

**Part 2A of Form ADV: Firm Brochure**



**KKR CREDIT ADVISORS (SINGAPORE) PTE LTD.**

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This brochure provides information about the qualifications and business practices of KKR Credit Advisors (Singapore) Pte Ltd. (“**KKR Credit Advisors (Singapore)**”). If you have any questions about the contents of this brochure, please contact us at 65-69225800. 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 (Singapore) 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 (Singapore) personnel.

Additional information about KKR Credit Advisors (Singapore) is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2**      **Material Changes**

There have not been material changes to KKR Credit Advisors (Singapore)'s Part 2A since its most recent update on July 17, 2020. However, please note that KKR Credit Advisors (Singapore) is now making revisions to various sections of its Part 2A:

- Item 4 – Updated information and disclosure regarding KKR Credit Advisors (Singapore)'s advisory business, specifically, KKR & Co. Inc.'s acquisition of Global Atlantic Financial Group Limited.
- Item 10 – Updated information and disclosure regarding KKR Credit Advisors (Singapore)'s affiliations, specifically the new affiliate relationship resulting from KKR & Co. Inc.'s acquisition of Global Atlantic Financial Group Limited.

KKR Credit Advisors (Singapore) 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).

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## **Item 4**      **Advisory Business**

### **Overview**

KKR Credit Advisors (Singapore) Pte Ltd. (“**KKR Credit Advisors (Singapore)**”) is a Singapore private limited company founded in May 2020 and is seeking regulatory approval by the Monetary Authority of Singapore (the “MAS”). KKR Credit Advisors (Singapore) will advise pooled investment vehicles and may advise in the future, dedicated separately managed account vehicles, and discretionary accounts established for third-party institutional investors (each a “**Client**” and together the “**Clients**”). KKR Credit (Singapore)’s investment management and advisory activities will focus on private credit opportunities, including but not limited to senior and unitranche corporate lending, subordinated corporate lending (mezzanine and other subordinated debt investments), and asset-based finance investments, including equity and mortgage real estate investment trust (“REIT”) investments, and common or preferred equity investments in connection with the foregoing.

KKR Credit Advisors (Singapore) is affiliated with KKR Credit Advisors (US) LLC (“**KKR Credit Advisors (US)**”), an investment adviser that is separately registered with the SEC. KKR Credit Advisors (US) advises pooled investment vehicles, dedicated separately managed account vehicles, collateralized loan obligation vehicles (“**CLOs**”), a closed-end investment company (a “**RIC**”) registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and discretionary accounts established for third-party institutional investors. KKR Credit also provides subadvisory services to a statutory trust that is registered under the Investment Company Act as a nondiversified, closed-end management investment company that operates as an interval fund, and certain investment funds and investment vehicles established and managed by KKR (as defined below), including a non-U.S. listed investment trust that has investment exposure to funds and investments managed by KKR and its affiliates. KKR Credit Advisors (US) focuses on U.S. and non-U.S. leveraged credit strategies, such as leveraged loan and high yield bond strategies, alternative credit strategies (including investments in mezzanine and mezzanine-like instruments, structured and illiquid credit, and direct senior loan origination investments), specific types of syndicated credit investments (e.g., investments in revolver credit facilities), special situations investments and credit investments relating to other assets held by funds and other investment vehicles and accounts managed by KKR (as defined below), including private equity and real assets, such as infrastructure, energy and real estate. KKR Credit Advisors (Singapore) is also affiliated with KKR Credit Advisors (Ireland) Unlimited Company (“**KKR Credit Advisors (Ireland)**”), an investment adviser that is regulated by the Central Bank of Ireland (“**CBI**”) and that 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, and with KKR Credit Advisors (EMEA) LLP, an investment adviser that is authorized and regulated by United Kingdom Financial Conduct Authority and that engages in similar investment activity to the above in its capacity as a sub-advisor or participating affiliate of the foregoing. Use of the term “**KKR Credit**” throughout this brochure collectively includes KKR Credit Advisors (Singapore), KKR Credit Advisors (US) LLC, KKR Credit Advisors (Ireland) Unlimited Company, KKR Credit Advisors (EMEA) LLP and their respective wholly owned and controlled management entities through they provide investment management and advisory services.

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

KKR Credit Advisors (Singapore) 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 will enter into delegation and/or sub advisory agreements with KKR Credit Advisors (Singapore) under which KKR Credit Advisors (Singapore) will provide certain portfolio management services to KKR AIM in connection with investment funds, including KKR Credit Advisors (Singapore) Funds (as defined below), with respect to which KKR AIM serves as alternative investment fund manager for the purposes of the EU Alternative Investment Fund Managers Directive (“**AIFMD**”).

KKR Credit Advisors (Singapore) is affiliated with Kohlberg Kravis Roberts & Co. L.P. 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, primarily either through controlling ownership of companies or minority positions. 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, 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. 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 Global Atlantic Financial Group Limited (“**Global Atlantic**”), a retirement and life insurance company. Following the acquisition, Global Atlantic will continue to operate as a separate business with its existing brands and management team. KKR (including through KKR Credit) will serve as Global Atlantic’s investment manager. Global Atlantic has over \$70 billion of adjusted invested assets as of March 31, 2020. Accordingly, KKR (and KKR Credit) has significantly increased its assets under management following the closing of the Global Atlantic transaction.

KKR Credit Advisors (Singapore) 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.

KKR Credit Advisors (Singapore) does not currently manage client assets on a non-discretionary.

### **Ownership/Structure**

KKR Credit Advisors (Singapore) is wholly owned by KKR Credit Advisors (US) LLC, which is in turn wholly owned by KKR. KKR is a subsidiary of KKR Group Partnership L.P. (“**KKR Group Partnership**”) and an indirect subsidiary of the Public Company, which is listed on the New York Stock Exchange

(“NYSE”). Effective as of July 1, 2018, the Public Company and its subsidiaries completed an internal reorganization (the “Reorganization”) following KKR’s conversion from a Delaware limited partnership to a Delaware corporation on July 1, 2018. In the Reorganization, KKR Management Holdings L.P. (the former general partner of Kohlberg Kravis Roberts & Co. L.P.) and KKR International Holdings L.P., which were former intermediate holding companies for the Public Company’s business, were combined with the other intermediate holding company, KKR Fund Holdings L.P., which changed its name to KKR Group Partnership L.P. KKR Management LLP (formerly KKR Management LLC) remains the sole holder of Class B common stock of the Public Company, which is the only class of common stock entitled to vote for the election of directors and other matters generally. KKR Holdings L.P. (“**KKR Holdings**”) holds Class C common stock of the Public Company (as well as the ownership interests described below). Holders of the preferred stock and Class A common stock of the Public Company (which include KKR affiliates, employees, and their related persons) hold 100% of the ownership interests in the Public Company. As of January 1, 2020, the Public Company indirectly held approximately 66% of the ownership interests in KKR Group Partnership, which holds the operating businesses of the Public Company’s subsidiaries. As of January 1, 2020, the remaining ownership interests in the KKR Group Partnership were held indirectly by KKR Holdings and KKR Associates Holdings L.P. (“**KKR Associates Holdings**”). KKR Holdings and KKR Associates Holdings are owned by certain KKR senior employees and their related persons.

KKR Credit Advisors (Ireland) is an indirect subsidiary of KKR Group Partnership, which is in turn, an indirect subsidiary of the Public Company.

### **Nature of KKR Credit (Singapore)’s Clients**

KKR Credit Advisors (Singapore) will provide investment management and advisory services through affiliated general partners or managing members (“**KKR Credit Advisors (Singapore) GPs**”) and/or through KKR AIM, as applicable, in respect of pooled investment funds and other investment vehicles established for institutional investors and certain high net worth investors sponsored and managed by KKR Credit Advisors (Singapore) (“**KKR Credit Advisors (Singapore) Funds**”). In the future KKR Credit Advisors may also provide such services in respect specific 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 Advisors (Singapore) Funds are expected to be structured as 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. The offering of the securities of the KKR Credit Advisors (Singapore) Funds will also be conducted so as not to require registration under the United States Securities Act of 1933, as amended (the “**Securities Act**”). KKR Credit Advisors (Singapore) Funds and the Other Clients are collectively referred to in this brochure as KKR Credit Advisors (Singapore)’s ‘Other Clients’. KKR Credit Advisors (Singapore) expects also, through KKR Credit Advisors (Singapore) GPs, to provide certain operational and administrative services to co-investment vehicles that are not advisory clients of KKR Credit Advisors (Singapore), such as syndicated capital co-investment vehicles and syndication sidecars, as described in *Item 11 – Allocation of Investment Opportunities*, through which third-party investors co-invest alongside KKR Credit Advisors (Singapore) Funds and Other Clients.

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

### **Investment Mandates**

The terms upon which KKR Credit Advisors (Singapore) serves as investment manager or advisor of a KKR Credit Advisors (Singapore) Fund or Other Client are established at the time each KKR Credit Advisors (Singapore) Fund or Other Client relationship is established and are generally set out in the

governing documents entered into by KKR Credit Advisors (Singapore) with respect to the relevant KKR Credit Advisors (Singapore) Fund or Other Client and disclosed in the offering or disclosure documents for the relevant KKR Credit Advisors (Singapore) Fund or Other Client, as applicable. These terms, which vary among each KKR Credit Advisors (Singapore) Fund and Other Client, could limit the investments KKR Credit Advisors (Singapore) can invest on behalf of the relevant KKR Credit Advisors (Singapore) Fund or Other Client based on security classes, geographies, concentration limits, leverage limits and/or other criteria, among others.

## **Item 5 Fees and Compensation**

### **General**

KKR Credit Advisors (Singapore) (including the KKR Credit Advisors (Singapore) GPs) generally are expected to receive management fees, carried interest allocations and/or performance fees in connection with the investment management and administrative services KKR Credit Advisors (Singapore) provides to KKR Credit Advisors (Singapore) Funds or Other Clients. Certain co-investment vehicles and KKR Associates Vehicles (as defined in *Item 6 - Incentive Allocations and Side-By-Side Management*), as discussed in *Item 6*, will not be subject to such fees and/or carried interest allocations. The allocation of a portion of the profits of a KKR Credit Advisors (Singapore) Fund, whether allocated to the capital account of a KKR Credit Advisors (Singapore) GP or distributed to a KKR Credit Advisors (Singapore) GP is referred to herein as “**carried interest**.”

Management fees, carried interest, performance fees and other compensation payable to KKR Credit Advisors (Singapore) (including KKR Credit Advisors (Singapore) GPs) by KKR Credit Advisors (Singapore) Funds or Other Clients together with other terms governing the management of KKR Credit Advisors (Singapore) Funds or Other Clients by KKR Credit, (Singapore) are established by KKR Credit Advisors (Singapore) at the time of the establishment of the relevant KKR Credit Advisors (Singapore) Funds (and negotiated with participating investors prior to their investment) or at the beginning of the advisory relationship with the relevant Other Clients, as applicable. Specific details of such compensation and its method of calculation are set out in the offering materials, disclosure documents, advisory agreements, investment management agreements and/or governing documents of the relevant KKR Credit Advisors (Singapore) Funds or Other Clients and vary among KKR Credit Advisors (Singapore) Funds or Other Clients. Fee terms of KKR Credit Advisors (Singapore) Funds or Other Clients can be changed during the term of the relevant relationship. The share of compensation earned by KKR Credit Advisors (Singapore) or its affiliates in respect of a KKR Credit Advisors (Singapore) Fund or Other Client varies among investors in such KKR Credit Advisors (Singapore) Fund pursuant to the terms of the governing documents, side letter agreements or other arrangements with specific investors in such KKR Credit Advisors (Singapore) 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 Advisors (Singapore). For example, KKR and KKR Credit Advisors (US) have entered into and will in the future enter into strategic partnerships or other multi-strategy or multi-asset class arrangements with investors that commit capital to a range of KKR Credit’s and KKR’s platform of products, investment ideas and asset classes. Such arrangements generally (subject to applicable terms) include KKR Credit and/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 or KKR fund, as applicable, when applied to the entire strategic partnership. Where a strategic investor participates in a KKR Credit Advisors (Singapore) Fund 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 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 (including KKR Credit Advisors (Singapore) Funds) and 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 Advisors (Singapore) 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.

IKKR Credit Advisors (Singapore) expects to enter into arrangements with one or more sponsors of third-party dedicated feeder vehicles or other related third party intermediaries to facilitate the indirect participation in a KKR Credit Advisors (Singapore) Fund by certain “high net worth” investors and other qualified clients of such sponsors (each a “**Dedicated Feeder**”). Such third parties are expected to also solicit direct investments in KKR Credit Advisors (Singapore) Funds by certain of their clients and other investors. In each of the foregoing cases such third parties can be paid a placement fee from KKR Credit Advisors (Singapore) or such KKR Credit Advisors (Singapore) Fund (each KKR Credit Advisors (Singapore) Fund investor investing through such arrangements, a “**Placed Investor**”). In connection with the admission of any Dedicated Feeder to a KKR Credit Advisors (Singapore) Fund, the applicable KKR Credit Advisors (Singapore) GP will determine, in its discretion, whether to aggregate the indirect capital commitments of the investors in such Dedicated Feeder for the purposes of certain economic terms of the relevant KKR Credit Advisors (Singapore) Fund, including, without limitation, for purposes of calculating any reductions in management fees to which such Dedicated Feeder could potentially be entitled under the terms of the relevant KKR Credit Advisors (Singapore) Fund. Reductions in management fees for certain investors in KKR Credit Advisors (Singapore) Funds, for example based on the size or timing of their capital commitments generally do not apply to Placed Investors but can be granted to Placed Investors at KKR Credit Advisors (Singapore)'s sole discretion. Certain third party Dedicated Feeder sponsors and other intermediaries will receive placement fees, finder's fees, manager charges and other payments in connection with Dedicated Feeders and other Placed Investors which comprise organizational expenses allocable to the relevant Placed Investors and which, in turn, will reduce management fees with respect to such Placed Investors. KKR Credit Advisors (Singapore) will not control the economic terms of any Dedicated Feeders, which will be established independently by the relevant third parties and their underlying investors. In certain circumstances, such terms will 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 will compensate KKR Credit Advisors (Singapore) generally for the various services KKR Credit Advisors (Singapore)'s business professionals provide in managing KKR Credit Advisors (Singapore) Funds or Other Clients. KKR Credit Advisors (Singapore) will charge management fees at an annual rate of between 0.10% and 1.75% of the capital committed to, the net asset value of, the net invested capital of, the aggregate collateral balance of or the collateral pledged by the relevant KKR Credit Advisors (Singapore) Fund or Other Client, depending, in particular, on the strategy of the relevant KKR Credit Advisors (Singapore) Fund or Other Client, the amount of assets being placed under management with KKR Credit Advisors (Singapore) and the point in time in the life cycle of the relevant KKR Credit Advisors (Singapore) Fund or Other Client account. For example, investors in certain KKR Credit Advisors (Singapore) Funds will 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 Advisors (Singapore) 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



Advisors (Singapore) generally does not expect to charge interest on such deferred management fees. The KKR Credit Advisors (Singapore) GPs generally will make capital calls on investors in KKR Credit Advisors (Singapore) Funds for the amount of management fees payable by the KKR Credit Advisors (Singapore) Funds to KKR Credit Advisors (Singapore) and then cause the KKR Credit Advisors (Singapore) Funds to pay the amounts received from the investors to KKR Credit Advisors (Singapore), consistent with the governing documents of the KKR Credit Advisors (Singapore) Funds. KKR Credit Advisors (Singapore) will generally invoice Other Clients for management fees. In some cases, management fees due to KKR Credit Advisors (Singapore) will be deducted from proceeds otherwise distributable to investors in a KKR Credit Advisors (Singapore) Fund or Other Client or paid out of the assets of such KKR Credit Advisors (Singapore) Fund or Other Client, consistent with the governing documents of such KKR Credit Advisors (Singapore) Fund or Other Client. If a KKR Credit Advisors (Singapore) Fund obtains a subscription facility, management fees due from a KKR Credit Advisors (Singapore) Fund will also be paid by drawdowns by KKR Credit Advisors (Singapore) (or relevant KKR Credit Advisors (Singapore) GP) under such KKR Credit Advisors (Singapore) Fund's subscription credit facility (which drawdowns will be subsequently repaid through capital calls or investment proceeds) if consistent with the governing documents of such KKR Credit Advisors (Singapore) Fund or Other Client.

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

Management fees payable to KKR Credit Advisors (Singapore) by certain KKR Credit Advisors (Singapore) Funds or Other Clients will also be offset by certain other compensation received by KKR Credit Advisors (Singapore) or its affiliates that relate to the relevant KKR Credit Advisors (Singapore) Fund or Other Client and its activities or by certain organizational and other expenses borne by the KKR Credit Advisors (Singapore) Fund or Other Client. Certain KKR Credit Advisors (Singapore) Funds or Other Clients could invest in securities issued by other KKR Credit managed funds or other investment vehicle (including, in particular, CLOs). Management or advisory fees or performance-based compensation received by KKR Credit from such other funds or investment vehicles generally will, but in certain circumstances, could not be related to the investing KKR Credit Advisors (Singapore) Fund or Other Client.

