waterfall following Primary Accounts.

Third Tier Accounts	
Manager Co-investment Vehicles	These vehicles are permitted to invest alongside KKR Credit Funds and Other Clients third in the allocation waterfall to the extent such vehicles either are not eligible to invest, or have invested the maximum amount permitted, in the first tier of the allocation waterfall. The provisions relevant to such Manager Co-investment Vehicles, if applicable, are set out in the offering materials, disclosure documents and/or governing documents for the Primary Accounts investing alongside Manager Co-Investment Vehicles.
Balance Sheet³	<p>The Balance Sheet is comprised of KKR proprietary investment vehicles and is not entitled to be offered any opportunities in any KKR Credit investment strategies. The Balance Sheet will be offered the opportunity to participate in investments after Primary Accounts and Secondary Accounts have been permitted to participate. The Balance Sheet may consider its own interest (or those of Global Atlantic Accounts) before the interests of Syndicatees (see below), which are not advisory clients, in deciding whether to present investment opportunities to them.</p> <p>The Balance Sheet participates third in the allocation waterfall following Primary Accounts and Secondary Accounts.</p>

³ The Balance Sheet could under certain circumstances invest in similar or the same type of securities, properties, or other assets in which KKR or KKR Credit Funds or Other Clients might invest and otherwise do so or could in the future, or can have investment objectives, programs, strategies, and positions that are similar to, or conflict with, those of KKR or KKR Credit Funds or Other Clients. KKR has adopted Balance Sheet Guidelines to mitigate any potential conflicts of interest between investment activities of the Balance Sheet. Please see the *Proprietary Investments* and *Balance Sheet Investments* sections above for a discussion of the Balance Sheet Guidelines.

Syndicatees	<p>“Syndicatees” are third party co-investors and are not entitled to be offered any opportunities in any KKR Credit investment strategies. Syndicatees will be offered the opportunity to participate in investments after Primary Accounts and Secondary Accounts have been permitted to participate. Syndicatees include investors in KKR Funds, KKR Credit Funds or Other Clients or other third-parties, such as institutional investors or high net worth individuals. Syndicatees are not advisory clients of KKR or KKR Credit. Syndicatees participate third in allocation waterfall following Primary Accounts and Secondary Accounts.</p>
Other Funds/SMA/Accounts without Strategy Allocation	<p>Certain KKR Credit Funds and Other Clients that (i) have a co-investment relationship with KKR Credit or another KKR advisory entity; (ii) do not maintain an allocation to a KKR Credit Strategy; and (iii) KKR Credit does not owe an obligation to allocate investment opportunities. Further, there is no right to participate in pro rata allocation and, therefore, these KKR Credit Funds or Other Clients participate last in the allocation waterfall following Primary Accounts, Secondary Accounts and Third Tier Accounts.</p> <p>Such accounts participate third in the allocation waterfall following Primary Accounts and Secondary Accounts.</p>

KKR Credit, from time to time, develops new client relationships and vehicles, including new types of arrangements that alter the relative priority of allocations described above, and/or supplemental investment allocation policies and procedures designed to clarify investment mandate distinctions and allocation priorities among certain KKR Credit Funds or Other Clients with similar investment strategies, pursuant to any limitations contained in the offering materials, disclosure documents and/or governing documents for existing KKR Credit Funds or Other Clients.

Process

KKR Credit’s 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 Funds, Other Clients, Manager Co-investment 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, Manager Co-investment 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 includes, 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, Manager Co-investment Vehicle or Seed Investment results 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, will, in certain cases 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 will 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 could be allocated in whole or in part to another KKR Credit Fund or Other Client increasing its concentration in the relevant investment, which might 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 can 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. Allocations, including reallocations, involving the RICs will be consistent with applicable requirements under the Investment Company Act and relevant SEC staff guidance. 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 will 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.

Registered Investment Funds

The BDCs, RICs, KKR Credit Funds and Other Clients can invest alongside each other in certain circumstances when doing so is consistent with their investment strategies as well as applicable law and SEC staff interpretations. In addition, the BDCs, RICs, KKR Credit Funds and Other Clients can invest alongside each other pursuant to exemptive relief granted by the SEC (the "**Exemptive Relief Order**"). To

the extent specific investment opportunities are appropriate for a KKR Credit Fund or Other Client and one or more BDC or RIC, in addition to being subject to the allocation policies and procedures summarized above, the opportunity will also be subject to the conditions of the Exemptive Relief Order. Reliance on the Exemptive Relief Order is subject to certain terms and conditions, including, among others, adherence to KKR Credit's allocation policies and procedures, enhanced record keeping and, where applicable, involvement of independent directors of the applicable BDCs and/or RICs. There can be no assurance that the Exemptive Relief Order will facilitate the successful consummation of investment opportunities that KKR Credit believes are now available to other KKR Credit Funds and Other Clients as a result of the Exemptive Relief Order. In addition, there is also no assurance a KKR Credit Fund or Other Client will be able to participate in all investment opportunities pursued under the Exemptive Relief Order that are within its investment objectives. As a result of the BDCs and/or RICs participation in opportunities pursuant to the Exemptive Relief Order, there could be a need to allocate investment opportunities across a larger amount of available capital. As such, the allocations available to other KKR Credit Funds and Other Clients for investment opportunities that are subject to the Exemptive Relief Order might be adversely affected because of the participation of the BDCs and/or RICs. Investment opportunities that are subject to the Exemptive Relief Order are also subject to additional policies and procedures as a result of the participation of the BDCs and/or RICs, which can delay deal execution and adversely impact the ability of KKR Credit Funds and Other Clients to deploy capital.

Co-Investors

To the extent excess capacity of an investment opportunity exists after the eligible KKR Credit Funds, Other Clients and Manager Co-investment Vehicles ("**Primary Accounts**") (as defined above) participating in the relevant investment strategy have received their target allocation, KKR Credit will then offer such excess capacity to Secondary Accounts (as defined above). To the extent Secondary Accounts elect to participate in such investment opportunity, the Secondary Accounts will invest alongside the participating Primary Accounts participating in the strategy. To the extent there remains excess capacity thereafter, KKR Credit might consider offering the excess capacity to KKR proprietary entities, Syndicatees (as defined above) and Other Funds/SMA/Accounts without Strategy Allocation (as defined above) as applicable. Co-investment relationships can consist of existing investors in KKR Credit Funds, KKR Funds and other third party relationships, including syndicate co-investment vehicles or third parties that KKR or KKR Credit believes will be of strategic benefit to KKR Credit Funds or Other Clients or who could provide broader capital raising opportunities to KKR and its affiliates.

With respect to syndication of co-investment opportunities to third-party co-investors, KKR Credit will take into account various factors it deems appropriate to limit the overall risk of the syndication. While these factors will vary from opportunity to opportunity, in many cases the most important are: whether a prospective co-investor has expressed an interest in evaluating co-investment opportunities; the financial resources of the prospective co-investor and its commitment to satisfy certain minimum/maximum investment amounts and its ability to provide the requisite capital and complete a co-investment opportunity within the specified timeframe based on KKR Credit's prior experience with such prospective co-investor; the size of the prospective co-investor's capital commitments to KKR Credit Funds and Other Clients and the importance of such prospective co-investor for future business with KKR Credit or its affiliates; the overall strategic benefit to KKR Credit or its affiliates of offering a co-investment opportunity to such potential co-investor; attributes of the applicable investment opportunity that will be attractive to a potential co-investor based on its investment objectives, its ability to contribute to the targeted business or its geographic proximity to the investment; the economic terms on which such prospective co-investor will agree to participate; ease of process with respect to arranging a co-investment group; any legal, regulatory or tax considerations to which the proposed investment is expected to give rise; and such other factors that KKR Credit deems relevant under the circumstances.