### **Carried Interest Allocations**

KKR Credit Advisors (Singapore) (including through the KKR Credit Advisors (Singapore) GPs) also generally will receive carried interest allocations (or other comparable performance related compensation) from KKR Credit Advisors (Singapore) Funds or Other Clients (other than certain co-investment vehicles and KKR Associates Vehicles) of up to 20% of profits third-party investors earn on their investments in KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund. KKR Credit Advisors (Singapore) GP's typically will receive carried interest allocations for profitable investments. Profitable investments realized early in the life of a KKR Credit Advisors (Singapore) Fund or Other Client could be followed by the poor performance of investments realized later in the life of a KKR Credit Advisors

(Singapore) Fund or Other Client, which would reduce the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client in KKR Credit Advisors (Singapore) having received more than the agreed-upon percentage of the relevant KKR Credit Advisors (Singapore) Fund's or Other Client's total profits, or the hurdle performance rate required by the KKR Credit Advisors (Singapore) Fund's or Other Client's terms not being met, KKR Credit Advisors (Singapore) will typically be required to reimburse (i.e., have clawed back) all or an appropriate portion of the carried interest allocations received by it, net of taxes, to ensure that KKR Credit Advisors (Singapore) does not receive a greater share of profits than agreed upon under the governing documents of such KKR Credit Advisors (Singapore) Fund.

With respect to KKR Credit Advisors (Singapore) Funds (if any) that are structured in the future as hedge funds and other comparable open-ended investment vehicles, KKR Credit Advisors (Singapore) expects to receive performance fees based on realized and unrealized profits generated by such KKR Credit Advisors (Singapore) Fund in the relevant performance period. The terms of such KKR Credit Advisors (Singapore) 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 will typically need to be recovered, consistent with the terms of the organizational documents with respect to such KKR Credit Advisors (Singapore) Funds.

### **Portfolio Company-Related Fees**

In addition to management fees for operating KKR Credit Advisors (Singapore) Funds or Other Clients, KKR Credit Advisors (Singapore) or its affiliates, from time to time, will 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 and/or debt owners of the portfolio company invest or (iii) a specific KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client, such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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, then the relevant KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client than would otherwise have been the case.

A portion of the shared fees will generally be offset against management fees payable by KKR Credit Advisors (Singapore) Funds or Other Clients, while non-shared fees will not reduce management fees. The overall amount of shared fees will also be reduced by certain sourcing and diligence expenses incurred by KKR Credit Advisors (Singapore) in pursuing unconsummated transactions for KKR Credit Advisors (Singapore) Funds or Other Clients. Portfolio company-related fees are paid regardless of a KKR Credit Advisors (Singapore) Fund or Other Client's profitability and are not negotiated with investors in KKR Credit Advisors (Singapore) 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 services provided by KKR Credit Advisors (Singapore) or its affiliates, which offset management fees paid by KKR Credit Advisors (Singapore) Funds or Other Clients, and include transaction, monitoring, break-up and directors' fees. KKR Credit Advisors (Singapore) or its affiliates (including in particular, KKR) are expected to charge monitoring fees and transaction fees to certain portfolio companies, which are not generally negotiated on an arm's length basis. KKR Credit Advisors (Singapore) Funds and Other Clients will indirectly bear the costs of these fees. KKR Credit Advisors (Singapore) or its affiliates will receive "monitoring fees" in exchange for providing portfolio companies with management, consulting, financial and other services.

Monitoring fee agreements are typically renewed automatically on an annual basis and typically include annual fee increases. 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 primary fund investing in the relevant portfolio company (which is typically a private markets fund managed by KKR) or the investment by such fund in the portfolio investment or in more recent agreements, a period within that term. In certain instances the calculation period can exceed the relevant KKR Credit Advisors (Singapore) Fund's (or investment's) term. Under more recent monitoring fee agreements, 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 the relevant primary KKR 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'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 believes is a reasonable approximation for the average number of years during which KKR has historically remained actively involved with such companies). An NPV Payment will generally only be taken in respect of a portfolio company where KKR Credit Advisors (Singapore) or its affiliate, as applicable, expects to continue to provide ongoing services and advice to the relevant company 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) KKR Funds and KKR Credit Funds (each as defined below), including proprietary entities retain, directly or indirectly, 10% or more of the stock or other equity interests in the portfolio company (or the surviving entity) immediately following the relevant event and (ii) 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 portfolio company (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 foregoing contractual provisions and methodology can be amended from time to time, in the sole discretion of KKR Credit or KKR or their affiliate, as applicable.

KKR Credit Advisors (Singapore) or an affiliate (including KKR) will also receive transaction fees for the work performed by KKR Credit Advisors (Singapore) 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 are received in connection with the same portfolio company in which payments under a monitoring fee agreement are received. KKR Credit Advisors (Singapore) and its affiliates, such as an Affiliated Broker (as defined below), could also receive fees in respect of administrative services provided to loan syndicates lending to the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) or its affiliates.

KKR Credit Advisors (Singapore) will periodically disclose to investors in certain KKR Credit Advisors (Singapore) Funds and Other Clients, if applicable, the amount of monitoring fees, transaction fees and break-up fees allocated to the KKR Credit Advisors (Singapore) Funds or Other Clients in which they have invested. Monitoring fees (including NPV Payments) and transaction fees generally will be allocated among KKR Credit Advisors (Singapore) Funds, Other Clients and KKR Associates Vehicles (and other participating KKR and KKR Credit proprietary entities, co-investment vehicles and other KKR Funds and KKR Credit Funds, if applicable) based on ownership of the relevant portfolio company or investment to which they are charged. The amount of break-up fees generally will be allocated among KKR Credit Advisors (Singapore) Funds, Other Clients, KKR Associates Vehicles (and other participating KKR and KKR Credit proprietary entities, co-investment vehicles and other KKR Funds and KKR Credit Funds, 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 Advisors (Singapore) and its affiliates (“**Employees**”) currently receive and are expected in the future to receive directors’ fees for serving on the boards of KKR Credit Advisors (Singapore) portfolio companies, holding vehicles and other entities in or through which KKR Credit Advisors (Singapore) Funds or Other Clients invest. These directors’ fees will generally be offset against KKR Credit Advisors (Singapore) Fund management fees. 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients will generally reduce or offset management fees otherwise payable by investors in such KKR Credit Advisors (Singapore) Funds or Other Clients as described in the offering materials, disclosure documents and/or governing documents of the relevant KKR Credit Advisors (Singapore) Funds or Other Clients. The portion of allocable compensation that reduces or offsets management fees varies between KKR Credit Advisors (Singapore) Funds and Other Clients. KKR Credit Advisors (Singapore) will retain the portion of such compensation that is allocated to KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP. KKR Credit

Advisors (Singapore) retains such compensation to the extent it is allocable to KKR Associates 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 KKR Associates Vehicles will not be shared and will not offset the management fees payable by KKR Credit Advisors (Singapore) Funds or Other Clients.

#### *Non-Shared Fees*

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

In addition, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients and their portfolio companies, holding vehicles and other entities in or through which KKR Credit Advisors (Singapore) Funds and Other Clients invest and KKR Credit Advisors (Singapore) or such affiliates will receive fees from such third parties in connection with such activities. Under these arrangements, although neither KKR Credit Advisors (Singapore) nor its affiliates will receive fees directly from KKR Credit Advisors (Singapore) Funds, Other Clients or their portfolio companies, holding vehicles and other entities in or through which KKR Credit Advisors (Singapore) Funds and Other Clients invest, KKR Credit Advisors (Singapore) or its affiliates could be viewed as indirectly receiving such fees from a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients. KKR Credit Advisors (Singapore) and its affiliates have an incentive to select third parties that are likely to engage KKR Credit Advisors (Singapore) or its affiliates in such arrangements. Please see also Item 11 – “*Financial Interest in KKR Credit Advisors (Singapore) Fund, Portfolio Company or Other Client Transactions*”.

#### **KKR Capstone, RPM and Other Consultants**

KKR Capstone Americas LLC (collectively with its related parties, “**KKR Capstone**”) provides consulting services to KKR and KKR Credit, KKR Funds and KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds and Other Clients) and portfolio companies, holding companies and other entities in or through which they invest. Similarly, RPM Energy Management LLC (collectively with its related parties, “**RPM**”) provides operating and consulting services to KKR, KKR Credit, KKR Funds and KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds and Other Clients) and certain portfolio companies and/or assets of the foregoing in the oil and gas industry.

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

KKR acquired KKR Capstone effective January 1, 2020 and KKR Capstone is owned and controlled by KKR. KKR Capstone operating executives (“KKR Capstone executives”) became employees of KKR after KKR’s acquisition.

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 Public Company, which has listed certain securities on the NYSE), (y) a portion of the carried interest distributions received by KKR Credit Advisors (Singapore) GPs and general partners of other KKR and KKR Credit funds and investment vehicles (“**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 Advisors (Singapore) Funds or Other Clients and of other KKR Funds and KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds and Other Clients). KKR Capstone executives could serve on the boards of directors of the portfolio companies of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients or offset against management fees or carried interest distributions payable by KKR Credit Advisors (Singapore) Funds or Other Clients.

RPM is owned by its senior management and is not a subsidiary or an affiliate of KKR or KKR Credit. RPM has an exclusive relationship with KKR and its affiliates (including KKR Credit Advisors (Singapore)). RPM provides advisory services to portfolio companies that KKR’s and its affiliates’ investment professionals do not otherwise provide, including, without limitation, replacement services. While KKR and its affiliates do not hold any voting/decision making rights or equity interests in RPM (and certain other Consultants), RPM (and certain other Consultants) will generally provide services to KKR and its affiliates and at the direction of KKR and its affiliates to portfolio companies, holding vehicles and other entities (including non-controlled entities) in or through which KKR Credit Advisors (Singapore) Funds and Other Clients invest or to KKR’s or its affiliates’ designees on an exclusive basis and also receive services and support from KKR and its affiliates, which are likely to be provided on favorable or below market rates. For example, KKR has in the past, presently does and is expected to in the future provide loans to RPM, which loans have (or would be expected to have) below market interest rates and no stated payment schedule, provides administrative services to RPM at below market rates, enters into arrangements with RPM that provide for below market rent and allows RPM to participate in KKR’s insurance policies and employee benefit plans without passing through the full cost of the coverage to RPM.

RPM and/or employees of RPM are expected to receive in the future compensation in the form of (x) grants of equity in one or more of the parent entities of KKR (including equity awards from the 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 Advisors (Singapore) Funds or Other Clients and of other KKR Funds and KKR Credit Funds. Any such compensation received by RPM will not be shared with KKR Credit Advisors (Singapore) Funds or Other Clients or offset against management fees or carried interest distributions payable by KKR Credit Advisors (Singapore) Funds or Other Clients. Similar benefits could be afforded to other Consultants (as defined below) engaged in respect of KKR Credit Advisors (Singapore) Funds or Other Clients or their strategies, portfolio companies or assets.

KKR Credit Advisors (Singapore) expects to engage persons to provide various consulting services to KKR Credit Advisors (Singapore) Funds and other Clients (“**Consultants**”) including and in addition to KKR Capstone and RPM, 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 and other property management or loan services, and general and administrative services, on terms similar to those described with respect to KKR Capstone and RPM.

KKR Capstone, RPM and other Consultants will often be involved in due diligence in connection with KKR Credit Advisors (Singapore)'s investment sourcing. Consultants could include former employees of KKR Credit Advisors (Singapore) or its affiliates. Generally, KKR Capstone, RPM 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 or KKR Credit on behalf of KKR Funds and KKR Credit Funds and KKR Capstone could in the future enter into engagement letters with portfolio companies, holding companies and other entities in which KKR Credit Advisors (Singapore) Fund and Other Clients invest for consulting services provided to such entities. Under those agreements and engagement letters, KKR Capstone, RPM and certain other Consultants are generally entitled to fees, other compensation and expense reimbursement (and, outside of the U.S., 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 (in the form of cash or equity) based on pre-agreed targets or milestones. While such fees and reimbursable expenses and other compensation paid to KKR Capstone and RPM are believed by KKR Credit Advisors (Singapore) 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. Other companies provide similar services as KKR Capstone, RPM and other Consultants, but KKR Credit Advisors (Singapore) believes they are less customized to the business of KKR Funds and KKR Credit Funds.

Fees and compensation received by KKR Capstone, RPM and other Consultants generally will not be shared with KKR Credit Advisors (Singapore) Funds or Other Clients or offset against management fees payable by KKR Credit Advisors (Singapore) Funds or Other Clients.

With respect to operating partners, KKR Credit Advisors (Singapore) 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 may receive success fees, performance-based compensation and other compensation for assistance provided by such operators in sourcing and diligencing investments for a KKR Credit Advisors (Singapore) Fund or Other Client and may co-invest alongside KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client (or another KKR Credit Fund) may acquire an interest in such operating partner, and members of such operating partner will not be treated as affiliates of the relevant KKR Credit Advisors (Singapore) GP for purposes of the governing documents of the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) or its affiliates in respect of such KKR Credit Advisors (Singapore) Fund or Other Client. Such operating partners (including operating partners in which a KKR Credit Advisors (Singapore) Fund or Other Client could own an interest) will generally operate assets on behalf of a KKR Credit Advisors (Singapore) 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 (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 and/or loans and debt instruments of portfolio companies and other non-controlled entities in or through which certain KKR Credit Advisors (Singapore) Funds or Other Clients invest, including in respect of securities or other instruments of such portfolio companies in which KKR Credit Advisors (Singapore) Funds or Other Clients have not have invested. 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 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 Advisors (Singapore) Funds or Other Clients invest, including in connection with mergers, acquisitions, and restructurings; and will alone, or with other counterparties, which might include other KKR 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 Advisors (Singapore) Fund’s or Other Client’s investment. Affiliated Brokers could also provide lines of credit to the portfolio companies of KKR Credit Advisors (Singapore) Fund and Other Client portfolio companies 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 Advisors (Singapore) Fund or Other Client (or portfolio company) invests. Affiliated Brokers could also provide syndication services to such entities including in respect of co-investments in transactions participated in by KKR Credit Advisors (Singapore) 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. Affiliated Brokers could 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 of KKR Credit Advisors (Singapore) Funds or Other Clients. While such fees, commissions, interest payments and other compensation are believed by KKR Credit Advisors (Singapore) to be reasonable and charged at market rates for the relevant activities, such compensation is generally determined through negotiations with related parties. No compensation received by Affiliated Brokers for the foregoing activities is offset against management fees or otherwise shared with KKR Credit Advisors (Singapore) Funds or Other Clients. Affiliated Brokers do not share in any transaction fees or monitoring fees earned by KKR Credit Advisors (Singapore) or its affiliates, which are generally allocated among KKR Credit Advisors (Singapore) Funds, Other Clients, KKR Associates Vehicles and other KKR Credit Funds and KKR Funds as discussed above. 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 Advisors (Singapore) Funds or Other Clients will form, enter into or invest in investment platforms, joint ventures, build-ups and other arrangements with third-parties or KKR Credit Advisors (Singapore) or its affiliates with respect to specified portfolio investments or categories of portfolio investments. In particular, such KKR Credit Advisors (Singapore) Funds or Other Clients could 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 will be 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 could therefore constitute affiliates of KKR or otherwise represent proprietary interests of KKR. As set forth in the governing documents for KKR Credit Advisors (Singapore) Funds and Other Clients, fees paid to such Platform Managers will not reduce management fees or other fees or carried interest distributions payable to KKR Credit Advisors (Singapore) or its affiliates in respect of KKR Credit Advisors (Singapore) Funds or Other Client. KKR Credit Advisors (Singapore) Funds or Other Clients will also invest in or own Platform Managers, which could 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 Advisors (Singapore) Funds or Other Clients (and other KKR Credit Funds and KKR Funds) and/or Platform Managers and/or third-party investors (such joint ventures and investments in platforms and build-ups, collectively, “**Platform Arrangements**”). KKR Credit (including KKR Credit Advisors (Singapore)) maintains policies and procedures to provide guidance to its investment professionals regarding the types of investments in Platform Arrangements and Platform Managers that are within the relevant investment strategies of KKR Credit Advisors (Singapore) Funds and Other Clients.

Platform Arrangements will also include certain investment vehicles that, directly or indirectly, hold or otherwise participate in aircraft, ships or other hard assets or other 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 Advisors (Singapore) determines such compensation is appropriate where KKR Credit Advisors (Singapore) 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 Advisors (Singapore) and its affiliates in building relationships that KKR Credit Advisors (Singapore) believes to be beneficial to a KKR Credit Advisors (Singapore) Fund or Other Client and/or that will create opportunities for future investments or otherwise optimize returns for such KKR Credit Advisors (Singapore) Fund or Other Client. Certain Asset Servicers have been established or otherwise invested in by KKR proprietary entities, and such asset services are therefore deemed to be affiliates of KKR Credit Advisors (Singapore) or otherwise represent proprietary interests of KKR. For example, affiliates of KKR has made a proprietary investment into a joint venture partnership with a commercial aviation finance company which provide services in respect of investment opportunities of certain KKR Credit and KKR Funds 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 or its affiliates to provide services to vehicles in which a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 will be borne directly by the relevant KKR Credit Advisors (Singapore) Funds or Other Clients (or as sourcing and diligence expenses, if applicable) or indirectly as KKR Credit Advisors (Singapore) Funds or Other Clients fund the startup and ongoing expenses of a newly formed portfolio company. Although a platform or build up portfolio entity is generally controlled by a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) or its affiliates in respect of such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) and its affiliates to KKR Credit Advisors (Singapore) Funds or Other Clients and a Platform Manager could also provide the same or similar services for assets owned by third parties, which could sometimes compete with KKR Credit Advisors (Singapore) Funds or Other Clients for investment opportunities. Multiple KKR Credit Advisors (Singapore) Funds or Other Clients (and other KKR Credit Funds and KKR Funds) could invest in the same Platform Arrangements. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds, Other Clients, (and other KKR Credit Funds, KKR Funds or third parties.

Certain Platform Managers and Asset Servicers include former KKR personnel, Senior Advisors or Industry Advisors (each defined below), KKR Capstone executives or RPM, 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 Advisors (Singapore) Fund or Other Client. In certain instances, KKR Credit Advisors (Singapore) will have little influence over certain unaffiliated Platform Managers and Asset Servicers invested in by a KKR Credit Advisors (Singapore) Fund or Other Client, and there is no assurance that these investments will benefit such KKR Credit Advisors (Singapore) 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 personnel, Senior Advisors, Industry Advisors, KKR Capstone executives or RPM, will increase the costs of and reduce the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client to the KKR Credit Advisors (Singapore) 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, RPM, and other Consultants.

## **Loan Servicing and Administrative Services**

Affiliates of KKR Credit Advisors (Singapore) also engage in loan servicing and other administrative services provided to borrowers, loan syndicates and similar arrangements. One or more of such KKR Credit Advisors (Singapore) affiliates are generally entitled to provide these services to portfolio companies of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) or its affiliates from or with respect to a KKR Credit Advisors (Singapore) Fund's or Other Client's portfolio companies will not be shared with the KKR Credit Advisors (Singapore) Fund or Other Client or offset against management fees or carried interest distributions payable by such KKR Credit Advisors (Singapore) Fund or Other Client.

KKR Credit Advisors (Singapore) and its affiliates will also receive payments for local administration or management services related to portfolio companies or investments of KKR Credit Advisors (Singapore) Funds and Other Clients from those portfolio companies or from entities through which a KKR Credit Advisors (Singapore) Fund or Other Client invests in a portfolio company or other investment. The amount and timing of the payment of such amounts will be determined by the relevant legal, tax or regulatory treatment that a KKR Credit Advisors (Singapore) Fund or Other Client is seeking to achieve, having regard to the circumstances in which such amounts are paid and the jurisdiction of establishment of the relevant portfolio company or intermediary entity. Generally, any such service costs received by KKR Credit Advisors (Singapore) and its affiliates with respect to a KKR Credit Advisors (Singapore) Fund or Other Client will not be shared with the KKR Credit Advisors (Singapore) Fund or Other Client or offset against management fees or carried interest distributions payable by such KKR Credit Advisors (Singapore) Fund or Other Client.

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

## **Warehoused Investments**

KKR Credit Advisors (Singapore) Funds or Other Clients will acquire one or more portfolio investments acquired by KKR Credit Advisors (Singapore) or its affiliates prior to the first closing date of such KKR Credit Advisors (Singapore) Fund or Other Client. KKR Credit Advisors (Singapore) or its affiliates receive certain fees, including fees paid to Affiliated Brokers, in connection with any such investments. KKR Capstone fees and RPM fees or other Consultants are also paid with respect to such investments. Any fees received by KKR Credit Advisors (Singapore) or its affiliates with respect to such investments prior to the date of transfer of such warehoused investments to the relevant KKR Credit Advisors (Singapore) Fund or Other Client will generally be retained by KKR Credit Advisors (Singapore) or its affiliates and will not be shared with the KKR Credit Advisors (Singapore) Fund or Other Client or otherwise reduce management fees payable by the KKR Credit Advisors (Singapore) Fund or Other Client to KKR Credit Advisors (Singapore). The decision of the relevant KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore) regarding the timing of the first closing date of the KKR Credit Advisors (Singapore) Fund or Other Client could therefore generally affect the portion of

fees received by KKR Credit Advisors (Singapore) and its affiliates with respect to the warehoused investments that are shared with the KKR Credit Advisors (Singapore) Fund or Other Client and that otherwise reduce management fees payable by the KKR Credit Advisors (Singapore) Fund or Other Client to KKR Credit Advisors (Singapore). In addition, the KKR Credit Advisors (Singapore) Fund or Other Client could be required to pay an additional amount on the acquisition cost of any warehoused investment equal to a certain percentage per annum from the date of closing of such warehoused investment until the date of transfer of such warehoused investment to the KKR Credit Advisors (Singapore) Fund or Other Client. The decision of the KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore) regarding the timing of the transfer of the warehoused investment to the KKR Credit Advisors (Singapore) Fund or Other Client will therefore affect the quantum of the foregoing additional amount that is paid by the KKR Credit Advisors (Singapore) Fund or Other Client to KKR Credit Advisors (Singapore) or its affiliates in such circumstances.

### **Senior Advisors, Industry Advisors and Other Consultants**

Senior advisors (“**Senior Advisors**”) and industry advisors (“**Industry Advisors**”) are typically senior business leaders who provide advisory and consulting services to KKR, KKR Credit (including KKR Credit Advisors (Singapore)), investment funds managed by KKR and KKR Credit and portfolio companies of the foregoing. Senior 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, KKR Funds, KKR Credit Funds and such portfolio companies. A significant portion of the compensation and reimbursement of expenses paid to Senior Advisors, Industry Advisors and other Consultants are allocated to KKR Funds and KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds and Other Clients) as expenses, and as a result, these items are described in detail below under *Expenses – Senior Advisors and Industry Advisors*. Senior 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. KKR Credit Advisors (Singapore) Funds and Other Clients will indirectly bear the cost of such compensation and expense reimbursement.

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

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

### **KKR Advisors**

KKR advisors (“**KKR Advisors**”) are individuals who were formerly employees of KKR and are subsequently engaged as consultants for KKR or its affiliates. Compensation of KKR Advisors is not borne by KKR Credit Advisors (Singapore) Funds or Other Clients. However, if KKR Advisors serve on the boards of portfolio companies of KKR Credit Advisors (Singapore) Funds or Other Clients, 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 Advisors (Singapore) Funds or Other Clients. Former KKR or KKR Credit employees (including former employees of KKR Credit Advisors (Singapore)) could also join a portfolio company (including, for example, a portfolio company comprising a joint venture between a KKR Credit Advisors (Singapore) Fund or Other Client and a third party manager or other person) as full time employees of such portfolio company and any compensation

received by such former employees will not offset management fees payable by the applicable KKR Credit Advisors (Singapore) Fund or Other Client.

## **Expenses**

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

In addition to calling capital to pay expenses, KKR Credit Advisors (Singapore) (or an affiliate) will from time to time advance funds on behalf of KKR Credit Advisors (Singapore) Funds or Other Clients for the payment of expenses and then be reimbursed through a reduction of subsequent distributions by the relevant KKR Credit Advisors (Singapore) Funds or Other Clients (or their subsidiaries) or by reducing the amount of monitoring fees, transaction fees and break-up fees allocable to such KKR Credit Advisors (Singapore) Funds or Other Clients 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 will also be reimbursed to KKR Credit Advisors (Singapore) by portfolio companies, with the same effect. However, expenses could also 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 Advisors (Singapore) Fund or Other Client. When such expenses are borne by such holding companies or other vehicles or by a specific KKR Credit Advisors (Singapore) Fund or Other Client, such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 KKR Credit Advisors (Singapore) Funds or Other Clients. Examples of organizational expenses are legal, accounting, and filing expenses incurred in connection with the organization and establishment of any KKR Credit Advisors (Singapore) Fund and the related KKR Credit Advisors (Singapore) GP, and the marketing and offering of interests in such KKR Credit Advisors (Singapore) Fund or Other Client, including commissions, costs, fees, and expenses of any placement agent or finder and legal, accounting, filing, capital raising, travel (including first or business class airfare and black car service) and accommodation (including first class lodging), printing and other similar costs, fees, and expenses. Certain KKR Credit Advisors (Singapore) Funds or Other Clients have and could pay the cost of the fund administration services that employees of KKR Credit Advisors (Singapore) or its affiliates provide (including compensation otherwise payable by KKR Credit Advisors (Singapore)), 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 Advisors (Singapore) Fund or Other Client.

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

Examples of direct and indirect operational expenses that fall within this category are professional fees directly attributable to a specific KKR Credit Advisors (Singapore) Fund or Other Client, such as legal fees; audit fees; insurance premiums; 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 and Industry Advisors; fees, other compensation and expenses of KKR Capstone, RPM and other Consultants; principal, interest on and fees and expenses arising out of, all fund borrowings; the costs of advisory committee meetings and the annual investors conference (or other investor meetings) and portfolio management committee meetings for the relevant KKR Credit Advisors (Singapore) Fund or Other Client (including costs and expenses of meals, events, entertainment and travel and accommodation costs of KKR Credit Advisors (Singapore) (or its affiliate's) personnel, Senior Advisors, Industry Advisors, KKR Advisors and employees of other Consultants attending such meetings); fees, costs and expenses incurred in connection with any amendments, restatements or other modifications to, or the monitoring of compliance with, fund agreements, side letters (including "most favored nations" provisions) and other constituent or related documents of the relevant KKR Credit Advisors (Singapore) Fund or Other Client or KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client; expenses of any actual or potential litigation or other dispute or investigation or inquiry related to any KKR Credit Advisors (Singapore) Fund or Other Client or any actual or potential portfolio investment (including expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of litigation and the appointment of any agents for service of process on behalf of such KKR Credit Advisors (Singapore) Fund, Other Client, KKR Credit Advisors (Singapore) or its affiliates or investors and other extraordinary expenses related to any KKR Credit Advisors (Singapore) 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 KKR Credit Advisors (Singapore)

Funds or Other Clients. KKR Credit Advisors (Singapore) Funds or Other Clients will also pay comparable costs, fees and expenses relating to any feeder funds (other than a KKR Associates Vehicle), alternative vehicles, portfolio companies or entities through which a KKR Credit Advisors (Singapore) Fund or Other Client invests that are not otherwise borne by such entities. KKR Credit Advisors (Singapore) Fund and Other Client expenses and the repayment of any borrowings incurred by a KKR Credit Advisors (Singapore) Fund or Other Client are allocated against and satisfied from investment proceeds received by such KKR Credit Advisors (Singapore) Fund or Other Client in a manner reasonably determined by the KKR Credit Advisors (Singapore) or the applicable KKR Credit Advisors (Singapore) GP. Generally, out-of-pocket expenses associated with completed portfolio investments are expected to be reimbursed to KKR Credit Advisors (Singapore) by the seller or the portfolio company or capitalized as part of the acquisition price of the transaction.

As noted above, certain KKR Credit Advisors (Singapore) Funds or Other Clients will also pay or otherwise bear the costs and expenses associated with administration of KKR Credit Advisors (Singapore) Funds, Other Clients and their assets, including allocable compensation and overhead of applicable KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients, (ii) administration of KKR Credit Advisors (Singapore) Fund or Other Client assets, and (iii) administration of non-KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client, which, for the avoidance of doubt, is limited to clauses (i) and (ii). KKR Credit Advisors (Singapore) 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 costs. Overhead will generally include rent, property taxes and utilities that are allocable to workspaces and shared spaces used by Applicable Employees. KKR Credit Advisors (Singapore) determines compensation of Applicable Employees in accordance with internally established methodologies. KKR Credit Advisors (Singapore) does not obtain pricing information from unaffiliated third-party service providers and accordingly compensation and overhead of Applicable Employees charged to a KKR Credit Advisors (Singapore) 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 and operations, KKR Credit Advisors (Singapore) expects from time to time, to expand the scope of Applicable Employees to apply to additional KKR Credit Advisors (Singapore) employees (or categories of personnel) devoting time to fund administration matters, including without limitation in-house attorneys, 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 platform 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 and Industry Advisors, KKR Capstone and RPM 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 Advisors (Singapore) 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 Advisors (Singapore) Fund, Other Client or KKR proprietary entity (or any other KKR Credit Fund or KKR Fund, as applicable) 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. 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 Advisors (Singapore) 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 RPM (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 or Industry Advisors (including Phantom Equity (defined below)), KKR Capstone, RPM, and other Consultants for services provided to a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client co-investing in the bridged transaction or to KKR Credit Advisors (Singapore) or an affiliate, in each instance to the KKR entity that provides bridge financing to the relevant KKR Credit Advisors (Singapore) 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) of maintaining the holding structure for portfolio investments, (iii) portfolio and risk management expenses (including hedging transactions and related costs), (iv) 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 litigation 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 (v) 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 Advisors (Singapore) affiliates, including Affiliated Brokers and also include amounts for service costs paid to KKR Credit Advisors (Singapore) (or any affiliate) by a portfolio company or any



entity through which a KKR Credit Advisors (Singapore) Fund, Other Clients or KKR Associates Vehicle (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, Industry Advisors and Other Consultants*

The terms of engagement, including the financial package, for Senior Advisors, Industry Advisors and other Consultants are generally agreed (“**Terms of Engagement**”) between the Senior 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 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 Advisors (Singapore) 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 Public Company) and (v) an opportunity to invest in KKR or KKR Credit Advisors (Singapore) Funds or specific transactions on a no-fee/no-carry basis. Senior Advisors and Industry Advisors are also entitled to reimbursement for expenses incurred while providing services to KKR Credit (including KKR Credit Advisors (Singapore)), KKR Fund, KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds and Other Clients) and their portfolio companies. Senior Advisors and Industry Advisors also receive consulting related compensation in the form of fixed and incentive compensation. KKR Credit Advisors (Singapore) Funds and Other Clients bear, directly or indirectly, a portion of the costs of consulting services provided by Senior Advisors, Industry Advisors or other Consultants.

KKR Credit Advisors (Singapore) and its affiliates allocate Senior 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 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 related activities, such as meetings with investors and strategic planning, expenses of which are borne by or its affiliates and not KKR Credit Advisors (Singapore) Funds or Other Clients. The expenses related to equity grants in one or more of the parent entities of KKR Credit Advisors (Singapore) have historically been borne by KKR (or one of its affiliates) and not allocated to KKR Credit Advisors (Singapore) Funds or Other Clients.

Senior Advisors, Industry Advisors or other Consultants also serve on the boards of directors of KKR Credit Advisors (Singapore) Fund or Other Client portfolio companies and could otherwise serve directly as consultants or interim executives to KKR Credit Advisors (Singapore) portfolio companies and could receive directors’ fees, consulting fees, equity grants and other compensation in connection therewith from KKR Credit Advisors (Singapore) portfolio companies. Such directors’ fees or other compensation earned by Senior Advisors, Industry Advisors or other Consultants do not offset management fees payable by KKR Credit Advisors (Singapore) Funds or Other Clients. Certain Terms of Engagement provide KKR the discretion to determine whether this additional compensation paid to Senior Advisors, Industry Advisors or other Consultants by KKR Credit Advisors (Singapore) Fund portfolio companies will offset the cash compensation paid to such Senior Advisors or Industry Advisors under the Terms of

Engagement, although KKR Credit Advisors (Singapore) typically does not offset such cash compensation.

#### *Expense Allocation*

KKR Credit Advisors (Singapore) and its affiliates allocate expenses among KKR Funds, KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds and Other Clients) and KKR Associates Vehicles that participate in a relevant KKR Credit Advisors (Singapore) investment strategy. Expenses will also be allocated to those KKR 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 Advisors (Singapore) investments opportunities on an excess capacity basis (“**Secondary Accounts**”) (as defined under *Item 11*).

KKR Credit Advisors (Singapore) allocates expenses among KKR Credit Advisors (Singapore) Funds, Other Clients and KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, KKR Funds or KKR Associates Vehicles to which they relate in accordance with the offering and governing documents of each KKR Credit Advisors (Singapore) Fund and Other Client.