Secondary co-invest interests or fund interests that are being sold by Other Funds/SMAs and/or third party co-investors, including Syndicatees and which constitute already allocated assets alongside the original investment made by the relevant accounts, will generally not be treated as follow-on investments that need to be offered to all of the KKR Credit Funds and Other Clients that made the original investment (provided that such sales would not result in dilution of any existing interests held by any of the KKR Credit Funds, Other Clients or third party co-investors invested in the same assets). Such qualifying secondary co-invest or fund interests can include both individual assets and portfolios of assets. KKR Credit has developed allocation policies and procedures specific to secondary co-investments and fund interests to ensure the fair and equitable allocation of such opportunities. For further information, please see “**Other Conflicts of Interest** – *Secondary Transfers of Interests*” below.

Co-Investment Structuring

KKR proprietary Balance Sheet entities and/or KKR Credit Funds will, from time to time, fund the portion of an investment expected to be syndicated to co-investors to the extent such co-investors have not agreed to participate and fund on or prior to closing. Generally, investments syndicated to co-investors post-closing are transferred at cost and without an interest charge or other cost of capital charge. KKR Credit Funds are expected to fund investments, including investments acquired on a temporary basis pending syndication to co-investors, using drawdowns under the KKR Credit Fund’s credit facility (to the extent available). Therefore, a KKR Credit Fund will bear the interest expenses on such borrowed amounts and typically will not be reimbursed for such expenses when interests are transferred to co-investors or when receiving the benefit of any accrued preferred return. The determination as to whether KKR proprietary Balance Sheet entities will fund all or any portion of an investment that is expected to be syndicated to co-investors will be made by KKR Credit based on the interests of the Balance Sheet, including the liquidity profile of the Balance Sheet at the time of syndication, other syndications in process or expected to be in process and the need for bridging in those other syndications, the likelihood of successfully syndicating the investment and the potential for affiliates of KKR Credit to earn syndication fees in connection with placing the investment with co-investors (which fees are not earned by KKR Credit or its affiliates where investments are syndicated by a KKR Credit Fund as Bridge Investments, as defined below) or, conversely, the risk of a failed syndication and retention of the investment (see “*Participation of Affiliated Broker-Dealers in KKR Credit Fund or Other Client Transactions*” above). As such, the Balance Sheet will have an incentive not to agree to fund the portion of investments allocated to co-investors where the post-closing syndication is expected to be challenging or subject to significant risk of failure. If KKR proprietary Balance Sheet entities do not fund all or any portion of the amount of an investment allocated to co-investors, it is expected that KKR Credit Funds will fund such amounts (subject to the limitations set forth in their governing documents). KKR Funds therefore will bear the risk that co-investors do not purchase some or all of such investment and the risk of a more concentrated exposure to the relevant investment than was originally desired.

In addition to economic interests, the voting, control and governance rights with respect to an investment in which KKR Credit Funds, Other Clients, KKR proprietary entities and/or co-investors participate will be structured in a number of ways depending upon various considerations relating to the specific investment and the entities participating. For example, voting rights will be allocated *pro rata* to the participants in an investment in accordance with their respective equity interests or will be allocated on a disproportionate basis to one or more of the participants. In many cases, the “flagship” KKR Credit Fund participating in an investment controls the general partner (or similar entity) of the aggregating vehicle through which the various entities participate in the relevant investment, and as such will indirectly control the aggregating vehicle even where it does not own a majority of the relevant investment. Similarly, KKR proprietary entities will, under certain circumstances be allocated at least half or more of the voting rights or governance rights (including the right to elect at least half of the board of directors) with respect to an aggregating entity (which can be a limited liability company) including in certain circumstances, whenever entities are such

entities that are organized as LLC; even where the KKR Credit Funds (or Other Clients or co-investors) own a majority of the economics or equity in the entity. Where KKR proprietary entities or a KKR Credit Fund (or Other Client) have interests or requirements that do not align with those of a different KKR Credit Fund (or Other Client), including in particular differing liquidity needs or desired investment horizons, conflicts will, from time to time, arise with respect to the manner in which the voting or governance rights with respect to an aggregator entity (or similar entity) are exercised, potentially resulting in an adverse impact on a KKR Credit Fund (or Other Client).

Balance Sheet Investments

Investments by the Balance Sheet are described above under the *Proprietary Investments* section. KKR believes that the Balance Sheet's strategic investments and operational funding activities are appropriate solely for proprietary investment activities and therefore not within the investment focus of any KKR Credit Fund or Other Client. As such, strategic investments and operational funding activities are not typically allocated to KKR Credit Funds or Other Clients. The Balance Sheet's opportunistic investments, however, are also allocated to relevant KKR Credit Funds and Other Clients from time to time when such investments are within the investment mandate of such KKR Credit Funds or Other Clients (see discussion below regarding examples of such investments). Please see the *Proprietary Investments* section for a discussion of the Balance Sheet Guidelines and "**Allocations of Investment Opportunities**" for further information regarding KKR's allocation procedures with respect to certain co-investments by KKR alongside KKR Credit Funds or Other Clients.

Examples of opportunistic investments made by the Balance Sheet involve certain investment opportunities that are not within an investment mandate of a KKR Credit Fund or Other Client or that have been declined by the Investment Committee of a relevant KKR Credit Fund. For example, in the past the Balance Sheet has made certain Seed Investments for the real estate, technology, media and telecommunications and health care growth equity strategies, which were below the equity investment size threshold targeted by KKR private equity funds. Such investments by their nature would not typically be allocated to KKR Credit Funds or Other Clients. However, such investments, if opportunistic in nature, would be offered for co-investment alongside the Balance Sheet to certain KKR Credit Funds that established as investment vehicles for a single investor whose investment mandate includes opportunistic investments made alongside the Balance Sheet. The amount allocated to any such KKR Credit Fund would depend on various factors, including suitability of investment, available capital, concentration limits and other investment restrictions, the investment's risk profile and to the extent applicable, consent of investor(s) in such KKR Credit Fund.

Global Atlantic

KKR has entered into an investment management agreement with various Global Atlantic entities, which were approved by applicable insurance regulators (the "KKR-GA IMAs"), and any changes of such agreements, including with respect to fees, must receive applicable regulatory approval. KKR Credit Advisors (US) and KKR Credit Advisors (Ireland) has entered into sub-advisory agreements with KKR with respect to the KKR-GA IMAs, whereby Global Atlantic Accounts participate in KKR Credit investments alongside certain KKR Credit Funds and Other Clients. The terms of Global Atlantic Accounts will generally differ from those of KKR Credit Funds and Other Clients. Management fees will generally be charged by KKR for the management of Global Atlantic Accounts. These fees, however, will often be lower and could be materially lower than those applicable to KKR and Credits Funds and Other Clients. Global Atlantic Accounts are generally not expected to be subject to carried interest distributions or other performance-related compensation. Where assets are managed by KKR Credit through the investment by Global Atlantic Accounts in a KKR Credit Fund or Other Client, KKR Credit expects that such investments will, in certain instances, be subject to management fees and carried interest distributions payable to KKR,

as applicable. KKR and KKR Credit will generally be responsible for fees and expenses incurred by it in connection with performing its obligations under the KKR-GA IMAs.