Expenses are charged to KKR Credit Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, KKR Funds, KKR Associates Vehicles, Secondary Accounts and KKR proprietary entities based on an allocation methodology that seeks to fairly allocate such administrative expenses among relevant KKR Credit Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, KKR Funds, KKR Associates 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 Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, KKR Funds, KKR Associates 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 Advisors (Singapore) Fund, Other Client, other KKR Credit Fund, KKR Fund, 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 Advisors (Singapore) Fund or Other Client, such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, KKR Funds, KKR Associates 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 Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, KKR Funds, KKR Associates 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 Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, KKR Funds and KKR Associates 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 Advisors (Singapore) investment opportunities. The allocation is based on actual or historical participation in the relevant investment strategy for which the particular investment opportunity relates.

Sourcing and diligence expenses for unconsummated, or broken transactions, under an established threshold, are generally charged to KKR Credit Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, KKR Funds, KKR Associates Vehicles and KKR proprietary entities participating in the relevant strategy for which the particular investment opportunity relates based on several factors, including but not limited to such KKR Credit Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, KKR Funds and KKR Associates Vehicles available capacity for the relevant investment strategy based on their respective governing documents and investment mandate as well as their current net asset value, as applicable. Because KKR Credit Advisors (Singapore) 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 Advisors (Singapore) does not allocate sourcing and diligence expenses to syndicated capital co-investment vehicles or syndication side cars.

## **Other**

Portfolio companies or portfolio investments of KKR Credit Advisors (Singapore) Funds or Other Clients could in the future be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other KKR Credit Advisors (Singapore) Funds or Other Clients, other KKR Credit Funds or KKR Funds (for example, a portfolio company of a KKR Credit Advisors (Singapore) Fund could retain a portfolio company of another KKR Credit Advisors (Singapore) Fund to provide services or acquires an asset from such portfolio company). Generally, transactions between portfolio companies of KKR Credit Advisors (Singapore) Funds or Other Clients (or other KKR Credit Funds or KKR Funds) 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 Advisors (Singapore) and its affiliates and without the participation of KKR Credit Advisors (Singapore) and its affiliates. Where KKR Credit Advisors (Singapore) determines that there is a conflict, including when members of management are not sufficiently independent of KKR Credit Advisors (Singapore) and its affiliates, KKR Credit Advisors (Singapore) 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 and its affiliates (including KKR Credit Advisors (Singapore) and KKR Capstone) and its employees or RPM. For example, KKR and its affiliates encourage portfolio companies to enter into agreements regarding group procurement and/or vendor discounts. In certain cases, KKR and its affiliates (including KKR Credit Advisors (Singapore) KKR Capstone) and/or RPM will 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 (or one of its affiliates), RPM or another 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients that do not own an interest in such portfolio company.

KKR or its affiliates, or the officers, directors and employees of KKR or its affiliates (including KKR Credit Advisors (Singapore)) 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 Advisors (Singapore) Funds or Other Clients, subject to KKR Credit Advisors (Singapore)'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 Advisors (Singapore) Funds or Other Clients.

In addition, portfolio companies of KKR Credit Advisors (Singapore) Funds or Other Clients could make discounts and other benefits available to employees of KKR and its affiliates, including KKR Credit Advisors (Singapore) and to Consultants, Senior Advisors, Industry Advisors and KKR Advisors and other persons associated with KKR and its affiliates with respect to products or services offered by such companies. Furthermore, airline travel or hotel stays incurred as KKR Credit Advisors (Singapore) Fund or Other Client expenses will 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 Advisors (Singapore) and/or its personnel (and not KKR Credit Advisors (Singapore) Funds, Other Clients or portfolio companies) even though the cost of the underlying service is often borne by the KKR Credit Advisors (Singapore) Funds, Other Clients or portfolio companies. The amount of such discounts and other benefits will not offset management fees payable by KKR Credit Advisors (Singapore) Funds or Other Clients.

RPM meets with investors and prospective investors to describe the role of their firm and provide information regarding their activities and arrangements. Typically, RPM will not charge fees to KKR or its affiliates, including KKR Credit Advisors (Singapore), KKR Credit Advisors (Singapore) Funds or Other Clients in connection with their executives attending meetings with investors (including annual meetings of KKR Credit Advisors (Singapore) Funds) or internal KKR meetings. However RPM is reimbursed for travel related expenses for attending such meetings. Certain other Consultants are also reimbursed for attending such meetings. While KKR or its affiliates bears the expense reimbursement for internal KKR meetings, KKR Credit Advisors (Singapore) Funds and Other Clients will bear the relevant expense reimbursement for any meetings related to their activities.

In connection with the management and oversight of the KKR Credit Funds and Other Clients, neither KKR Credit Advisors (Singapore) 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 Incentive Allocations and Side-By-Side Management**

As noted in *Item 5 - Fees and Compensation* above, KKR Credit Advisors (Singapore) (including the KKR Credit Advisors (Singapore) GPs) generally receives carried interest allocations and fees from KKR Credit Advisors (Singapore) Funds or Other Clients. From time to time, KKR Credit Advisors (Singapore) has an incentive to favor, or take increased investment risk with respect to KKR Credit Advisors (Singapore) Funds or Other Clients from which it receives higher carried interest allocation (or which are subject to lower preferred return hurdles) or fees over KKR Credit Advisors (Singapore) Funds or Other Clients from which lower or no carried interest allocation or fees is received (and notwithstanding that such accounts do not give rise to carried interest allocations, KKR Credit Advisors (Singapore) in any event will in certain cases have an incentive to favor a certain KKR proprietary entity over any other KKR Credit Advisors (Singapore) 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 Advisors (Singapore) advises certain KKR Credit Advisors (Singapore) Funds that are either feeder funds investing in other KKR Credit Advisors (Singapore) Funds or side-by-side vehicles investing alongside other KKR Credit Advisors (Singapore) Funds established primarily for the benefit of Employees, Senior Advisors, Industry Advisors and KKR Advisors and RPM 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) ("**KKR Associates Vehicles**"). KKR Associates 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 Advisors (Singapore) Funds) of the portfolio company or investment as discussed above in *Item 5 - Fees and Compensation*. KKR Credit Advisors (Singapore) or its affiliates retains such compensation to the extent it is allocable to KKR Associates Vehicles. KKR Credit Advisors (Singapore) or its affiliates bear their allocable share of KKR Credit Advisors (Singapore) Fund organizational costs and other expenses on behalf of the KKR Associates Vehicles. As the investment activities of these vehicles are implemented indirectly through the other KKR Credit Advisors (Singapore) Funds in which they invest or alongside other KKR Credit Advisors (Singapore) Funds, as applicable, KKR Credit Advisors (Singapore) does not view these arrangements as giving rise to the types of conflicts of interest described above.

#### **Item 7 Types of Clients**

KKR Credit Advisors (Singapore) provides investment management, advisory and administrative services, as described above in response to *Item 4 - Advisory Business*, to the KKR Credit Advisors (Singapore) Funds and Other Clients. With limited exceptions (including, currently, with respect to KKR Associates Vehicles), investment in KKR Credit Advisors (Singapore) Funds is generally only available to institutional investors and certain high net worth investors that are "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 Advisors (Singapore) 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 Advisors (Singapore) or the relevant KKR Credit Advisors (Singapore) 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, will invest in KKR Credit Advisors (Singapore) Funds and Other Clients. Additionally, Employees and other persons associated with KKR Credit Advisors (Singapore) and/or its affiliates and portfolio companies, including, for example, current or former portfolio company executives, and certain KKR proprietary entities, could make capital contributions to KKR Credit Advisors (Singapore) Funds including, in particular, KKR Associates Vehicles.

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

### **Investment Strategies and Methods of Analysis**

The investment strategies employed by KKR Credit Advisors (Singapore) in respect of the KKR Credit Advisors (Singapore) Funds or Other Clients focus, primarily, on private credit opportunities, including but not limited to senior and unitranche corporate lending, subordinated corporate lending (mezzanine and other subordinated debt investments), and asset-based finance investments, including equity and mortgage REIT investments, and common or preferred equity investments in connection with the foregoing. KKR Credit Advisors (Singapore) Funds might also accommodate co-investments alongside investment funds managed by KKR Credit, KKR and its affiliates including private equity funds and funds that invest in real assets. In pursuit of these strategies, KKR Credit Advisors (Singapore), on behalf of KKR Credit Advisors (Singapore), KKR Credit Advisors (Singapore) 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 Advisors (Singapore) employs both “top-down” and “bottom-up” analyses when making investments. KKR Credit Advisors (Singapore)’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 Advisors (Singapore)’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 private credit and mezzanine investment strategies, KKR Credit Advisors (Singapore) also uses internally developed proprietary industry and company-specific models as a basis for forecasting market and company specific trends.

KKR Credit Advisors (Singapore) utilizes multiple sources of information in analyzing investments, including financial newspapers and magazines, inspections of corporate activities, research material

prepared by others, corporate rating services, annual reports, prospectuses, filings with applicable regulators, and company press releases. KKR Credit Advisors (Singapore) also uses industry magazines, third party consultants, expert networks, lawyers, accountants, asset operators, regulatory filings filed with applicable 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 and KKR Credit. KKR Credit Advisors (Singapore) employees also participate in on-site visits, industry group and portfolio company management meetings, creditors' committees, steering committees or could be on the boards of directors of portfolio companies, which will also be a source of information in respect of such companies subject to policies and procedures related to nonpublic and proprietary information.

In addition, KKR Capstone, RPM, other Consultants, Senior Advisors, Industry Advisors and KKR Advisors could provide supplemental insights to KKR and KKR Credit Advisors (Singapore) from a management consulting perspective and from the perspective of a C-level executive (i.e., "chief" executive officers or other senior officers) or board of directors. KKR has a roster of active Senior Advisors and Industry Advisors globally, many of whom have extensive corporate management expertise, having served as Chief Executive Officer, Chief Financial Officer, Chairman of the Board, or other comparable positions at large, industry-leading companies or governmental regulatory agencies. In conducting due diligence on investments in third party funds, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients. Such summary does not purport to be a complete list or explanation of the risks involved in an investment in a KKR Credit Advisors (Singapore) Fund or Other Client. The offering materials, disclosure documents and/or governing documents of each KKR Credit Advisors (Singapore) Fund or Other Client will typically include a more detailed summary of material risks applicable to the KKR Credit Advisors (Singapore) Fund or Other Client and its investment strategy and structure and should be read in conjunction with the risks below.

#### *Illiquid and Long-Term Investments*

Investments in KKR Credit Advisors (Singapore) Funds or Other Clients are speculative in nature and require a long-term commitment, with no certainty of return of capital or gains. The investments are expected to be predominantly illiquid and there can be no assurance that a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients can generally be sold at any time, sales typically only occur only a number of years after the investment is made. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client is

unable to take advantage of favorable market prices when doing so. 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 Advisors (Singapore) 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 their capital for a long period of time even if the investments of the KKR Credit Advisors (Singapore) Fund or Other Client in which they are invested prove successful. Certain investments by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients will rely on the relevant KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore) and its affiliates, as applicable, for valuation of their assets and liabilities. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP or KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients rely on the valuations or valuation information provided by, or determined in consultation with, the relevant KKR or KKR Credit Advisors (Singapore) general partner or KKR and its affiliates, as applicable (for example, when KKR Credit Advisors (Singapore) Funds or Other Clients are investing in KKR or KKR Credit investment strategies). 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 Advisors (Singapore) 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 which are not predictable and can have a material impact on the reliability and accuracy of such valuations. Due to a wide variety of market factors and the nature of certain securities and/or loans and assets to be held by KKR Credit Advisors (Singapore) Funds and Other Clients, there is no guarantee that the value determined by a KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore) will represent the value that will be realized by a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) regularly reports to investors and prospective investors certain metrics of KKR Credit Advisors (Singapore) Funds and Other Clients performance, such as rates of return and multiples of money, which calculations depend on the value of such KKR Credit Advisors (Singapore) Funds or 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 received by KKR Credit Advisors (Singapore) or a KKR Credit Advisors (Singapore) GP with respect to a KKR Credit Advisors (Singapore) Fund or Other Client will depend in part on the value of a KKR Credit Advisors (Singapore) Fund's or Other Client's assets and liabilities. If the valuations made by the KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore) are incorrect, the amount of carried interest received by the KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore) or the timing of receipt of carried interest would also be expected to be incorrect.



## *Due Diligence*

KKR Credit Advisors (Singapore) 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, technological, regulatory and legal issues. 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 Advisors (Singapore)'s reduced control of the functions that are outsourced. In addition, if KKR Credit Advisors (Singapore) 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 Advisors (Singapore) relies primarily on publicly available information and resources. In connection with certain alternative credit strategies, KKR Credit Advisors (Singapore) also relies on information provided by the target of the investment and, in some circumstances, third-party information. The due diligence that KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client has an investment could undermine KKR Credit Advisors (Singapore)'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 Advisors (Singapore) Fund or Other Client investment therein, could have an adverse impact on a KKR Credit Advisors (Singapore) Fund or Other Client. Additionally, in connection with the evaluation of potential investment opportunities, KKR Credit Advisors (Singapore) engages with individuals retained by expert networks who are under an obligation not to disclose confidential information. KKR Credit Advisors (Singapore) seeks to avoid inadvertently obtaining confidential information from such sources and has therefore implemented procedures to mitigate the risk that the use of expert networks could result in the receipt of confidential information by investment professionals. However, no assurance can be made that such individuals do not share confidential information. In such cases, KKR Credit Advisors (Singapore) could become restricted from pursuing investments, which could adversely impact on a KKR Credit Advisors (Singapore) Fund or Other Client.

As a part of due diligence on a potential investment, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds invest throughout jurisdictions that have material perceptions of corruption according to international rating

standards (such as “Transparency International” and “Corruption Perceptions Index”) such as China, India, Indonesia, and countries in 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) used when evaluating that investment.

Additionally, in connection with the evaluation of potential investment opportunities, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) will become restricted from pursuing an investment opportunity, which could adversely impact a KKR Credit Advisors (Singapore) Fund or Other Client.

#### *Risks Arising from Provision of Oversight Rights*

KKR Credit Advisors (Singapore) Funds or Other Clients sometimes seek or obtain oversight rights with respect to KKR Credit Advisors (Singapore) Funds’ or Other Clients’ portfolio companies, and KKR, KKR Credit, KKR Credit Advisors (Singapore) or KKR Capstone 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 Advisors (Singapore) 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, 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client even where the nexus between the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients.

In addition, the provision of managerial assistance to a portfolio company could result in KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore)'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 Advisors (Singapore) Fund (and potentially Other Client) transactions could involve complex tax structures that are costly to establish, monitor and maintain, and as KKR Credit Advisors (Singapore) 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 Advisors (Singapore) is subject to the risk of failing to achieve the desired tax benefit or otherwise decrease the returns of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients will acquire an investment that is subject to contingent liabilities, which could be unknown to KKR Credit Advisors (Singapore) at the time of acquisition or, if they are known to KKR Credit Advisors (Singapore), KKR Credit Advisors (Singapore) will not accurately assess or protect against the risks that they present. Acquired contingent liabilities could thus result in unforeseen losses for KKR Credit Advisors (Singapore) Funds or Other Clients.

### *Investment Ranking*

In many cases, the portfolio companies in which a KKR Credit Advisors (Singapore) 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. 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients, against management fees payable by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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.

#### *Investments Longer Than Fund Term*

KKR Credit Advisors (Singapore) Funds and Other Clients will generally be terminated and dissolved in accordance with the provisions set forth in their governing documents, including any permissible extensions of the terms of the relevant KKR Credit Advisors (Singapore) Fund or Other Client. KKR Credit Advisors (Singapore) Funds and Other Clients might make investments that are not advantageously disposed of prior to the date that a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client could be substantially adversely affected by the unfavorable performance of even a single investment. In addition, KKR Credit Advisors (Singapore) Funds or Other Clients' investment programs are often concentrated in a limited number of sectors and geographies. During periods of difficult market conditions or slowdowns in certain regions or geographies, the adverse effect on a KKR Credit Advisors (Singapore) Fund or Other Client could be exacerbated by the geographic or sectoral concentration of its investments. If a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund's or Other Client's target positions, such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client's investments being over-concentrated in certain borrowers. To the extent that a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client is also an investor in one or more other KKR Credit Advisors (Singapore) 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.

#### *Investment Leverage; Availability of Financing*

KKR Credit Advisors (Singapore) Fund and Other Client investments typically include investments in companies and assets whose capital structures include significant indebtedness (including to the extent KKR Credit Advisors (Singapore) Funds or Other Clients hold second-lien debt interests, certain leverage senior to KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients have invested become insolvent, KKR Credit Advisors (Singapore) Funds or Other Clients might determine, in cooperation with other debt holders or on their own, to engage, at the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) could incur leverage on behalf of KKR Credit Advisors (Singapore) Funds or Other Clients

Because KKR Credit Advisors (Singapore) Funds and Other Clients could make equity investments in portfolio companies, the equity securities received by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund's or Other Client's investment. Leverage is also applied with respect to a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund's or Other Client's investment portfolio and could substantially increase the risk profile of a KKR Credit Advisors (Singapore) Fund or Other Client and its investments.

Any failure by lenders to provide previously committed financing can also expose KKR Credit Advisors (Singapore) Funds or Other Clients to potential claims by sellers of businesses which KKR Credit Advisors (Singapore) Funds or Other Clients have contracted to purchase. 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 Advisors (Singapore) or KKR Credit Advisors (Singapore) Funds or Other Clients.

#### *Availability of Suitable Investment Opportunities*

The success of a KKR Credit Advisors (Singapore) Fund's or Other Client's investment strategy depends on the ability of KKR Credit Advisors (Singapore) to identify and select appropriate investment opportunities and to acquire these investments. The industries and sectors in which a KKR Credit Advisors (Singapore) Fund or Other Client invests are highly competitive. KKR Credit Advisors (Singapore) Funds and Other Clients compete for investments with operating companies, financial institutions, and other institutional investors as well as private equity, hedge, and other investment funds, and this competition could adversely impact the availability of investments and the terms upon which KKR Credit Advisors (Singapore) effects and exits them.

#### *International Investments*

KKR Credit Advisors (Singapore) Funds and Other Clients invest globally and could invest in Australia and New Zealand, Southeast Asia, India, Japan, Korea and Greater China as well as emerging or developing market countries). 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; (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 Advisors (Singapore) Funds and Other Clients but also the value, in U.S. dollars, of the investments and investment proceeds of KKR Credit Advisors (Singapore) Funds and Other Clients. For example, China has

implemented stricter controls on foreign exchange and outbound remittances. 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.

Following the global financial crisis of 2008-2009 and the subsequent uneven global recovery, the rise of populist political parties and economic nationalist sentiments has led to increasing political uncertainty and unpredictability throughout the world. Furthermore, the current rise of populist political movements could result in negative sentiment toward globalization, free trade, capitalism and financial institutions, which could lead to heightened scrutiny and criticisms of KKR Credit Advisors (Singapore) and investments of KKR Credit Advisors (Singapore) Funds and Other Clients. In addition, public discourse in the 2020 U.S. presidential election has elevated the level of focus put on KKR Credit Advisors (Singapore) and the industries and the portfolio companies in which KKR Credit Advisors (Singapore) Funds and Other Clients are invested. The risk of reputational harm is elevated by the prevalence of internet and social media usage and the increased public focus on behaviors and externalities of business activities, including those affecting stakeholder interests and ESG considerations. Among the attendant risks are greater regulatory uncertainty, for example regarding the posture of governments with respect to taxation, international trade, immigration and law enforcement. Further political instability or uncertainty in the future could have an adverse effect on the economy of such countries.

Certain jurisdictions in which KKR Credit Advisors (Singapore) or its affiliates operate could have laws and regulations relating to data privacy, cyber-security and protection of personal information, including the General Data Protection Regulation (“**GDPR**”) in the EU that became effective in May 2018 and the California Consumer Privacy Act (“**CCPA**”) that became effective in January 2020.

GDPR and CCPA which impose stringent privacy and data protection requirements for covered businesses and provides for significant penalties for non-compliance (see also “*Cybersecurity Risks; System Failures*” below). 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 Advisors (Singapore)’s reputation and adversely affect KKR Credit Advisors (Singapore) Funds and Other Clients.

Economic sanction laws in the U.S. and other jurisdictions prohibit KKR Credit Advisors (Singapore), KKR Credit Advisors (Singapore) Funds and Other Clients from transacting with certain countries, individuals and companies. In the United States, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”) administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions, which prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These types of trade sanctions significantly restrict or completely prohibit certain investment activities in regions outside the U.S., and if a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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**”). KKR Credit Advisors (Singapore) Funds and Other Clients, and KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client subsequently become subject to applicable sanctions, the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) and KKR Credit Advisors (Singapore) 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 Advisors (Singapore) to be unwilling to enter into certain potential investments that KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund and Other Client portfolio companies. If a portfolio company of a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds’ and Other Clients’ portfolio companies or KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients.

In recent years, the U.S. Department of Justice (the “**DOJ**”) and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has recently significantly expanded the reach of its anti-bribery laws. While KKR Credit Advisors has developed and implemented policies and procedures designed to ensure compliance by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore)’s business prospects and/or financial position, as well as the ability of a KKR Credit Advisors (Singapore) Fund or Other Client to achieve their investment objective and/or conduct its operations.



The economies of many countries are heavily dependent upon international trade and, accordingly, could be materially and adversely affected by protective trade barriers and economic conditions in the countries with which they trade. In addition, 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. Certain European and Asian countries have from time to time experienced high rates of inflation and have extensive external debt.

#### *Changes Resulting from the United Kingdom's Exit from the European Union*

The United Kingdom formally exited the European Union on January 31, 2020. During a transitional period that applies from December 31, 2020, affiliates of KKR Credit Advisors (Singapore) located in the European Union and the United Kingdom will have largely the same rights as they currently have, including in relation to the exercise of passporting rights. However, the nature and extent of the future relationship between the United Kingdom and the EU is currently subject to negotiation and remain unclear. The United Kingdom could leave the EU without any agreement as to the terms of the future relationship. The resulting legal, regulatory and political uncertainty in this regard have impacted and will likely continue to impact KKR Credit Advisors (Singapore) Funds and Other Clients and its portfolio companies in a variety of ways, not all of which are currently readily apparent, with the materiality of any risks dependent in large part on actions to be taken by the United Kingdom and the EU. Certain KKR Credit Advisors (Singapore) Funds and Other Clients could have portfolio companies and other issuers with significant operations and/or assets in the United Kingdom, any of which could be adversely impacted by any new legal, tax and regulatory environment, whether by increased costs or impediments to the implementation of their business plan. Moreover, the uncertainty with respect to Brexit might adversely affect KKR Credit's ability to source investments in portfolio companies that are located in the United Kingdom, or derive revenues from, the United Kingdom. Brexit could also impair KKR Credit Advisors (Singapore)'s ability to recruit, retain and motivate new employees and retain key employees.

#### *Uncertainty Regarding Ongoing Trade Negotiations between the United States and China*

As noted below in “*Market, Economic and Political Risks*,” market disruption can negatively impact funds such as KKR Credit Advisors (Singapore) Funds and Other Clients. Trade tensions, for example, between the United States and China as well as among the United States and other countries, have had and likely will continue to have an adverse impact on global economic conditions. In July 2018 and 2019, the United States and China implemented 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 agricultural products. Although an initial trade deal was subsequently reached in January 2020 between the two countries there remains much uncertainty as to whether this and further trade negotiations between the United States and China will be successful and how the trade tensions between the United States and China will progress. If trade tensions between the United States and China continue or escalate, or if additional tariffs or trade restrictions are implemented by the United States, China or other countries in connection with trade disputes, there could be material adverse effects on the economies of numerous countries, and KKR Credit Advisors (Singapore) Funds and Other Clients and their portfolio investments could be materially and adversely affected.

#### *Pandemics, Epidemics and Other Public Health Crises*

Pandemics, epidemics or other public health crisis, periodically adversely impact KKR Credit, KKR Credit Advisors (Singapore) Funds, Other Clients and their portfolio companies, both regionally, and, in connection, for example with the COVID-19 pandemic, a worldwide basis. The continuing spread of COVID-19 and other pandemics has had, and will continue to have, a material adverse impact on local economies in the affected jurisdictions and also on the global economy as cross border commercial

activity is impacted by government and private measures seeking to contain its spread. In addition to these developments having potential adverse consequences for the portfolio companies and other issuers Clients' investments therein, the operations of KKR Credit Advisors (Singapore) and KKR Credit Advisors (Singapore) Funds and Other Clients in many jurisdictions will be adversely impacted, including as a result of government and private mandated quarantine measures, business closures and suspensions and travel restrictions, and any related health issues of such personnel, including key executives. Disruptions to commercial activity relating to the imposition of quarantines or travel restrictions (or more generally, a failure of containment efforts) will adversely impact investments of KKR Credit Advisors (Singapore) Funds and Other Clients, including by delaying or causing supply chain disruptions or by causing staffing shortages. Any of foregoing could materially and adversely affect the ability of KKR Credit Advisors (Singapore) 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 outbreak of COVID-19 has contributed to, and could continue to contribute to, volatility in financial markets, including changes in interest rates. COVID-19 and other outbreaks like it have negative impacts on economic fundamentals and consumer confidence, increase the risk of default of particular portfolio companies, reduce the availability of debt financing to KKR Credit Advisors (Singapore) Funds and Other Clients and potential purchasers of their portfolio companies, negatively impact market values, cause credit spreads to widen, and impair liquidity and capital resources, all of which would be expected to have an adverse effect on the returns of KKR Credit Advisors (Singapore) Funds and Other Clients. No assurance can be given as to the effect of these events on the value of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients.

Subsequent to December 31, 2019, the global financial markets have experienced considerable volatility, and economic and financial market conditions have significantly deteriorated as compared to the quarter ending December 31, 2019. KKR Credit Advisors (Singapore) values investments by reference to one or more inputs and methodologies, including, to the extent applicable, public and private market quotations for the investment, public and private market quotations for assets the value of which can serve as a reference to the value of the investment, discounted cash flow analysis, valuations at multiples of specific financial measurements (e.g., EBITDA) based on multiples at which comparable companies trade, and estimates of the fair value of the assets and liabilities on an entity's balance sheet. As an example of how these inputs could impact the investment performance of the KKR Credit Advisors (Singapore) Funds and Other Clients and the assets under management of KKR Credit Advisors (Singapore) to the extent that KKR Credit Advisors (Singapore) determines the value of an investment in whole or in part by reference to public market valuations, KKR Credit Advisors (Singapore) expects these investment values to be negatively impacted by recent market events and the assets under management of KKR Credit Advisors (Singapore) to be reduced accordingly.

#### *Foreign Direct Investment Considerations including CFIUS*

Although not generally expected due to the geographic focus of the KKR Credit Advisors (Singapore) Fund and Other Clients, certain investments by KKR Credit Advisors (Singapore) Funds and Other Clients that involve the acquisition of a business connected with or related to national security or critical infrastructure could be subject to review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS") and/or non-U.S. national security/investment clearance regulators depending on the beneficial ownership and control of interests in the KKR Credit Advisors (Singapore) Fund or Other Client. In the event that CFIUS or another regulator reviews one or more of a

KKR Credit Advisors (Singapore) Fund's or Other Client's proposed or existing investments, there can be no assurances that the KKR Credit Advisors (Singapore) Fund or Other Client will be able to maintain, or proceed with, such investments on terms acceptable to the KKR Credit Advisors (Singapore) Fund or Other Client. CFIUS or another regulator could seek to impose limitations on or prohibit one or more investments of the KKR Credit Advisors (Singapore) Fund or Other Client. Such limitations or restrictions might prevent a KKR Credit Advisors (Singapore) Fund or Other Client from maintaining or pursuing investments and could also limit the number of potential buyers to whom a KKR Credit Advisors (Singapore) Fund or Other Client can sell its investments to, which could adversely affect the performance of a KKR Credit Advisors (Singapore) Fund or Other Client with respect to such investments. In addition, non-U.S. investors in KKR Credit Advisors (Singapore) Funds and Other Clients comprise or are likely to comprise a substantial portion of the aggregate capital commitments of a KKR Credit Advisors (Singapore) Fund or Other Client, which increases both the risk that investments could be subject to review by CFIUS, 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 Advisors (Singapore) Funds or Other Clients. In the event that restrictions are imposed on any investment by a KKR Credit Advisors (Singapore) Fund or Other Client due to the non-U.S. status of an investor or group of investors or other related 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 Advisors (Singapore) 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 Advisors (Singapore) Fund to maintain, or proceed with, any investment.

#### *Investments through Offshore Holding Companies*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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.

#### *Subscription Facilities; Guarantees; Contractual Obligations*

Certain KKR Credit Advisors (Singapore) Funds may obtain one or more revolving credit facilities (“**subscription facilities**”). Subscription facilities of KKR Credit Advisors (Singapore) Funds are expected to be used by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds to pay management fees or other fund expenses and liabilities. Borrowings (including subscription facilities) are permitted to be entered into on a joint and several or cross-collateralized basis with, or for the benefit of any alternative vehicles or other parallel fund of a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund's subscription facility), in which case such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds could be required to recontribute funds previously distributed by a KKR Credit Advisors (Singapore) Fund in the event that the KKR Credit Advisors (Singapore) Fund's assets are insufficient to satisfy such liabilities and obligations. KKR Credit Advisors (Singapore) Funds are also permitted to pledge assets of the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund are directly or indirectly held for the above purposes. In certain cases, KKR Credit Advisors (Singapore) parallel funds established to invest alongside a KKR Credit Advisors (Singapore) Fund might not hold a closing or call capital until the final closing of the KKR Credit Advisors (Singapore) Fund. Such KKR Credit Advisors (Singapore) parallel funds could, however, receive an allocation of any investments made by the KKR Credit Advisors (Singapore) Fund prior to its final closing based on their uncalled commitments. KKR Credit Advisors (Singapore) parallel funds could therefore benefit from borrowings by the KKR Credit Advisors (Singapore) Fund under its subscription facility, 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 Advisors (Singapore) Fund in connection with these borrowings or in connection with establishing the subscription facility, including without limitation any associated legal

costs or expenses. If a KKR Credit Advisors (Singapore) Fund obtains a subscription facility, it is generally expected that the KKR Credit Advisors (Singapore) Fund's interim capital needs and any capital needs prior to the KKR Credit Advisors (Singapore) Fund's final closing dated will be satisfied through borrowings by the KKR Credit Advisors (Singapore) Fund under the subscription facility, and drawdowns of capital contributions by the KKR Credit Advisors (Singapore) Fund, including those used to pay interest on subscription facilities, will generally be expected to be "batched" together into larger, less frequent capital calls (although actual timing and amounts will vary).

Although there are typically limitations regarding the time borrowings by KKR Credit Advisors (Singapore) Funds under subscription facilities that are permitted to remain outstanding, there are generally no limitations on the amount of time guarantees by KKR Credit Advisors (Singapore) Funds or 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 Advisors (Singapore) Fund expenses and, accordingly, would decrease net returns of KKR Credit Advisors (Singapore) Funds. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the KKR Credit Advisors (Singapore) Funds' preferred returns (with the preferred returns beginning to accrue when capital contributions to repay borrowings are actually made to the KKR Credit Advisors (Singapore) 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 generally decrease returns. Additionally, the internal rates of return of KKR Credit Advisors (Singapore) Funds are generally calculated using the dates of each contribution by investors to KKR Credit Advisors (Singapore) Funds rather than the dates of each investment. As a result, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund is unable to obtain a subscription facility, access to such facility becomes unavailable or a KKR Credit Advisors (Singapore) GP otherwise determines not to use such facility, a KKR Credit Advisors (Singapore) GP is 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 Advisors (Singapore) are generally not treated as borrowings that are subject to limitation under the governing documents of KKR Credit Advisors (Singapore) Funds. In addition, certain KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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.

#### *Recycling; Reinvestment*

Investment proceeds received by KKR Credit Advisors (Singapore) Funds and Other Clients during their respective investment periods can, depending on the terms of the relevant KKR Credit Advisors (Singapore) Fund or Other Client, be retained in whole or in part by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client expenses subsequently distributed to investors could, with respect to certain KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients, certain contributions will not reduce unused capital commitments. Accordingly, an investor in a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients is permitted to distribute bonds and other assets to investors that are non-marketable or are otherwise illiquid. The risk of loss and delay in liquidating such assets will be borne by investors, with the result that investors could receive less cash than was reflected in the fair value of such assets as determined by KKR Credit Advisors (Singapore) pursuant to the governing documents of the relevant KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP could, subject to the governing documents of the applicable KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP, which will result in a conflict of interest. (see "Other Conflicts of Interest – *General Partner's Interest; Fees*" below).

#### *Operating Partners and Joint Venture Partners*

KKR Credit Advisors (Singapore) Funds or Other Clients can 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, due diligence and execution with respect to actual or potential investment opportunities) and management-related services with respect to such portfolio investments (including day-to-day asset management and oversight). In addition, certain KKR Credit Advisors (Singapore) Funds or Other Clients (or entities through which KKR Credit Advisors (Singapore) Funds or Other Clients participate) have or could in the future retain service providers and/or affiliates of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client, as well as to third parties unaffiliated with a KKR Credit Advisors (Singapore) Fund, Other Client or KKR Credit.