Global Atlantic assets managed by KKR (“Global Atlantic Accounts”) will generally constitute accounts of a subsidiary (and affiliate) of KKR & Co., and thus have the characteristics of proprietary accounts. Global Atlantic Accounts could also have characteristics of client accounts. Global Atlantic Accounts’ client account qualities derive from Global Atlantic’s obligations to manage its own clients’ and policyholders’ capital in a manner that ensures such accounts maintain adequate capital to meet policy distributions and operating costs of the insurance companies. With respect to investment strategies that Global Atlantic Account have a regular allocation to, KKR Credit (including KKR) generally expects to treat any Global Atlantic Accounts as an Other Client for the purposes of allocating investment opportunities and related fees and expenses, in which case such Global Atlantic Accounts could participate in KKR Credit’s investment strategies by co-investing alongside and/or in priority to KKR Credit Funds and Other Clients in some or all of their investments in such strategies. For example, certain private credit investment strategies managed by KKR Credit, such as direct lending and asset based financing investment strategies, among others, are well suited to the investment criteria and risk-return profile of Global Atlantic Accounts, and, as a result, Global Atlantic Accounts have been placed, pursuant to KKR Credit’s investment allocation policies and procedures, in the allocation waterfalls for such investment strategies with a right to participate pro rata alongside, and in certain instances, in priority to, other KKR Credit client accounts, subject to any applicable limitations under the governing documents of relevant client accounts. Certain KKR investment strategies are similarly within the investment interests and objectives of Global Atlantic Accounts, in particular (but not limited to), direct debt and equity investments in KKR’s infrastructure and real estate investment strategies, and thus, to the extent that Global Atlantic Accounts have or develop regular demand for assets in such strategies, KKR expects to place Global Atlantic Accounts in the investment allocation waterfalls for such strategies alongside of Other Funds/SMAs or other relevant KKR clients with a right to participate in such strategies, subject to any limitations under the governing documents of relevant client accounts, and to amend its investment allocation policies and procedures accordingly. Depending on the allocation of such assets to a strategy, the timing of such allocation and the manner in which such allocation is implemented (that is, by investments in or alongside to the KKR Credit Fund and Other Client), the investment by Global Atlantic Accounts in the same strategies as KKR Credit Funds or Other Clients could result in materially less availability of discretionary investment opportunities for such KKR Credit Funds or Other Clients. The establishment of Global Atlantic Accounts investing directly in investments of KKR Credit Funds or Other Clients creates a conflict of interest in that KKR Credit will be incentivized to allocate more attractive investments and scarce investment opportunities to these proprietary entities and accounts rather than to KKR Credit Funds or Other Clients. KKR Credit will allocate investment opportunities among the KKR Credit Funds, Other Clients, the Global Atlantic Accounts and other accounts in a manner that is consistent with an allocation methodology described above in a manner designed to ensure allocations of such opportunities are made on a fair and equitable basis over time.

Other examples of conflicts of interest that are expected to arise in connection with Global Atlantic include transactions pursuant to which Global Atlantic Accounts could, subject to applicable law, acquire assets of (or sell assets to), or provide financing to the KKR Balance Sheet, KKR Credit Funds and Other Clients, portfolio companies and other issuers in which KKR Credit Funds and Other Clients invest. For example, Global Atlantic Accounts are expected to acquire portfolio assets originated by, or provide financing to, Platform Arrangements invested in by a KKR Credit Fund or Other Client. Global Atlantic Accounts are also expected to invest in securitization vehicles or structures in which the underlying assets include direct or indirect interests in KKR Credit Funds or Other Clients or in other assets originated by KKR Credit. Certain transactions involving KKR Credit Funds or Other Clients or the acquisition of assets or provision of financing on terms negotiated with the management of platform vehicles or other issuers in which the KKR Credit Funds or Other Client invest will not be viewed as cross transactions under the governing

agreements of KKR Credit Funds or Other Clients, but such activity will be subject to guidelines established by KKR Credit to properly manage related conflicts of interest. In addition, Global Atlantic's wholly-owned registered broker dealer, GAD, will serve as wholesaler in furtherance of the distribution of several RICs managed by affiliates of KKR Credit and a K-Series Vehicle structured as a U.S. holding company conglomerate. GAD is to be compensated by an Affiliated Broker for such services. Due to KKR & Co.'s voting and equity control of Global Atlantic, GAD could be deemed to have a conflict of interest when acting in such capacity to attract investment into the RICs or K-Series Vehicles.

Investments in New Issues

Periodically, KKR Credit Funds and Other Clients are 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 could 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.

KJRM

In April 2022, the KKR Public Company acquired KJR Management (formerly known as Mitsubishi Corp.-UBS Realty), which is one of the largest Japanese real estate asset managers in Japan. KJRM manages Japanese REITs that invest in diversified real estate assets, including retail, office and mixed use properties through two Tokyo Stock Exchange-listed real estate investment trusts: Japan Metropolitan Fund Investment corporation ("JMF") and Industrial & Infrastructure Fund Investment Corporation ("IIF" and together with JMF, the "JREITs"). Following the KKR acquisition of KJRM, KJRM completed the process of expanding its business licenses with the Japan Financial Services Agency ("FSA"), Japan Investment Advisers Association and Japan Type II Financial Instruments Firms Associations to conduct asset management activities in addition to those performed for the JREITs, including asset management activities for KKR Credit Funds, Other Clients or third party private funds, or new Japanese REITs investing in overseas assets, and acting as a servicer to real estate assets held by KKR Credit Funds or Other Clients. In addition, the JREITs have and are expected from time to time in the future to purchase real property or other assets from (or sell assets to) portfolio investments of KKR Funds or Other Clients, and/or to serve as lessor of such assets in sale leaseback transactions

As an FSA licensed asset manager, KJRM owes a fiduciary duty to the JREITs and must maintain independence from its sponsor, the KKR Public Company, in investment decision making on behalf of the JREITs. While KJRM can source investment opportunities for both JREITs and KKR Credit Funds and Other Clients, KJRM must assess the suitability of investments for the JREITs first before referring an investment to a KKR Credit Fund or Other Client. Conversely, where KKR has evaluated an investment opportunity for KKR Credit Funds or Other Clients and deemed such investment opportunity not suitable for KKR pools of capital, KKR is permitted to refer such opportunity to KJRM to assess suitability for the JREITs managed by KJRM. In either case, such investment information sharing is subject to policies and procedures on the proper handling of private and confidential information established by KKR and KJRM and any contractual restrictions applicable to such activity. There is currently minimal overlap between the investment strategies pursued by the JREITs and KKR Credit Funds and Other Clients. However, the JREITs could from time to time participate in their investment strategies by co-investing alongside other KKR Credit Funds or Other Clients, or other KKR Credit Fund or Other Clients could participate in the JREITs' investment strategies by co-investing alongside the JREITs. The Public Company's investment

acquisition of KJRM creates a conflict of interest with respect to the allocation of investment opportunities that may be suitable for both the JREITs and other KKR Credit Funds and Other Clients. However, as described above, to the extent that KJRM sources an investment opportunity for KKR or vice versa, the allocation of such investment opportunities must take place in a manner that is consistent with the businesses' fiduciary duty to their respective investors and applicable registration and licensing requirements. Where KJRM will manage another Japanese REIT that invest in real estate in Japan, including any private REIT, it will compete with JMF or IIF, subject to KJRM's allocation policies and procedures.