From time to time, a KKR Credit Advisors (Singapore) Fund or Other Client or an affiliate of a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client or could be in a position to take (or block) action in a manner contrary to the KKR Credit Advisors (Singapore) Fund's or Other Client's investment objectives. The KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients as fund expenses (or sourcing and diligence expenses, if applicable) or indirectly as a KKR Credit Advisors (Singapore) 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 or carried interest distributions. In addition, joint venture, operating partners (and/or their officers, directors, employees or other associated persons), if any, are sometimes be permitted to invest on a no-fee/no-carry basis in KKR Credit Advisors (Singapore) Funds or Other Clients or in specific investments). Members of the management team for a joint venture portfolio entity sometimes include former KKR Credit Advisors (Singapore) personnel, Industry Advisors, Senior Advisors, KKR Credit Advisors (Singapore) Advisors, KKR Capstone executives and RPM and other Consultants.

In addition, KKR Credit Advisors (Singapore) 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 Advisors (Singapore)'s future relationship with any such partner or operator would continue (whether on currently applicable terms or otherwise) with respect to a KKR Credit Advisors (Singapore) Fund or Other Client or that any relationship with other such persons would be able to be established in the future as desired with respect to any sector or geographic market and on terms favorable to a KKR Credit Advisors (Singapore) Fund or Other Client.

#### *Consequences of Default*

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 Advisors (Singapore) Funds or Other Clients, and the contributions made by non-defaulting investors and borrowings by KKR Credit Advisors (Singapore) Funds or Other Clients are inadequate to cover the defaulted amounts, KKR Credit Advisors (Singapore) Funds or Other Clients might be unable to pay their obligations when due. As a result, KKR Credit Advisors (Singapore) Funds or Other Clients could be subjected to significant penalties that could materially adversely affect the

returns to all investors (including non-defaulting investors). 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 Advisors (Singapore) Funds or Other Clients. A KKR Credit Advisors (Singapore) 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 (or a defaulting partner of a parallel fund).

In seeking to manage the impact of an investor default on the activities of KKR Credit Advisors (Singapore) Funds or Other Clients, and subject to the applicable governing documents of the relevant KKR Credit Advisors (Singapore) Fund or Other Client, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients have historically made and/or information about the relevant KKR Credit Advisors (Singapore) Funds' or Other Clients' investment expectations, many factors contribute to changes in emphasis in the construction of such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client will resemble the portfolio of any prior KKR Credit Advisors (Singapore) Fund or Other Client.

#### *Material, Non-Public Information*

KKR Credit Advisors (Singapore) investment professionals acquire confidential or material, non-public information concerning an entity in which KKR Credit Advisors (Singapore) Funds or Other Clients have invested, or propose to invest, and the possession of such information would likely limit KKR Credit Advisors (Singapore)'s ability to buy or sell particular securities and/or loans of such entity on behalf of KKR Credit Advisors (Singapore) Funds or Other Clients, thereby limiting the investment opportunities or exit strategies available to KKR Credit Advisors (Singapore) Funds or Other Clients. In addition, holdings in the securities and/or loans of an issuer by KKR Credit Advisors (Singapore) or its affiliates could affect the ability of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) also in certain instances acquire confidential or material non-public information concerning entities in which KKR Credit Advisors (Singapore) Funds or Other Clients have invested or propose to invest, which could restrict KKR Credit Advisors (Singapore)'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 Advisors (Singapore) Funds or Other Clients.



### *Investments in Emerging and Less Established Companies*

KKR Credit Advisors (Singapore) Funds or Other Clients could 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. 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 be 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 Advisors (Singapore) 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.

### *\Reliance on Portfolio Company Management*

The day-to-day operations of each portfolio company in which KKR Credit Advisors (Singapore) Funds or Other Clients invest will be the responsibility of such portfolio company's management team. Although KKR Credit Advisors (Singapore) will be responsible for monitoring the performance of each investment, KKR Credit Advisors (Singapore) Funds or Other Clients will rely significantly on the management teams and boards of directors of portfolio companies in which the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 a KKR Credit Advisors (Singapore) Fund's or Other Client's investment strategy will depend, in part, on the ability of such KKR Credit Advisors (Singapore) (or its affiliates) to restructure and effect improvements in the operations of a portfolio entity or its properties. The activity of

identifying and implementing restructuring programs and operating improvements at portfolio entities entails a high degree of uncertainty. There can be no assurance that a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients will make follow-on investments or that KKR Credit Advisors (Singapore) Funds or Other Clients will have sufficient funds to make (or will be permitted to make under KKR Credit Advisors (Singapore) Funds' or Other Clients' investment restrictions, tax guidelines or other applicable constraints) all or any of such investments. Any decision by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients to increase their participation in a successful investment, could result in KKR Credit Advisors (Singapore) 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 KKR Credit Advisors (Singapore) Funds or Other Clients. Any resulting dilution of the interest of a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) or its affiliates.

#### *Contingent Liabilities on Dispositions*

In connection with the disposition of an investment, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other Clients' assets, might ultimately be required to be funded by investors making contributions to KKR Credit Advisors (Singapore) Funds or Other Clients or returning previous distributions received from KKR Credit Advisors (Singapore) Funds or Other Clients. In light of the impact on KKR Credit Advisors (Singapore) Fund and Other Client returns, as well as KKR Credit's entitlement to receive carried interest and the capital interest of KKR Credit Advisors (Singapore) GPs and their affiliates in KKR Credit Advisors (Singapore) Funds and Other Clients, KKR Credit Advisors (Singapore) 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 be required to make contributions or return distributions in order to satisfy contingent liabilities related to KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client invests, the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) sometimes determines not to obtain such insurance if KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients or their affiliates could maintain insurance, where available on terms they believe to be commercially reasonable, for KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients invest, lost revenues, or increased expenses could result from such damage. If a major, uninsured loss occurs, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) does maintain, certain policies are expected to cover certain KKR Credit Advisors (Singapore) Funds, Other Clients, as well as KKR Credit Advisors (Singapore) and its affiliates, and as noted in *Item 5 – Fees and Compensation* above, KKR Credit Advisors (Singapore) Funds, Other Clients and KKR Credit Advisors (Singapore) will bear an allocable portion of the premiums and fees for such policies, including any expenses or fees of insurance brokers. KKR Credit Advisors (Singapore) believes that employing insurance policies covering multiple parties enables KKR Credit Advisors (Singapore) to achieve lower overall premiums and fees for KKR Credit Advisors (Singapore) Funds, Other Clients and KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client will have insufficient coverage to the extent that a claim by another KKR Credit Advisors (Singapore) Fund, Other Client, KKR Credit Advisors (Singapore) and/or one or more of its affiliates is paid for their insurance claims up to such maximum amount. In addition, because insurance policies maintained by KKR Credit Advisors (Singapore) cover multiple parties, if a substantial claim were to be made against one or several covered entities, including KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client governing documents include exculpation and indemnification provisions that will limit the circumstances under which the relevant KKR Credit Advisors (Singapore) GP, KKR Credit Advisors (Singapore) and their respective affiliates and other persons can be held liable to the KKR Credit Advisors (Singapore) Fund or Other Client. Additionally, certain service providers and other consultants to KKR Credit, KKR Credit Advisors (Singapore) Funds or Other Clients, the KKR Credit Advisors (Singapore) GPs, their affiliates, agents and other persons, including, without limitation, the members of the advisory committees of the KKR Credit Advisors (Singapore) Funds, KKR Credit Advisors (Singapore) investment professionals 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 Advisors (Singapore) 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 Advisors (Singapore) or Other Client governing documents. Such obligations will generally survive the dissolution of the relevant KKR Credit Advisors (Singapore) Fund or Other Client.

### *Recourse to a KKR Credit Advisors (Singapore) Fund's or Other Client's Assets*

The assets of KKR Credit Advisors (Singapore) Funds and Other Clients, including unused capital commitments, any investments made by the KKR Credit Advisors (Singapore) Fund or Other Client and any capital held by the KKR Credit Advisors (Singapore) Fund or Other Client, are available to satisfy all liabilities and other obligations of such KKR Credit Advisors (Singapore) Fund or Other Client. If a KKR Credit Advisors (Singapore) Fund or Other Client becomes subject to a liability, parties seeking to have the liability satisfied could have recourse to a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients, investors can be required to make additional capital contributions, including to recontribute funds previously distributed by a KKR Credit Advisors (Singapore) Fund or Other Client, in each case subject to the specific limitations set forth in their governing documents.

A KKR Credit Advisors (Singapore) Fund's or Other Client's financing arrangements, including subscription facilities obtained by a KKR Credit Advisors (Singapore) Fund or Other Client, specific borrowings made thereunder, and guarantees and other credit support obligations of a KKR Credit Advisors (Singapore) 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 default. There likely will be circumstances in which investors have varying sharing percentages with respect to certain of a KKR Credit Advisors (Singapore) Fund's or Other Client's investments, including as a result of participation in subsequent closings, excuse, exclusion or otherwise, and sharing percentages (including in the aggregate) in investments or otherwise with respect to investment proceeds generated by a KKR Credit Advisors (Singapore) Fund's or Other Client's investments to which third parties have recourse in respect of a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client will at times (where the applicable KKR Credit Advisors (Singapore)

GP deems appropriate and subject to the governing documents of the relevant KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund's or Other Client's assets, as applicable, including the relevant investment, as well as the KKR Credit Advisors (Singapore) Fund's or Other Client's assets generally (including unused capital commitments) would be available to satisfy such liabilities and costs (see also "Subscription Facilities; Guarantees; Contractual Obligations" above).

### *Terrorism*

KKR Credit Advisors (Singapore) 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 and Climate Change*

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. 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, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a borrower of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure 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 world economy and international business activity generally, or in any of the countries in which KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 could have significant impact on the revenues, expenses and conditions of certain investments of KKR Credit Advisors (Singapore) Funds and Other Clients. While the precise future effects of climate change are unknown, it is possible that climate change could affect precipitation levels, droughts, wind levels, annual sunshine, sea levels and the severity and frequency of storms and other severe weather events. Reductions in precipitation levels, wind or sunlight could materially adversely affect the revenues and cash flows of renewable energy-related assets that depend on the capture of waterflow, wind or sunlight to derive revenues. If such reductions are significant, any such assets could 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 might be forced to incur expenses to prevent assets from being damaged or rendered unusable by such rising sea levels. Any of the foregoing could therefore adversely affect the performance of KKR Credit Advisors (Singapore) Funds or Other Clients and their investments.

#### *Capital Structure Arbitrage*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client will be able to locate investment opportunities or to correctly exploit price discrepancies.

#### *Borrower Fraud; Breach of Covenant*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients to perfect or effectuate a lien on collateral securing a loan or otherwise realize on an investment. KKR Credit Advisors (Singapore) 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 bankruptcy laws and fraudulent transfer laws, which vary from jurisdiction to jurisdiction, if debt obligations relating to such investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such debt obligations. If debt is used for a buyout of shareholders, this risk is greater than if such debt proceeds are used for day-to-day operations or organic growth. If a court were to find that the issuance of debt obligations held by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients might not receive any repayment on the debt obligations.

Under certain circumstances, payments to KKR Credit Advisors (Singapore) Funds or Other Clients and distributions by KKR Credit Advisors (Singapore) 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.

#### *Recharacterization*

KKR Credit Advisors (Singapore) Funds or Other Clients sometimes will seek to place their representatives on the boards of certain companies or other issuers in which KKR Credit Advisors (Singapore) Funds or Other Clients have invested. KKR Credit Advisors (Singapore) Funds or Other Clients might also invest in portfolio companies or other issuers in which KKR and/or other KKR Credit Advisors (Singapore) Funds or Other Clients have representatives on the boards of such issuers. While such representation can enable KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients in such issuer) might also prevent KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other Clients' debt investments as equity. KKR Credit Advisors (Singapore) Funds or Other Clients will indemnify KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP, agents of each of them, for claims arising from such board representation. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients include investments in portfolio companies and other issuers whose capital structures have significant leverage (including to the extent KKR Credit Advisors (Singapore) Funds or Other Clients hold second-lien debt interests, certain leverage senior to KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients have invested become insolvent KKR Credit Advisors (Singapore) Funds or Other Clients can determine, in cooperation with other debt holders or on their own, to engage, at the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP might incur leverage on behalf of KKR Credit Advisors (Singapore) Funds or Other Clients.

#### *Expedited Investment Decisions; Opportunistic Investments*

Investment analyses and decisions by KKR Credit Advisors (Singapore) will sometimes be required to be undertaken on an expedited basis to take advantage of investment opportunities. While KKR Credit Advisors (Singapore) Funds or Other Clients will generally not seek to make an investment until KKR Credit Advisors (Singapore) 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 Advisors (Singapore) at the time of making an investment decision is often limited. Therefore, no assurance can be given that KKR Credit Advisors (Singapore) will have knowledge of all circumstances that adversely affect an investment. Similar concerns arise to the extent that a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) generally seeks to conduct in respect of investments. In addition, KKR Credit Advisors (Singapore) expects often to rely upon independent consultants in connection with its evaluation of proposed investments. No assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and KKR Credit Advisors (Singapore) Funds or Other Clients might incur liability as a result of such consultants' actions.

#### **Credit Investment Risk**

##### *Collateral Risk*

KKR Credit Advisors (Singapore) Funds or Other Clients will generally seek to make investments that a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients might not have priority over other creditors as anticipated. Furthermore, KKR Credit Advisors (Singapore) Funds or Other Clients cannot assure that claims will not be asserted that might interfere with enforcement of KKR Credit Advisors (Singapore) Funds' or Other Clients' rights. First priority lien investments made by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings.

In addition, KKR Credit Advisors (Singapore) Funds or Other Clients will 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other Clients' financial instruments from or the payment of claims therefor by such counterparty and a loss to KKR Credit Advisors (Singapore) Funds or Other Clients, which could be material.

#### *Debt Securities*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client. Where a KKR Credit Advisors (Singapore) 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.

#### *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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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.

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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client could adversely affect the value of those assets and the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients.

### *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 Advisors (Singapore) Funds or Other Clients. Fixed-income investments that pay a fixed rather than a variable interest rate are especially vulnerable to inflation risk because variable-rate securities 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.

### *Commodity Price Risk*

Certain investments made by KKR Credit Advisors (Singapore) Funds or Other Clients are subject to commodity price risk. The operation and cash flows of any issuer in which KKR Credit Advisors (Singapore) 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 Advisors (Singapore), including, without limitation, weather conditions, foreign and domestic supply and demand, force majeure events, changes in law, governmental regulations, price and availability of alternative commodities, international political conditions and overall economic conditions.

Without limiting the foregoing, to the extent that KKR Credit Advisors (Singapore) Funds or Other Clients make investments in the oil and gas industry, KKR Credit Advisors (Singapore) 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 Advisors (Singapore)'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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients can give some consideration to ratings, ratings may not be indicative of the actual credit risk of KKR Credit Advisors (Singapore) Funds' or Other Clients' investments in rated instruments.

### *High Yield Debt*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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.

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 Advisors (Singapore) Funds or Other Clients is called for redemption, the relevant KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other Clients' ability to achieve their investment objective.

### *Preferred Stock*

KKR Credit Advisors (Singapore) Funds or Other Clients can 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 are sometimes subject to optional or mandatory redemption provisions.

### *Participations Interests*

KKR Credit Advisors (Singapore) Funds or Other Clients could 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients limited consent rights to amendments of the underlying credit documents. Similarly, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients. In the event that a KKR Credit Advisors (Singapore) Fund or Other Client enters into such an indirect investment or derivative transaction, there can be no assurance that the relevant KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund's or Other Client's counterparty in such indirect investment or derivative transaction.

### *Asset-Backed Securities*

Some KKR Credit Advisors (Singapore) Funds or Other Clients could 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.

#### *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 Advisors (Singapore) Fund or Other Client have terms longer than the term of a KKR Credit Advisors (Singapore) Fund or Other Client and certain loans have grace periods of several years. Furthermore, a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients receiving a lower than anticipated yield on such investments.

#### *Limited Amortization Requirements*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients when they mature.

#### *Risks Arising from Purchases of Debt on a Secondary Basis*

KKR Credit Advisors (Singapore) Funds and Other Clients invest in loans and debt securities acquired on a secondary basis. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients generally seek. Even if such covenants and protections are included in the investments held by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 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 Advisors (Singapore) 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.



As indicated above, certain KKR Credit Advisors (Singapore) Funds or Other Client investments are highly leveraged. If so, 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 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.

KKR Credit Advisors (Singapore) Funds, Other Clients and their portfolio companies regularly utilize the corporate debt markets in order to obtain financing for their operations. 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. . If the U.S. Federal Reserve raises its benchmark interest rate, the cost of financing will rise and economic growth in the U.S. could slow. Furthermore, higher interest rates in the U.S. could also 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 Advisors (Singapore) portfolio companies and, therefore, the investment returns of KKR Credit Advisors (Singapore) Funds and Other Clients.