Other Conflicts of Interest

Side Letters

KKR Credit Funds, KKR Credit GPs and other KKR Credit Affiliates enter into side letters or other similar agreements with particular investors without the approval or vote of any other investor, which in many cases will have the effect of establishing rights under, altering or supplementing the terms of such KKR Credit 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 side letters or other similar agreements generally include, without limitation: (i) excuse rights applicable to particular investments, categories of investments or jurisdictions (which will generally increase the percentage interest of other investors in and contribution obligations of other investors with respect to, such investments when such excuse rights are exercised); (ii) reporting obligations of the KKR Credit GP or exercises by the KKR Credit GP of its discretionary authority under the governing documents for the benefit of investors; (iii) waiver of certain confidentiality obligations; (iv) consent of the KKR Credit GP to certain transfers by such investors or other exercises by the KKR Credit GP of its discretionary authority under a KKR Credit Fund's governing documents; (v) rights or terms necessary in light of particular legal, tax, regulatory or policy characteristics or requirements of an investor; (vi) confidential treatment of the identity of investors; (vii) rights with respect to investments in successor KKR Credit Funds; or (viii) specialized reporting and training by KKR Credit of personnel from the investor, including secondment of personnel from the investor to KKR Credit (or vice versa); or (ix) 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), in each case, as permitted under applicable law. Further, KKR Credit from time to time provides investors with confirmations as to KKR Credit's practices as they relate to the operation of investment funds, vehicles and accounts managed by KKR Credit and/or the manner in which KKR Credit expects to interpret and apply provisions of the governing documents for a KKR Credit Fund or Other Client. Such confirmations, even if in written format, do not constitute side letters since they do not establish rights under or alter or supplement the terms of the governing documents of KKR Credit Funds or Other Clients.

"Most Favored Nation" Provisions

"Most favored nation" provisions or "MFNs" in side letters entered into between a KKR Credit Fund, KKR Credit GP or another KKR affiliate and particular investors in KKR Credit Funds provide that such investors will be entitled to elect certain more favorable rights or privileges granted to other investors in the relevant KKR Credit Fund under separate side letters. MFNs are generally granted to investors in KKR Credit Funds on the basis of the size of their respective investments in such KKR Credit Funds. Thus, an MFN potentially allows a KKR Credit Fund investor to obtain benefits under other KKR Credit Fund investors' side letters that have committed lower amounts to the KKR Credit Fund, subject to certain limits, or "carve-outs," curtailing the provisions that a KKR Credit Fund investor can elect from such side letters.

Certain economic benefits or rights are generally excluded from the MFN provisions of certain KKR Credit Funds, including (i) any rights or economic benefit established in favor of a KKR GP or its affiliates, (ii) any economic benefit in respect of co-investment opportunities, (iii) any limitation on indemnification applicable to a U.S. governmental plan (or comparable non-U.S. governmental entity) to the extent required by applicable legal, regulatory or policy restrictions, and (iv) economic benefits in favor of strategic partnerships and comparable multi-fund commitment arrangements, as described below. To the extent that a KKR Credit GP or a KKR Credit Fund or Other Client agrees with one or more investors to limitations on indemnification or to modifications of release, exculpation or waiver provisions, the KKR Credit Fund or Other Client could be adversely affected to the extent any such limitation or modification were subsequently to limit the recourse of the KKR Credit Fund or Other Client against such investors or were to allow for recourse by such investors against the KKR Credit Fund or Other Client.

Strategic Partnerships and Other Arrangements

KKR Credit and its affiliates from time to time enter into agreements with investors who are in a KKR Credit 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 Fund's governing documents and therefore will not be disclosed or offered to other investors (unless required under applicable law), although such agreements are sometimes referenced in the side letters of investors. Such agreements include, without limitation, strategic partnerships and multi-fund commitment arrangements with investors, arrangements regarding investments with KKR Credit in one or more investment strategies, which frequently include co-investments alongside the relevant KKR Credit Fund and other KKR Credit Funds, and similar arrangements established by KKR Credit and its affiliates with investors other than in their respective capacities as investors in the relevant KKR Credit Fund.

KKR Credit has established, and will, based on client demand establish, strategic partnerships, accounts or other multi-strategy or multi-asset class arrangements or investment programs for investors that commit capital to a range of KKR Credit's platform of products and asset classes (including investment strategies of existing KKR Credit Funds), and that generally have investment periods that are longer than traditional KKR Credit Funds and Other Clients. Certain such arrangements include KKR Credit granting certain preferential terms to such investors, including blended fee and carried interest rates that are lower than those applicable to a KKR Credit Fund when applied to the entire strategic partnership, rights to participate in the investment review and evaluation process, specialized reporting and training by KKR Credit of personnel from the investor including secondment of personnel from the investor to KKR Credit (or vice versa). Where such investors participate in a KKR Credit Fund through dedicated investment vehicles or accounts as part of such arrangements, certain such vehicles and accounts will 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 Fund by such vehicles or accounts might be smaller than other investors' capital commitments to such KKR Credit Fund. Where management fees and carried interest are applicable at the level of such vehicles and accounts, such terms could include a waiver of management fees and carried interest on their investment in a KKR Credit Fund. The foregoing preferential terms and other preferential terms that are extended to investors through such arrangements are not expected to be subject to the MFN provisions of any relevant KKR Credit Fund and are therefore expected to be unavailable to investors in such KKR Credit Fund that have not entered into strategic partnerships with KKR Credit.

KKR Credit also establishes other KKR Credit Funds that pursue similar investments and strategies to the relevant KKR Credit Fund and will, in certain cases, permit such other KKR Credit Funds and any other investor to co-invest in investments made by such relevant KKR Credit Fund. The terms applicable to such

other KKR Credit Funds and co-investors, including management fees or carried interest, are often more favourable than those applicable to the relevant KKR Credit Fund (and sometimes include no reduced fees or carried interest). The foregoing preferential terms are similarly not expected to be subject to the MFN provisions of any relevant KKR Credit Fund and are therefore expected to be unavailable to investors in such KKR Credit Fund that have not entered into such arrangements with KKR Credit (unless required under applicable law).

Secondary Transfers of Interests

Subject to any restrictions in the governing documents of KKR Credit Funds and Other Clients, if desired by an investor in (or co-investor alongside of) a KKR Credit Fund or Other Client, KKR Credit could seek to identify one or more persons to potentially acquire such fund investor's or co-investor's interest, including: (i) investors in one or more other KKR Credit Funds or Other Clients; (ii) individuals and entities that are not investors in KKR Credit Funds or Other Clients (but could in the future become investors in KKR Credit Funds or Other Clients); (iii) one or more affiliates of KKR Credit; and/or (iv) other KKR Credit investment vehicles (including KKR Credit Funds and Other Clients that primarily engage in the purchase of fund or co-investor-related interests in the secondary market and/or the K-Series Vehicles). KKR Credit will take into consideration a variety of factors as it deems necessary in exercising its discretion with respect to such secondary transactions. To the extent one or more affiliates of KKR Credit or another KKR Credit investment vehicle acquires an interest in a KKR Credit Fund or Other Client via a secondary transfer, conflicts of interest could arise such as: (i) an additional layer of fees and incentive compensation in the case of an acquisition by another KKR Credit investment vehicle; (ii) the acquirer of such interests would have additional information about the interests being purchased (including the fact that an investor is seeking to sell or dispose of its interest) compared to third parties interested in such acquisition, which could allow KKR Credit to offer a more competitive or informed offer to acquire such interests; (iii) an increased indirect economic investment for KKR that could impact the portfolio management of KKR Credit Funds or Other Clients; and (iv) an incentive to adjust the portfolio management of KKR Credit Funds and Other Clients in a manner that is primarily for the benefit of the purchaser in the secondary transfer. Moreover, there is an ongoing trend in the private fund industry of fund sponsors offering liquidity to investors in existing funds through a structured or stapled secondary process where purchasing investors would, as a condition to participating in such purchase from existing investors, also make a commitment to a new fund being raised. KKR Credit and its affiliates could be incentivized to engage in such a process to the extent doing so could be expected to improve the ability of KKR Credit and its affiliates to raise a successor fund and to form and attract capital to another existing or future KKR Credit investment vehicle (e.g., by securing an agreement from the purchasing investors participating in the process to make commitments to such funds).