#### *Transition Away from LIBOR*

A substantial portion of the long-term indebtedness incurred by KKR Credit Advisors (Singapore) Funds, Other Clients and their portfolio companies bears interest at fluctuating interest rates, primarily based on the London interbank offered rate (“**LIBOR**”). In July 2017, the Financial Conduct Authority (“**FCA**”) (the authority that regulates LIBOR) announced that it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. Such announcement indicates that LIBOR in its current form will likely cease to exist after 2021 (although the impact of these changes could be felt prior to 2021), and instead, a new method of calculating LIBOR or an alternative reference rate will be established. For example, the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions identified the Secured Overnight Financing Rate (“**SOFR**”) as its recommended alternative reference rate, which measures the cost of borrowing cash overnight collateralized by U.S. Treasury securities. However, it is unknown whether SOFR or any other alternative reference rates will attain market acceptance as replacements for LIBOR, and various industry organizations are still developing workable transition mechanisms. In addition, SOFR is a different rate than LIBOR, and even if it were to be widely accepted as a reference rate would have different financial consequences for market participants, some of which could be positive and some negative. As such, it is not possible to predict all potential effects of these changes on KKR Credit Advisors (Singapore) Funds or Other Clients and their portfolio companies. Furthermore, KKR Credit Advisors (Singapore) expects that its affiliates and KKR Credit Advisors (Singapore) Funds or Other Clients and their portfolio companies will have LIBOR-based debt instruments and related hedging arrangements that require amending or restructuring, which could be difficult, costly and time consuming. In addition, from time to time KKR Credit Advisors (Singapore) Funds and Other Clients invest in floating rate loans and investment securities whose interest rates are indexed to LIBOR. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR, or any changes announced with respect to such reforms, might result in a sudden or prolonged increase or decrease in the reported LIBOR rates and the value of LIBOR-based loans and securities, including those of other issuers KKR Credit Advisors (Singapore) Funds or Other Clients currently own or will in the future own, and could impact the availability and cost of hedging instruments and borrowings, including potentially, an increase to interest expense and cost of capital for KKR Credit Advisors (Singapore) Funds or Other Clients and their portfolio companies. Any increased costs or reduced profits as a result of the foregoing could adversely affect the liquidity, results of

operations, financial condition and performance of KKR Credit Advisors (Singapore) Funds or Other Clients and their portfolio companies.

### *Currency Risk*

A significant number of investments by KKR Credit Advisors (Singapore) Funds and Other Clients, and the income received by KKR Credit Advisors (Singapore) Funds and Other Clients with respect to such investments are denominated in various currencies. However, the books of KKR Credit Advisors (Singapore) Funds and Other Clients will be maintained and capital contributions to and distributions from KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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. 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 Advisors (Singapore) 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. Further, the ability of a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients would also be adversely affected as a result.

### **Leverage and Borrowing Risk**

#### *General*

Certain KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other Clients' investment portfolios and substantially increase the risk profile of KKR Credit Advisors (Singapore) Funds and Other Clients and

their investments. In addition to more traditional borrowing structures, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client is a subordinated note holder. No assurance can be given that financing for KKR Credit Advisors (Singapore) Funds' and Other Clients' investments will be obtained by KKR Credit Advisors (Singapore) Funds or Other Clients, or obtained on favorable or acceptable terms, including terms which reflect the financing provided by KKR Credit Advisors (Singapore) Funds or Other Clients. In addition, once initial financing is obtained by a KKR Credit Advisors (Singapore) Fund or Other Client, no assurance can be given that such financing will subsequently be available throughout the life of the relevant KKR Credit Advisors (Singapore) Fund or Other Client or any individual investment. If a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client versus term of financing provided by the KKR Credit Advisors (Singapore) Fund or Other Client), this might have a material adverse effect on the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client might not be recovered by the income from and appreciation in the investments of the relevant KKR Credit Advisors (Singapore) Fund or Other Client. Gains realized with borrowed funds could cause KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients could be secured by assignment of the obligations of investors to make capital contributions to KKR Credit Advisors (Singapore) Funds or Other Clients and a security interest in the investments made by KKR Credit Advisors (Singapore) Funds or Other Clients.

KKR Credit Advisors (Singapore) Funds' or Other Clients' use of borrowings to create leverage subjects KKR Credit Advisors (Singapore) Funds and Other Clients to additional risks. For example, depending on the type of facility, a decrease in the market value of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients and could, if the value of their collateral has declined enough, cause KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other

Clients' portfolios. In the event of a sudden, precipitous drop in the value of KKR Credit Advisors (Singapore) Funds' or Other Clients' assets, KKR Credit Advisors (Singapore) Funds or Other Clients might not be able to liquidate assets quickly enough to pay off their debts.

KKR Credit Advisors (Singapore) Funds' and Other Clients' assets, including any investments made by KKR Credit Advisors (Singapore) Funds and Other Clients and any capital held by KKR Credit Advisors (Singapore) Funds and Other Clients, could be available to satisfy all liabilities and other obligations of KKR Credit Advisors (Singapore) Funds and Other Clients. If KKR Credit Advisors (Singapore) Funds or Other Clients default on secured indebtedness, the lender might foreclose and KKR Credit Advisors (Singapore) Funds or Other Clients could lose their entire investment in the collateral for such loan. If KKR Credit Advisors (Singapore) Funds or Other Clients themselves become subject to a liability, parties seeking to have the liability satisfied could have recourse to KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other Clients' interim capital needs being satisfied by KKR Credit Advisors (Singapore) Funds or Other Clients borrowing money from such credit facilities and investment proceeds. Furthermore, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients). In light of the foregoing, a KKR Credit Advisors (Singapore) GP might have an incentive to permanently fund an acquisition and ongoing capital needs of portfolio investments and the relevant KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients are unable to obtain a subscription line, or a KKR Credit Advisors (Singapore) GP determines that the terms of such facility would not be appropriate for a KKR Credit Advisors (Singapore) Fund or Other Client or otherwise determines not to use such facility or access to such facility otherwise becomes unavailable, a KKR Credit Advisors (Singapore) 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 “*Subscription Facilities; Guarantees; Contractual Obligations*” above.

### *Bridge Financings*

KKR Credit Advisors (Singapore) Funds and Other Clients can provide bridge financing in connection with one or more of their investments. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients have invested and result in the inability of such borrowers to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other Clients' portfolio investments in these sectors. Absent such a recovery or in the event of a further market deterioration, the value of KKR Credit Advisors (Singapore) 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 conditions or armed conflict in the Middle East and other international oil producing regions; terrorist acts; the foreign and domestic production and exportation of hydrocarbons in relevant markets; the price, availability and acceptance of alternate fuel sources; the utilization and capacity of oil refineries or other hydrocarbon processing facilities; the availability of pipeline capacity; transportation interruption; domestic and foreign governmental regulations, price controls and taxes; domestic and foreign environmental laws and regulations; and the ability of members of the Organization of Petroleum Exporting Countries ("OPEC") to agree to maintain oil prices and production controls. Oil and natural

gas prices, and therefore the level of exploration, development and production activity have experienced a sustained decline from the latter half of 2014 through 2016 as a result of an increased global supply of oil and a decision by OPEC to sustain its production levels. While OPEC has more recently a framework for limiting oil output, the global supply excess could persist and while there has been some recovery, the volatility of the current environment could cause prices to remain at current levels or to fall to lower levels.

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

## **Investments in Real Estate**

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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; the supply and demand for properties, energy and supply shortages; competition from other properties; energy and supply shortages; fluctuations in average occupancy and room rates the financial resources of tenants; increased mortgage defaults; changes in interest rates and the availability of debt financing or mortgage funding which 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 that depress travel or leasing activity; environmental liabilities; contingent liabilities on disposition of assets; uninsured or uninsurable casualties; acts of God (including, without limitation, pandemics and other health issues, earthquakes, hurricanes and other natural disasters), terrorist attacks and war and other factors which are beyond the control of KKR Credit Advisors (Singapore) or its affiliates.

In addition, a KKR Credit Advisors (Singapore) 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 Advisors

(Singapore) Fund or Other Client will begin receiving rental payments under a replacement lease. During that period, the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund's or Other Client's operating results.

Certain of a KKR Credit Advisors (Singapore) Fund's or Other Client's 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 Advisors (Singapore) Fund or Other Client invests, government fiscal policy and domestic or worldwide economic conditions.

#### *Risks of Acquiring Real Estate Loans and Participations*

Real estate loans or participation interests therein originated or otherwise acquired by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) could find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by KKR Credit Advisors (Singapore) Funds or Other Clients. The foreclosure process varies jurisdiction by jurisdiction can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including, without limitation, lender liability claims and defenses, even when such assertions 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 Advisors (Singapore)'s strategy for a KKR Credit Advisors (Singapore) 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 Advisors (Singapore).

In addition to general economic conditions, the commercial real estate markets in which a KKR Credit Advisors (Singapore) 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. KKR Credit Advisors (Singapore)

#### *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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client.

#### *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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund and Other Client investments. While the precise future effects of climate change are unknown, it is possible that climate change could affect precipitation levels, droughts, wind levels, annual sunshine, sea levels and the severity and frequency of storms and other severe weather events.

Reductions in precipitation levels, wind or sunlight could materially adversely affect the revenues and cash flows of renewable energy-related assets that depend on the capture of water flow, wind or sunlight to derive revenues. If such reductions are significant, any such assets 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. 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.

### **Investments in the Airline Industry**

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients could 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 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, pandemics and other 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. 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 Advisors (Singapore) Fund or Other Client and the ability of a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients could 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 non-U.S. 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.

## **Issuers and Issuer Management**

### *Control Person Liability*

Some KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients could be greater than those imposed on the portfolio company. KKR Credit Advisors (Singapore)

### *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 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-subsidary groups” and “brother-sister groups” applying complex exclusion and constructive ownership rules. However, regardless of the percentage ownership that a KKR Fund holds in one or more of its portfolio entities, a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund, with a resulting need for additional capital contributions, the appropriation of KKR Credit Advisors (Singapore) Fund assets to satisfy such pension liabilities and/or the imposition of a lien by the PBGC on certain KKR Credit Advisors (Singapore) Fund assets. Moreover, regardless of whether or not a KKR Credit Advisors (Singapore) Fund were determined to be a trade or business for purposes of ERISA, a court might hold that one of the KKR Credit Advisors (Singapore) 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.

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

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

Further, such companies will be small players in their industries and face intense competition from larger companies. The prices of the securities and/or loans of small and micro-cap companies are generally more volatile than prices of the securities and/or loans of companies with large market capitalizations and the risk of bankruptcy or insolvency of such companies is generally higher than for larger companies. Due to thin trading in securities and/or loans of many small and micro-cap companies, an investment in these companies can be relatively more illiquid than is the case for larger companies.

#### *Investments in Platform Arrangements and Platform Managers*

KKR Credit Advisors (Singapore) 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.

## **Hedging**

KKR Credit Advisors (Singapore), on behalf of a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client relating thereto. Although a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client than if it had not entered into such hedging transactions. KKR Credit Advisors (Singapore) does not always apply a hedging strategy on behalf of KKR Credit Advisors (Singapore) Funds and Other Clients (and is under no obligation to do so), and hedging strategies applied across KKR Credit Advisors (Singapore) Funds, Other Clients and KKR proprietary entities sometimes differ in material respects. The absence or divergence of hedging strategies for a particular KKR Credit Advisors (Singapore) Fund or Other Client could result in poorer overall performance compared to what the performance would have been if such KKR Credit Advisors (Singapore) Fund or Other Client had entered into hedging transactions at all or had entered into the same hedging transactions of other KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients, KKR Credit Advisors (Singapore) will not be taking into consideration any hedging transactions separately entered into by investors in such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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.

## 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other Clients' use of derivative instruments involves investment risks and transaction costs to which KKR Credit Advisors (Singapore) 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 carry 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 Advisors (Singapore) Funds or Other Clients from achieving the intended hedging effect or expose KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients conduct their transactions in derivative instruments could prevent prompt liquidation of positions, subjecting KKR Credit Advisors (Singapore) Funds and Other Clients to the potential of greater losses. Derivative instruments that are purchased or sold by KKR Credit Advisors (Singapore) 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, 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other Clients' ability to transact in such instruments and the liquidity of such instruments. Portfolio companies and other issuers of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients will be exposed to such risks by reason of their investment in the relevant issuer.

### *Credit Default Swaps*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients also could enter into credit default swap transactions, even if the credit outlook is positive, if the relevant KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client can provide that related collateral given to, or received by, the KKR Credit Advisors (Singapore) Fund or Other Client be reinvested or otherwise reused by the KKR Credit Advisors (Singapore) Fund or Other Client for its own purposes which exposes the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client should the relevant transaction be completed, unwound or otherwise terminated, exposing the KKR Credit Advisors (Singapore) Fund or Other Client to the risk of loss of the amount of collateral provided to the counterparty.

#### *Debt Investments*

KKR Credit Advisors (Singapore) Funds and Other Clients invest in debt instruments, including through vehicles holding debt issued by a KKR Credit Advisors (Singapore) Fund or Other Client portfolio company which vehicles are managed by KKR Credit Advisors (Singapore) (please see *Items 10* and *11* below for additional information), and other KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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. KKR Credit Advisors (Singapore)



## *Options*

KKR Credit Advisors (Singapore) 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 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients usually have a contractual relationship with the counterparty of such synthetic instrument, rather than the underlying obligor. The collapse of certain financial institutions during the 2007-2009 financial market turmoil is indicative of increased counterparty risk with respect to transactions involving synthetic instruments. Under the terms of these synthetic instruments, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients will be subject to the credit risk of the counterparty as well as that of the underlying obligor.

## **Market, Economic and Political Risks**

KKR Credit Advisors (Singapore) 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, commodity prices and trade barriers. The market price of any publicly traded securities held by a KKR Credit Advisors (Singapore) Fund or Other Client will separately be impacted by these conditions in various ways, including in ways that do not correlate well with the direct impact on the relevant portfolio companies. These factors are outside KKR Credit Advisors (Singapore)'s and the relevant KKR Credit Advisors (Singapore) GP's control and could adversely affect the liquidity and value of KKR Credit Advisors (Singapore) Funds' or Other Clients' investments and could reduce the ability of KKR Credit Advisors (Singapore) Funds or Other Clients to make attractive new investments. Difficult market and economic conditions generally

adversely affect KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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, particularly in Western Europe and the U.S., 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 Advisors (Singapore) Funds and Other Clients, including particular companies whose operations are directly or indirectly dependent on international trade (see also “*Uncertainty Regarding Ongoing Negotiations between the United States and China*” below).

KKR Credit Advisors (Singapore) Funds’ or Other Clients’ investment strategies and the availability of opportunities satisfying KKR Credit Advisors (Singapore) 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 Advisors (Singapore) will prove correct and actual events and circumstances can vary significantly.

Ongoing events in the subprime mortgage market and other areas of the fixed income markets have caused significant dislocations, illiquidity and volatility in the leveraged loan and bond markets, as well as in the wider global financial markets. To the extent portfolio companies and other issuers of KKR Credit Advisors (Singapore) Funds’ or Other Clients’ portfolio investments participate in or have exposure to such markets, the results of their operations could be adversely affected. In addition, to the extent that such economic and market events and conditions reoccur, this would have a further adverse impact on the availability of credit to businesses generally. In the event of such defaults, KKR Credit Advisors (Singapore) Funds or Other Clients could suffer a partial or total loss of their investment in such borrowers, which would, in turn, have an adverse effect on KKR Credit Advisors (Singapore) Funds’ or Other Clients’ returns. Such economic and market events and conditions also restrict the ability of KKR Credit Advisors (Singapore) Funds or Other Clients to sell or liquidate investments at favorable times or for favorable prices (although such events and conditions might not foreclose KKR Credit Advisors (Singapore) Funds’ or Other Clients’ ability to hold such investments until maturity). In particular, KKR Credit Advisors (Singapore) Funds’ or Other Clients’ investment strategies rely, in part, on the stabilization or improvement of the conditions in the global economy and markets generally and credit markets specifically. Absent such a recovery, the value of KKR Credit Advisors (Singapore) Funds’ or Other Clients’ investments might not generate expected current proceeds or appreciate as anticipated and could suffer a loss.

General fluctuations in the market prices of debt investments and interest rates can have a substantial negative impact on KKR Credit Advisors (Singapore) Funds’ or Other Clients’ investments and investment opportunities and accordingly could have a material adverse effect on KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds’ or Other Clients’ investments. The ability of portfolio companies and other issuers in which KKR Credit Advisors (Singapore) Funds or Other Clients invest to refinance debt obligations and for KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients utilize third-party financing to make investments on a leveraged basis, a decrease in the value of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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.