There are expected to be circumstances (including, as described above, in connection with the purchase or sale of secondary co-investments or fund interests), where a KKR Credit Fund or Other Client (including a K-Series Vehicle) participates in a single or related series of transactions with a seller in which certain of such assets are specifically allocated (in whole or in part) to that KKR Credit Fund or Other Client, and not other KKR Credit Funds or Other Clients for which all or a portion of the asset pool might be suitable. Similarly, there could be circumstances where a KKR Credit Fund or Other Client (including a K-Series Vehicle) is seeking to dispose of a pool or combination of assets, and participate in a single or related transactions with that buyer. A pool or combination of assets could contain both debt and equity instruments that KKR Credit determines should be allocated to different funds. In such situations, KKR Credit would typically acquire (or sell) such pool or combination of assets for a single combined purchase price with no prices specified for individual assets. Accordingly, under such circumstances, KKR Credit will have a conflict in establishing the specific prices to be paid for each asset by the relevant KKR Credit Fund or Other Client. KKR Credit will generally rely upon internal analysis to determine the ultimate allocation of value, though it could also obtain third-party valuation reports to validate the fairness of the proposed

transaction valuation. There can be no assurance that an investment of a KKR Credit Fund or Other Client (including a K-Series Vehicle) will not be valued or allocated at a purchase price that is higher or lower than it might otherwise have been valued or allocated if such investment were acquired or sold independently rather than as a component of a shared portfolio. These conflicts related to valuations and allocation of portfolios will not necessarily be resolved in favor of all KKR Credit Funds or Other Clients for which the constituents of the asset pool would be suitable.

General Partner's Interest; Fees

A KKR Credit GP's entitlement to receive carried interest or performance allocations or fees (particularly where a KKR Credit Fund contains a preferred return or hurdle for the benefit of investors) or comparable arrangements with any Other Client will, in certain cases, create an incentive for the KKR Credit GP and KKR Credit to make riskier or more speculative investments on behalf of KKR Credit Funds (or Other Clients) than would be the case in the absence of this arrangement. The payment by some, but not all, KKR Credit Funds and Other Clients of carried interest or performance allocations or fees or the payment of such amounts at varying rates (including varying effective rates based on the past performance of a KKR Credit Fund or Other Client) will, in certain cases, create an incentive for KKR Credit to disproportionately allocate time, services or functions to KKR Credit Funds and Other Clients paying carried interest or performance allocations or fees or paying such amounts at a higher rate, or allocate investment opportunities to such KKR Funds. Recently enacted U.S. 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. This lengthened hold period will, in certain circumstances, result in a conflict between KKR Credit's interests and the interests of investors with respect to the sequence and timing of disposals of investments. Investors in KKR Credit Funds or Other Clients generally are eligible for long-term capital gains treatment after a holdings period of only one year. Please see *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – Certain Tax Legislation* for further information regarding this potential conflict of interest.

Each KKR Credit GP or, as applicable, KKR Credit, will be responsible for the valuation of a KKR Credit Fund's or Other Client's investments. In some KKR Credit Funds or Other Clients, KKR Credit GPs (or KKR Credit, as applicable) do not receive carried interest or performance allocations or fees until investors receive distributions equal to their share of write-downs not taken into account in prior distributions or until the relevant KKR Credit Funds or Other Clients have exceeded previous "high water marks". Each such KKR Credit GP (and KKR Credit), therefore, has a conflict of interest with respect to such valuations because the amount of carried interest or performance allocations or fees to which such KKR Credit GP (or KKR Credit) is entitled with respect to the KKR Credit Fund or Other Client, and the timing of its receipt of carried interest or performance allocations or fees, will depend in part on the value of the investments that continue to be held by the KKR Credit Fund or Other Client. Further, in the "catch-up" period (if any) that occurs after investors in certain KKR Credit Funds or Other Clients have received the applicable preferred return, the KKR Credit GP or KKR Credit, as applicable, is incentivized to bring realizations forward and lock in returns (and stop the accrual of the preferred return), even though the relevant KKR Credit Fund or Other Client would achieve a higher overall return if it had realized the investment at a later date. Finally, a KKR Credit GP or KKR Credit could be motivated to overstate valuations in order to improve a KKR Credit Fund's or Other Client's track record or to minimize losses from write-downs that would need to be returned in accordance with the terms of the relevant KKR Credit Fund or KKR Other Client prior to the relevant KKR Credit GP's or KKR Credit's receiving carried interest or performance allocations or fees. KKR Credit has valuation policies and procedures in place to protect against such conflicts of interest.

In addition, in the event that any KKR Credit Fund or Other Client makes any distribution in kind to investors or to any investor in particular, the fair market value of such property will be determined by the

relevant KKR Credit GP or KKR Credit. If the valuations made by the KKR Credit GP or KKR Credit are incorrect (including both with respect to an in kind distribution or with respect to the fair value of investments that continue to be held by the KKR Credit Fund or Other Client), the carried interest or performance allocations or fees received by such KKR Credit GP or KKR Credit, or the timing of receipt of carried interest or performance allocations or fees, could also be incorrect. An independent valuation or appraisal generally will not be required and is not expected to be obtained in connection with in kind distributions or contributions. In certain circumstances, a KKR Credit Fund will be permitted to make a distribution in kind to all investors in the KKR Credit Fund.

Certain of a KKR Credit GPs KKR Credit Funds or Other Clients will be permitted under applicable governing documents to elect to receive an in-kind distribution of securities in lieu of a cash distribution in connection with any proposed disposition by a KKR Credit Fund or Other Client, in which case the KKR Credit GP might itself elect to receive an in-kind distribution in lieu of a cash distribution with respect to carried interest or other amounts distributable to such KKR Credit GP with respect to a portfolio investment of a KKR Credit Fund. In such circumstances, notwithstanding the KKR Credit GP's election to receive its share of the investment in-kind, it is expected that the KKR Credit Fund would dispose of the portion of the investment allocable to the investors and distribute cash unless investors exercise any right they have to elect an in-kind distribution pursuant to the KKR Credit Fund's governing documents. The decision of the KKR Credit GP to receive such an in kind distribution will result in such KKR Credit GP disposing of its investment at a different time than the disposition by the KKR Credit Fund of the portion of the investment allocable to the investors and otherwise taking actions with respect to such investment (including the exercise of voting or other rights in connection therewith) that are different than the actions taken by the KKR Credit Fund with respect to the portion of the investment allocable to the investors. A KKR Credit GP will, in certain cases, ultimately receive a return on its share of an investment distributed to it in kind that is higher than the return achieved by the investors with respect to their share of such investment and is higher than the amount it would have received (including with respect to both its carried interest and its capital interest) had it taken its distribution in cash at the same time as the disposition by the KKR Credit Fund.

Under certain circumstances, a KKR proprietary entity seeks to hold a co-investment interest when a KKR Credit Fund or Other Client sells, due to differences in strategy, asset allocation objectives or liquidity needs. KKR would obtain any consents required under the governing documents of KKR Credit Fund and Other Clients prior to doing so and would endeavor to determine whether there would be a negative impact on the valuations of KKR Credit Funds or Other Clients prior to implementing a hold strategy for a KKR proprietary account. Such variations in timing of investment dispositions will, in certain circumstances result in KKR proprietary entities achieving better investment performance than KKR Credit Funds and Other Clients.

The payment of the management fees, under certain cases, will also give rise to certain conflicts of interest. Management fees payable after a KKR Credit Fund's or Other Client's investment period terminates are typically based on the cost basis of invested capital of investors allocable to portfolio investments held by a KKR Credit Fund or Other Client as of the last day of the most recently ended calendar quarter or NAV, and will generally include any amounts borrowed by KKR Credit Funds or Other Clients. Under the governing documents of KKR Credit Funds and Other Clients, the cost basis of invested capital allocable to a portfolio investment is generally not reduced by the loss inherent in any write down in the valuation of such portfolio investment and accordingly, management fees payable by KKR Credit Funds and Other Clients are not reduced as a result of the diminution in value of portfolio investments held by KKR Credit Funds and Other Clients. In addition, the post-investment period management fees will increase to the extent that the relevant KKR Credit Fund or Other Client has invested more capital. As a result, the method of calculating the management fees create an incentive for a KKR Credit GP (or KKR Credit) to seek to draw down and deploy more capital (or more capital more quickly) or to borrow more than it would

otherwise. Furthermore, the method of calculating management fees creates an incentive for a KKR Credit GP (or KKR Credit) to cause the relevant KKR Credit Fund (or Other Client) to hold on to investments that have poor prospects for improvement in order to receive a potentially larger carried interest distribution and for KKR Credit to receive ongoing management fees.

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 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 or its affiliates or employees. Such advisors and service providers are sometimes investors in (or investments of) KKR Credit Funds, Other Clients or KKR Credit, sources of investment opportunities for KKR Credit, or otherwise be co-investors with or counterparties to transactions involving the foregoing and payments by such KKR Credit Funds and/or portfolio companies will, in certain cases, indirectly benefit KKR Credit or such other KKR Credit Funds. These relationships will, under certain circumstances create an incentive for the KKR Credit GP and KKR Credit in deciding whether to select or recommend any such advisor or service provider to perform services for a KKR Credit Fund or Other Client or a portfolio company (the cost of which will generally be borne directly or indirectly by such KKR Credit Fund or Other Client or its portfolio company, as applicable).

Notwithstanding the foregoing, KKR Credit GPs and KKR Credit will generally seek to engage advisors and service providers in connection with investment transactions for KKR Credit 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 GP believes to be of benefit to the KKR Credit Fund or Other Client, as applicable. Advisors and service providers, or their affiliates, often charge different rates or establish other terms in respect of advice and other services provided to KKR Credit and its affiliates (including portfolio entities held as investments by KKR Credit, KKR Credit Funds or Other Clients). Relevant comparisons might not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers of users of such services or the confidential and/or bespoke nature of such services.

With respect to service providers, for example, the fee for a given type of work will vary depending on the complexity of the matter as well as the time and expertise required and demands placed on the service provider. Therefore, to the extent the types or scopes of services used by KKR Credit Funds, Other Clients and portfolio companies are different from those used by KKR Credit, its affiliates or their respective employees, KKR Credit and its affiliates will pay different amounts or rates than those paid by the KKR Credit Funds, Other Clients and portfolio companies. However, it is KKR Credit'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 Funds, Other Clients or portfolio companies for the same services. In connection with such relationships, KKR Credit GPs will make determinations of market rates based on its consideration of a number of factors, which are generally expected to include the KKR GP's experience with relevant service providers and the overall quality of the services they provide.

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 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 or its affiliates or employees, including potentially family members or relatives employed by such advisors or service providers.

In addition, certain advisors and service providers (including law firms) temporarily provide their personnel to KKR Credit or its affiliates, KKR Credit Funds, Other Clients or portfolio companies pursuant to various arrangements, including at cost or at no cost. While often the KKR Credit Funds and Other Clients and their portfolio companies are the beneficiaries of these types of arrangements, KKR Credit is from time to time the beneficiary of these arrangements as well, including in circumstances where the advisor or service provider also provides services to the KKR Credit Fund or Other Client in the ordinary course. Such personnel provide services in respect of multiple matters, in respect of matters related to KKR Credit, their respective affiliates and/or portfolio companies.

Minority Investments in Other Businesses

KKR Credit affiliates have made and will likely continue to make minority investments in alternative asset management firms (other than those described in this Brochure) and other businesses, including, but not limited to, insurance firms, that are not portfolio companies of KKR Credit Funds or Other Clients and that are not affiliated with KKR Credit, KKR Credit Funds, Other Clients or their respective portfolio investments. Certain of these businesses could from time to time engage in investment or other transactions that are similar to those in which KKR Credit Funds or Other Clients engage, including purchase and sale transactions with these asset management firms and their sponsored funds and portfolio companies.

Typically, the KKR Credit affiliate with an interest in the asset management firm and similar businesses has an entitlement to receive a share of carried interest/performance based incentive compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts managed by that third-party asset management firm, or a revenue share that is based on the transactional or other activities of the third-party asset management firm or other business. In addition, while such minority investments have been structured so that KKR Credit does not control such third-party asset management firms or other businesses, KKR Credit or its affiliates could nonetheless be afforded certain governance rights, for example, in relation to certain investments of third-party asset management firms (such as protective rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford KKR Credit or its affiliates the ability to influence the firm. Even if KKR Credit and its affiliates does not intend to control such third-party asset management firms or other businesses, there can be no assurance that governmental authorities or other third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third-party asset management firms or other businesses or the interpretation of applicable law or regulations, that investments by KKR Credit and its affiliates, KKR Credit Funds or Other Clients and their respective portfolio companies will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third-party asset managers or other businesses will not be deemed “affiliates” of KKR Credit, KKR Credit and its affiliates could, under certain circumstances, be in a position to influence the management and operations of such asset managers or other businesses and the existence of an economic/revenue sharing interest therein could give rise to conflicts of interest.

Participation rights in a third-party asset management firm (or other business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of KKR Credit Funds or Other Clients to claims by third parties in connection with such investments (as indirect owners of such asset management firms or businesses) that could have an adverse financial impact on their respective performance.

From time to time, certain KKR Credit Funds or Other Clients and their respective portfolio companies could engage in transactions with, and buy and sell investments from, third-party asset managers and their sponsored funds, or such other businesses. In addition, KKR Credit Funds or Other Clients could make investments in vehicles sponsored by such third-party asset managers, which could result in KKR Credit or

its affiliates earning carried interest/performance-based incentive compensation and/or fee income or revenue in respect of any such transactions. Additionally, it is expected that KKR Credit Funds or Other Clients and/or controlled and non-controlled portfolio companies of KKR Credit Funds or Other Clients could provide various forms of financing, including debt and equity, to such alternative asset management, insurance firms or other businesses and their respective investment funds and portfolio companies, and affiliated service providers or other affiliates of KKR Credit could earn fees in exchange for providing services in connection with such financings, even if the sole providers of a financing are KKR Credit Funds or Other Clients and/or their respective portfolio companies, all of which will not reduce management fees paid by such KKR Credit Funds or Other Clients.

There can be no assurance that the terms of any of the transactions described above between parties related to KKR Credit, on the one hand, and a KKR Credit Fund or Other Client and its portfolio companies, on the other hand, will be at arms' length or that KKR Credit and its affiliates will not receive a direct or indirect benefit from such transactions, which could be expected to incentivize KKR Credit and its affiliates to cause these transactions to occur. Such conflicts related to investments in and arrangements with other asset management firms or other businesses will not necessarily be resolved in favor of KKR Credit Funds or Other Clients. Investors will not be entitled to receive notice or disclosure of the terms or occurrence of either the investments in alternative asset management firms or transactions therewith and will not receive any benefit from such transactions. Further, it is anticipated that KKR Credit personnel and the personnel of any such asset manager or other business could also invest in KKR Credit Funds or Other Clients and/or such other firms' managed funds or businesses (and vice versa), and such asset manager or other business (as applicable) could invest in KKR Credit Funds or Other Clients, on preferential terms, including on a no-fee and/or no-carry basis that is not subject to "most favored nations" treatment, in each case, as determined by KKR Credit and its affiliates.

Third Party Placement Agents

KKR Credit enters into arrangements with third parties to raise capital for a KKR Credit Fund or Other Client. Such placement agents receive a flat fee or in some cases a percentage of the investments they bring to the respective KKR Credit Fund or Other Client. KKR Credit generally bears such fees instead of KKR Credit 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 Fund or Other Client, even in certain cases when it will 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 Fund or Other Client are detailed agreements that establish complex arrangements among KKR Credit, the investors, the KKR Credit 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 have not considered while drafting and executing these agreements. In these instances, the applicable provisions of the agreements, if any, will, in certain cases, be broad, general, ambiguous, or conflicting, and may permit more than one reasonable interpretation. At times, there will not be provisions directly applicable to the situation at hand. While KKR Credit will construe the relevant agreements in good faith and in a manner consistent with its legal obligations, the interpretations it adopts will not necessarily be, and need not be, the most favorable interpretations for KKR Credit Funds or Other Clients or their investors.

Multiple Clients

Certain inherent conflicts of interest arise from the fact that KKR Credit provides investment management services to multiple clients, as these clients will, in certain cases, have overlapping investment objectives.

The KKR Credit professionals who provide investment management services to one KKR Credit Fund or Other Client are affiliated with (or in some cases are the same as) other KKR Credit professionals who provide similar services to other KKR Credit Funds or Other Clients or KKR Credit proprietary accounts with the same or similar investment objectives. In addition, portfolio strategies or KKR proprietary investment strategies that KKR Credit employs for a certain KKR Credit Fund or Other Client could conflict with strategies for other KKR Credit Funds or Other Clients, accounts or businesses and will affect the prices and availability of securities and other assets in which such other KKR Credit Funds or Other Clients invest. KKR Credit also advise KKR Credit 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 Funds or Other Clients.

Additionally, given the broad scope of certain investment strategies of KKR Funds or Other Clients, which in some instances will overlap with investment strategies of KKR Credit Funds and KKR proprietary accounts, investment opportunities that fall within a KKR Fund's or Other Client's scope will, from time to time, be allocated to a KKR Credit Fund or KKR proprietary accounts, subject to KKR's investment allocation policies and procedures. For example, KKR has established real estate credit and strategic investments that are also pursued by certain KKR Credit Funds. Pursuant to internal allocation policies established by KKR and KKR Credit, KKR Credit Funds are from time to time allocated in full, certain types of real estate related private credit opportunities and certain non-performing or sub-performing private credit opportunities, that could also be allocable to a KKR Fund or Other Client based on their investment strategy.

KKR Credit will receive various kinds of portfolio company data and information (including from portfolio entities of KKR Credit Funds or Other Clients), including information relating to business operations, trends, budgets, customers and other metrics. In furtherance of the foregoing, KKR Credit could seek to enter into information sharing and use arrangements with portfolio companies. KKR Credit believes that access to this information furthers the interests of limited partners by providing opportunities for operational improvements across portfolio companies and for KKR Credit to utilize such information in connection with the investment management activities of KKR Credit Fund and Other Clients. Subject to appropriate applicable confidentiality requirements and applicable law and KKR Credit's policies and procedures on the proper handling of private and confidential information, KKR Credit also utilizes such information outside of the activities of KKR Credit Funds or Other Clients in a manner that provides a material benefit to KKR Credit Funds or Other Clients, or to KKR Credit or KKR Credit affiliates in which KKR Credit Funds or Other Clients would not participate. For example, information from a portfolio company owned by a KKR Credit Fund could enable KKR Credit to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for KKR Credit, KKR affiliates or KKR Credit Funds or Other Clients that do not own an interest in such portfolio company, without compensation or benefit to such KKR Credit Fund or its portfolio companies for the use of such information. However, the acquisition of certain confidential or material, non-public information will also, in certain cases, limit the ability of KKR Credit Funds or Other Clients to buy or sell particular securities. The benefits received by KKR Credit or KKR Credit affiliates from any such arrangements will not offset management fees or otherwise be shared with investors.

Advisory Committees

Certain KKR Credit Funds or Other Clients have advisory committees that consist of the representatives of certain investors in such KKR Credit Funds or Other Clients. Any approval or consent given by such advisory committees is generally binding on such KKR Credit Funds or Other Clients and all of their investors. Advisory committees are also generally authorized to give approval or consent required under the Advisers Act, including under Section 206(3) of the Advisers Act. Although KKR Credit has adopted investment allocation policies and procedures and conflicts mitigation policies and procedures to mitigate

potential conflicts of interest among KKR Credit Funds and Other Clients, advisory committee members will also have conflicts of interest that do not disqualify them from voting on or consenting to matters submitted for consideration or review. Where a relevant investment transaction involves multiple KKR Credit Funds or Other Clients, it is possible that limited partners have appointed (or are entitled to appoint) representatives to advisory committees (or equivalent bodies) of multiple KKR Credit Funds or Other Clients. In such circumstances, the impacted advisory committee members will generally not be required to recuse themselves from voting on the relevant transaction and, depending on the nature of the transaction, could be motivated to exercise their vote in a manner that has greater relative benefits for one or more of the KKR Credit Funds or Other Clients they are invested in. In addition, advisory committee members generally do not owe a fiduciary obligation to the relevant KKR Credit Fund or Other Client.

Common Advisors

KKR Credit Funds, Other Clients, certain co-investment vehicles, Manager Co-investment 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 Funds, Other Clients, certain co-investment vehicles, Manager Co-investment Vehicles and KKR Funds, such as in a work-out or other distressed situation, separate representation will, in certain cases, become desirable and in litigation and other circumstances, separate representation could be required. Legal counsel and other advisors who advise KKR Credit Funds and Other Clients also routinely represent KKR Credit and KKR affiliates in various matters. Partners of the law firms and other advisor and service providers engaged to represent KKR Credit Funds, Other Clients, certain co-investment vehicles, Manager Co-investment Vehicles and KKR Funds are directly or indirectly investors in such funds, and also represent one or more portfolio companies or investors of such funds.

Expanding Scope of KKR & Co.

The family of related entities colloquially known as “KKR & Co.” continues to expand in scope and range of activities. This creates increased opportunities for conflicts of interest, increased pressure on the allocation of opportunities across the platform and increased competition for the time, including conflicts of interest with respect to the devotion of time and attention of KKR & Co. investment executives who provide services in respect of KKR Credit Funds, Other Clients and their respective investments. It also creates increased opportunities for disputes, liabilities, and other burdens on such investment executives. There can be no assurance of a net benefit to KKR Credit Funds and Other Clients, and it is possible that the expansion of KKR & Co. may yield a net detriment to KKR Credit Funds or Other Clients.

Item 12 Brokerage Practices

Selecting or Recommending Broker-Dealers

It is KKR Credit’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 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’s view, the transaction represents the best overall qualitative and quantitative execution for the KKR Credit Fund or Other Client. KKR Credit’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 generally considers a 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 will seek competitive commissions and spreads, it will 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 will be higher or lower than those charged by other broker-dealers. On a quarterly basis, KKR Credit'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 Funds and Other Clients. In addition, such Affiliated Brokers do not maintain client accounts.

Research and Other Soft Dollar Benefits

Pursuant to KKR Credit'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 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 provide KKR Credit or its affiliates with proprietary research and other products and services, which KKR Credit, in certain cases, uses to service all KKR Credit Funds or Other Clients. KKR Credit 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 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 in directing client transactions to such broker-dealers. KKR Credit does not cause KKR Credit 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 on behalf of KKR Credit Funds or Other Clients on terms specifically negotiated by KKR Credit with such companies or the seller of such companies.

In certain jurisdictions, such as the United Kingdom and Ireland, KKR Credit's locally-regulated affiliates will be required to pay for research services they consume in order to comply with MiFID II standards as implemented by the relevant local financial services regulator. The purpose of the MiFID II standards regarding research consumption is to ensure there is a clear delineation between commissions paid for trading services and the provision of research. KKR Credit is of the view that this aligns with KKR Credit's approach to soft dollar arrangements discussed above as it ensures that the provision of research is not a consideration when deciding where to direct client transactions.

Brokerage for Client Referrals

KKR Credit engages broker-dealers or affiliates of broker-dealers with whom it engages in securities transactions on behalf of KKR Credit Funds and Other Clients to place securities issued by KKR Credit Funds. Similarly, such entities will be underwriters of, or otherwise involved in the placement of securities issued by KKR Credit or KKR Credit portfolio companies. The foregoing relationships with broker-dealers and their affiliates give rise to a conflict of interest to the extent that such relationships could be viewed as influencing KKR Credit's selection of broker dealers and other trading counterparties. As noted above, however, KKR Credit takes into account a number of factors in attempting to satisfy its fiduciary obligation to seek best execution for its clients' securities transactions.

Directed Brokerage

KKR Credit does not recommend, request or require that a client direct KKR Credit 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 Fund and Other Client transactions in marketable securities, KKR Credit bunch orders for KKR Credit Funds and Other Clients (subject to KKR Credit's obligation to seek best execution for KKR Credit Funds and Other Clients and otherwise treat KKR Credit Funds and Other Clients in a fair and equitable manner over time). Allocations of bunched trades are made consistent with KKR Credit's allocation policies and procedures described above in *Item 11*.

Item 13 Review of Accounts

KKR Credit has an internal structure which allocates responsibility for oversight of KKR Credit Fund and Other Client portfolios and/or specific KKR Credit Fund or Other Client portfolio investments to the respective KKR Credit investment committees and/or executive investment management, and for certain Other Clients, as it relates to strategic investment oversight, to appropriate senior investment executives. Generally, investments of KKR Credit Funds and Other Clients are overseen by established investment committees, which primarily consist of representation by portfolio management, KKR Credit senior investment executives, 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 - Investment Discretion* for additional information regarding Investment Discretion with respect to Other Clients.

KKR Credit 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 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 Funds and Other Clients and to investors in KKR Credit Funds and Other Clients depends on the terms of the governing documents of such KKR Credit Funds and Other Clients, regulatory requirements, 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 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, KKR Capstone other KKR proprietary entities and other Consultants receive economic benefits from portfolio companies of KKR Credit Funds and Other Clients.

Please see *Item 5 - Fees and Compensation* with respect to monitoring fees, financial advisory fees, transaction fees, accelerated fees, break-up fees and other compensation.

Please see *Item 5 - Fees and Compensation* with respect to directors' fees for Employees serving on boards of portfolio companies.

Please see *Item 5 - Fees and Compensation* and *Item 10 - Other Financial Industry Activities and Affiliations* with respect to compensation received by Affiliated Brokers.

Please see *Item 5 - Fees and Compensation* with respect to portfolio companies of KKR Credit Funds or Other Clients and fees and/or servicing payments payable to KKR, its affiliates (or other Consultants).

Compensation to Non-Supervised Persons for Client Referrals

KKR Credit enters 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. KKR Credit 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 receive compensation from KKR Credit, 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 is terminable by either party from time to time. The cost of any such fees will be borne entirely by KKR Credit or KKR and not by any affected client.

Item 15 **Custody**

KKR Credit has custody of the assets of certain KKR Credit Funds and Manager Co-investment Vehicles, and these KKR Credit Funds and their investors receive annual audited financial statements from the KKR Credit Funds' auditor. Other KKR Credit Funds and Other Clients of KKR Credit receive account statements from broker-dealers, banks or other qualified custodians with respect to the assets managed by KKR Credit. KKR Credit sends certain account and performance information to KKR Credit Funds and Other Clients, and KKR Credit urges the KKR Credit Funds and Other Clients to compare the information they receive from KKR Credit with the information received from KKR Credit Fund auditors or broker-dealers, banks or other qualified custodians.

Item 16 **Investment Discretion**

KKR Credit, including through the KKR Credit GPs, generally has discretionary authority based on its investment management agreements with each KKR Credit Fund or Other Client and the governing documents of the KKR Credit Funds and Other Clients to buy and sell securities or other investments on behalf of the KKR Credit Funds and Other Clients and to determine the amount of such investments to be bought and sold. The terms upon which KKR Credit serves as investment manager of a KKR Credit Fund are established at the time each KKR Credit Fund is established and are generally set out in the governing documents entered into by KKR Credit with respect to the relevant KKR Credit Fund, and disclosed in the

offering or disclosure documents for the relevant KKR Credit Fund, as applicable. These terms, which vary as among each KKR Credit Fund, potentially restrict KKR Credit's advice concerning investment in certain securities or types of securities, geographies, and leverage. Typically, the governing documents of the KKR Credit 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 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 will, in certain cases, 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 Funds, Other Clients or KKR proprietary entities that is 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 Funds, Other Clients or KKR proprietary entities. Such different advice and/or inconsistent actions will be due to a variety of reasons, including, without limitation, differences between the investment objectives, programs, strategies and tax treatment of certain KKR Credit Funds, Other Clients or KKR proprietary entities or the regulatory status of other KKR Credit Funds or Other Clients and any related restrictions or obligations imposed on KKR Credit as a fiduciary thereof (including for example KKR Credit Funds or Other Clients that are registered as investment companies under the Investment Company Act). Such advice and actions will, in certain cases, adversely impact KKR Credit Funds and Other Clients. For example, another KKR Credit Fund, Other Client, Seed Investment or other KKR proprietary entity establishes a short position in a security held by a KKR Credit Fund, Other Client, Seed Investment or other KKR proprietary entity (for example as collateral) and such short sale results in a decrease in the price of the security that the relevant KKR Credit Fund, Other Client, Seed Investment or other KKR proprietary entity hold. Similarly, KKR Credit seeks to buy or sell a security for a KKR Credit 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 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 Funds, Other Clients, Seed Investments and other propriety accounts. These policies and procedures are designed to ensure that KKR Credit 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.

Item 17 Voting Client Securities

In accordance with Rule 206(4)-6 under the Advisers Act, KKR Credit 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 in the proxy voting process. The services provided by ISS include research and voting recommendations as well as ballot notifications, execution, reporting and recordkeeping with respect to both U.S. and non-U.S. securities of publicly traded companies. KKR Credit has engaged ISS to assist with its proxy voting, however, KKR Credit, retains ultimate voting discretion with respect to KKR Credit Fund or Other Client securities.

It is the general policy of KKR Credit to vote proxies in the best interest of its' Clients. KKR Credit will, in certain cases, either depart from an ISS recommendation in order to avoid voting decisions believed to be contrary to the best interests of KKR Credit Funds and Other Clients, or even choose not to vote proxies in certain situations. Any such exceptions will be documented by KKR Credit Compliance.

KKR Credit recognizes that in certain cases there will also be a potential conflict of interest in voting proxies due to business or personal relationships it maintains with persons having an interest in the outcome of certain votes. KKR Credit has adopted policies to address these and other issues that could give rise to a conflict, including referring the matter to the KKR Credit's Compliance Group to address issues raised from potential conflicts. Appropriate documentation to support its proxy voting position on such proxy matters will be maintained.

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

Item 18 Financial Information

KKR Credit 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 is currently aware that would impair KKR Credit's ability to meet contractual commitments to its Clients.

Item 19 Requirements for State-Registered Advisers

KKR Credit is not registering, nor is currently registered, as an investment adviser with any U.S. state securities authorities.