### **Underlying Exposure to the Consumer Market**

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

### **Non-U.S. Investment Considerations**

#### *Non-U.S. Bankruptcy Laws*

Portfolio companies and other issuers located in non-U.S. jurisdictions sometimes will be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to Title 11 of the United States Code, as amended 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 Advisors (Singapore) Funds or Other Clients with equivalent rights and privileges necessary to promote and protect its interests and KKR Credit Advisors (Singapore) Funds' or Other Clients' investments in such portfolio investments could be materially adversely affected as a result.

While KKR Credit Advisors (Singapore) intends to manage KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients that are held in certain countries.

#### *Eurozone Risks*

Some KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients and their investments. It is possible

that a number of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 impede business activity and adversely affect the environment for non-U.S. investments. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds' or Other Clients' portfolios. Political and economic instability in any of the countries in Europe in which KKR Credit Advisors (Singapore) Funds or Other Clients invest could adversely affect the KKR Credit Advisors (Singapore) Funds' or Other Clients' investments.

### *BEPS Considerations*

On October 5, 2015, the Organisation for Economic Cooperation and Development (the "OECD") published final recommendations for new, or amendments to existing, tax laws arising from its Base Erosion and Profit Shifting ("BEPS") project. The OECD, which represents a coalition of member countries, is contemplating changes to numerous long-standing tax principles through its BEPS project, which 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. One of the recommendations of the OECD in relation to the BEPS project is that double tax treaties modelled on the OECD model convention (such as those of Luxembourg) should include enhanced anti-abuse provisions.

In addition, the OECD is working on a “BEPS 2.0” initiative, which is aimed at (1) shifting taxing rights to the jurisdiction of the consumer and (2) ensuring all companies pay a global minimum tax. New rules could be recommended by the end of 2020 and if implemented could have significant impact on KKR Credit Advisors (Singapore) Funds or Other Clients, their portfolio companies and their investments structures. The nature and timing of any change in tax laws that might occur (whether as a result of such recommendations or otherwise) is not clear and subject to significant uncertainty. Until further clarity is obtained, KKR Credit Advisors (Singapore) Funds and Other Clients, will continue to be subject to uncertainty as to any potential tax risk in the jurisdictions in which they are incorporated or resident for tax purposes and in each jurisdiction where their assets are located. Although KKR Credit Advisors (Singapore) is of the view that its KKR Credit Advisors (Singapore) Funds or Other Clients, if any, have a good commercial purpose for operating, and maintain sufficient substance, in the jurisdictions in which they operate, if a KKR Credit Advisors (Singapore) Fund or Other Clients were denied treaty benefits following the implementation of BEPS recommendation by a relevant jurisdiction, this could have a material and adverse effect on the KKR Credit Advisors (Singapore) Funds or Other Clients’ financial condition, financial returns and results of operations.

### *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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients unviable and lead to their premature termination or restructuring.

### *European Market Infrastructure Regulation*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client in relation to their transaction of OTC derivative contracts.

The potential implications of EMIR for KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients pursuing their hedging strategy; and
- Reporting obligations: each of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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*

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. The SMCR seeks to increase firm and individual accountability within the UK financial services sector and creates new obligations and responsibilities on KKR Credit Advisors (Singapore)’s UK affiliates and its personnel who perform certain types of functions within KKR’s UK businesses. The SMCR has required KKR, in part, to adapt its governance and operating frameworks so as to ensure compliance with the new regime, which has caused, and will cause on an ongoing basis, increased compliance costs which could impact the financial performance of its UK businesses. Moreover, given the increased focus on individual accountability and personal conduct, there is an increased risk of enforcement action against KKR’s UK personnel, 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.

#### *Fifth Money Laundering Directive*

As of January 2020, the Fifth Money Laundering Directive ("MLD5") was required to be implemented by EU Member States into national law. The changes brought about by MLD5 will be applicable to all of KKR’s European operations and have required that KKR 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’s European 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 Advisors (Singapore) Funds or increasing their capital commitment to such KKR Credit Advisors (Singapore) Funds following their initial closing date

will generally participate in existing investments of such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund's existing investments at the time such additional investors subscribe for interests. Open –ended KKR Credit Advisors (Singapore) Funds typically allow investors to buy into existing investments at fair market value.

#### *Trade Errors*

KKR Credit Advisors (Singapore), the KKR Credit Advisors (Singapore) GPs, and their respective affiliates will not be responsible for any losses resulting from any trade errors made by KKR Credit Advisors (Singapore) or its affiliates, in respect of KKR Credit Advisors (Singapore) Funds' or Other Clients' investments, except to the extent such parties are liable pursuant to the applicable governing documents of such KKR Credit Advisors (Singapore) 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 Advisors (Singapore), any KKR Credit Advisors (Singapore) GP, or their respective affiliates will be responsible for any resulting losses, unless it has breached its standard of care as set out in applicable laws or regulations as well as the applicable investment management, agreement, prospectus or other offering document or KKR Credit Advisors (Singapore) Funds or Other Clients.

#### *Risks of Multi-Step Acquisitions*

In the event that KKR Credit Advisors (Singapore) chooses to effect an investment transaction by means of a multi-step acquisition (such as a first-step cash tender offer or stock purchase followed by a merger), there can be no assurance that the remainder of the relevant investment can be successfully acquired. This could result in a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) employees serve as directors of some portfolio companies and, as such, have duties to persons other than a KKR Credit Advisors (Singapore) Fund or Other Client, including other stockholders of such portfolio companies. Although holding board positions could be important to the KKR Credit Advisors (Singapore) Fund's or Other Client's investment strategy and is believed to improve KKR Credit Advisors (Singapore)'s oversight ability, board positions could impair KKR Credit Advisors (Singapore)'s ability to sell the relevant securities and/or loans when and upon the terms it wants, and subject KKR Credit Advisors (Singapore) and KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients, a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund, Other Client, the KKR Credit Advisors (Singapore) GP or its affiliates, including without limitation, any proposed

amendment of the governing documents of such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) GP for such response, is not an investor in the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients or any of their respective affiliates are required to disclose information relating to a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients or their portfolio investments results from interests being held by public investors, KKR Credit Advisors (Singapore) Funds or Other Clients could be adversely affected.

#### *Misconduct of Employees and of Third-Party Service Providers*

Misconduct by employees of KKR Credit Advisors (Singapore) or by third-party service providers could cause significant losses to KKR Credit Advisors (Singapore) Funds or Other Clients. Types of potential employee misconduct include binding KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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. Losses could also result from actions by 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 Advisors (Singapore) Funds' or Other Clients' business prospects or future marketing activities. No assurances can be given that the due diligence performed by KKR Credit Advisors (Singapore) will identify or prevent any such misconduct.

#### *Cybersecurity Risks; System Failures*

KKR Credit Advisors (Singapore) Funds, Other Clients, KKR and their affiliates and service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems,



computers, programs and data from both intentional cyber-attacks and hacking by other computer users, as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, including, without limitation, information regarding investors and KKR Credit Advisors (Singapore) Fund's and Other Client's investment activities, and corruption of data. Third parties could also attempt to fraudulently induce employees, KKR Credit Advisors (Singapore) counterparties and third-party service providers to disclose sensitive information in order to gain access to KKR Credit Advisors (Singapore) data or that of KKR Credit Advisors (Singapore) Funds and Other Clients. 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 Advisors (Singapore) Funds, Other Clients, KKR and their affiliates will be exposed to a more significant risk if these activities are taken by state actors. Certain damage or interruptions to information technology systems would cause losses to KKR Credit Advisors (Singapore) Funds, Other Clients or their investors, including, without limitation, by interfering with the processing of transactions, affecting a KKR Credit Advisors (Singapore) Fund's or Other Client's ability to conduct valuations or impeding or sabotaging trading. KKR Credit Advisors (Singapore) Funds and Other Clients would also incur substantial costs as the result of certain cybersecurity breaches, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose a KKR Credit Advisors (Singapore) Fund, Other Client and KKR Credit Advisors (Singapore) to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to losses resulting from unauthorized use or dissemination of their personal information.

KKR Credit Advisors (Singapore) Funds, Other Clients, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund's or Other Client's activities. KKR Credit Advisors (Singapore)'s and certain KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds' and Other Clients' service providers might also depend on information technology systems and, notwithstanding the diligence that KKR Credit Advisors (Singapore) will perform on its service providers or the assurances that KKR Credit Advisors (Singapore) might seek to obtain that these third parties will implement appropriate security controls to protect KKR Credit Advisors (Singapore)'s confidential information, KKR Credit Advisors (Singapore) 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 Advisors (Singapore)'s confidential data stored or accessed by third parties. KKR Credit Advisors (Singapore)'s controls and procedures, business continuity systems, and data security systems could also prove to be inadequate. Certain failures, corruptions or breaches of one or more systems (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 Advisors (Singapore)'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 Advisors (Singapore) Funds or Other Clients, particularly if those events affect KKR Credit Advisors (Singapore)'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 Advisors (Singapore)'s ability to effectively conduct the business of KKR Credit Advisors (Singapore) Funds or Other Clients would likely be compromised. A KKR Credit Advisors (Singapore) 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 Advisors (Singapore)'s internally developed systems and the systems of third-party service providers.

Information and technology systems of KKR Credit Advisors (Singapore) Funds, Other Clients and their affiliates (in addition to those of the issuers of the investments of a KKR Credit Advisors (Singapore) 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 security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Notwithstanding measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) and its affiliates, subject KKR Credit Advisors (Singapore) and its affiliates to legal claims and otherwise affect their business and financial performance.

KKR Credit Advisors (Singapore) Funds and Other Clients and/or a KKR AIFM will likely be directly or indirectly subject to the requirements of GDPR. GDPR has direct effect in all EU Member States and has extraterritorial effect where non-EU persons process personal data in relation to the offering of goods and services to individuals in the EU or the monitoring of the behavior of individuals in the EU.

GDPR imposes a number of obligations on data controllers and rights for data subjects, including, among others: (i) accountability and transparency requirements, which will require controllers to demonstrate and record compliance with GDPR and to provide more detailed information to data subjects regarding processing; (ii) enhanced requirements for obtaining valid consent; (iii) obligations to consider data protection as any new products or services are developed and to limit the amount of personal data processed; (iv) obligations to comply with data protection rights of data subjects; and (v) reporting of personal data breaches to the supervisory authority without undue delay (and no later than 72 hours where feasible).

GDPR also introduces fines for serious breaches of up to the higher of 4% of annual worldwide turnover or €20,000,000. Data subjects also have a right to compensation for financial or non-financial losses (e.g., distress). In the event of breaches, a KKR Credit Advisors (Singapore) Fund, Other Client or KKR Credit Advisors (Singapore) AIFM or portfolio company could face significant administrative and monetary sanctions as well as reputational damage which could have a material adverse effect on their respective operations.

Additionally, KKR Credit Advisors (Singapore) Funds and Other Clients and/or a KKR Credit Advisors (Singapore) AIFM will likely be directly or indirectly subject to the requirements of the CCPA. The CCPA imposes a number of obligations on covered businesses, including, among others: (i) obligations to

comply with certain privacy requests made by California residents; (ii) requirements to provide enhanced privacy notice disclosures; 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 enforceable by the California Attorney General beginning on July 1, 2020 and authorizes civil penalties for domestic and intentional violations. 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, if the business failed to implement and maintain reasonable security procedures and practices appropriate to the nature of the information to protect the personal information. There is a risk that the measures taken to comply with the CCPA will not be implemented correctly or that individuals within the business will not be fully compliant with the new procedures. If there are breaches of these measures, a KKR Credit Advisors (Singapore) Fund, Other Client or KKR Credit Advisors (Singapore) and their respective affiliates (as relevant) could face significant administrative and monetary sanctions as well as reputational damage which could have a material adverse effect on the operations, financial condition and prospects of a KKR Credit Advisors (Singapore) Fund or Other Client.

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

## **Investments in Technology**

### *Investments in Technology Companies*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients in the technology sector will compete in this volatile environment. There is no assurance that products or services sold by such portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges. Barriers to entry in the software and technology industries are low, and new products and services can be distributed broadly and quickly at relatively low cost. Moreover, competition in this sector can result in significant downward pressure on pricing. Valuations of technology companies are volatile, and in the event that 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 be 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 Advisors (Singapore) Funds or Other Clients or a portfolio company could, from time to time, receive notices from others claiming a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 the termination of the research and development of a portfolio company's particular product. In addition, if a portfolio company infringes on third-party patents or other proprietary rights, it could be prevented from using certain third-party technologies or forced to acquire licenses in order to obtain access to such technologies. In such a case, the portfolio company might not be able to obtain all licenses required for the success of its business, which could have a material adverse effect on its value. Moreover, if the patents and other proprietary rights of a portfolio company are infringed by third parties, then it might not be able to take full advantage of existing demand for its products. There can be no assurance that KKR Credit Advisors (Singapore) 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 cyber-security breaches 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 security breach.

### **Health Care Industry Investments**

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 Advisors (Singapore)

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 Advisors (Singapore) Fund's or Other Client's performance.

Obtaining governmental approval for new products from governmental agencies can be lengthy, expensive and uncertain. In some cases, products of health care companies are approved by regulatory authorities on a conditional basis with full approval conditioned upon fulfilling the requirements of regulators. Regulatory authorities are placing greater focus on monitoring products originally approved on a conditional basis and on whether the sponsors of such products have met the conditions of the conditional approval. If a portfolio company is unable to fulfill the conditions of its products' conditional approval, it 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 Advisors (Singapore) 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.

### **Uncertainty of Renewable Energy Market**

KKR Credit Advisors (Singapore) Funds and Other Clients could 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 Advisors (Singapore) Funds and Other Clients can be amended from time to time generally with the consent of the relevant KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore), 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 Advisors (Singapore) GP to amend the applicable governing document without the consent of investors in certain circumstances. In addition, lenders to KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP adopting any such amendment.

KKR Credit Advisors (Singapore) or a KKR Credit Advisors (Singapore) GP can enter into side letters or other similar agreements with certain investors with respect to KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) GP; (iii) waiver of certain confidentiality obligations; (iv) consent of a KKR Credit Advisors (Singapore) GP to certain transfers by such investor; or other exercises by a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients with respect to the structuring of any investment (including with respect to alternative vehicles).

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client and therefore will not be disclosed or offered to other investors of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) in one or more investment strategies, which can include co-investments alongside KKR Credit Advisors (Singapore) Funds or Other Clients and Other KKR Funds and KKR Credit Funds with investors other than in their respective capacities as investors in KKR Credit Advisors (Singapore) Funds or Other Clients.

## **Certain Additional Legal and Regulatory Risks**

### *Regulatory Oversight*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or such Other Clients.

### *Increased Regulatory Oversight*

The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight and enforcement actions. Such scrutiny increases the exposure of KKR Credit Advisors (Singapore) Funds or Other Clients, the KKR Credit Advisors (Singapore) GPs, KKR Credit Advisors (Singapore) and its affiliates to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight also imposes administrative burdens on the KKR Credit Advisors (Singapore) GPs and KKR Credit Advisors (Singapore), including, without limitation, those arising from responding to investigations and implementing new policies and procedures. Such burdens could divert the KKR Credit Advisors (Singapore) GPs' and KKR Credit Advisors (Singapore)'s time, attention and resources from portfolio management activities. The Enactment of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 (the “**Dodd-Frank Act**”) has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry. 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 Advisors (Singapore) and increased the amount of time that the management company spends on noninvestment-related activities.

The Dodd-Frank Act also affects a broad range of financial market intermediaries and other market participants with whom KKR Credit Advisors (Singapore) Funds or Other Clients interact or could interact. Regulatory changes that will affect other market participants are likely to change the way in which KKR Credit Advisors (Singapore) Funds or Other Clients can conduct business with counterparties. Parts of the Dodd-Frank Act, such as the “Volcker Rule” and the “Push-Out Provision”,

affect the number and type of participants in the markets who can invest in KKR Credit Advisors (Singapore) Funds or Other Clients.

The current U.S. regulatory environment will likely be further impacted by additional legislative and regulatory developments, such as amendments to key provisions of the Dodd-Frank Act and its implementing regulations. One such measure, the Economic Growth, Regulatory Relief and Consumer Protection Act, was signed into law on May 24, 2018 and makes targeted changes to several major provisions of the Dodd-Frank Act.

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 Advisors (Singapore) Funds and Other Clients make investments, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on KKR Credit Advisors (Singapore) Funds, Other Clients and their investments.

For example, one recent legislative proposal in the U.S. would impose a number of highly significant restrictions and burdens on private fund managers and the funds that they sponsor, such as KKR Credit Advisors (Singapore) Funds and Other Clients. These proposals would, among other things: (i) remove the limited liability status of investors in a private fund (such as KKR Credit Advisors (Singapore) Funds or Other Clients) that acquires 20% or more of the voting securities of a portfolio company (a “controlling interest”) and hold the investors jointly and severally liable for debts and obligations of such portfolio company; (ii) prohibit indemnification by a portfolio company of a private fund that holds a controlling interest in the portfolio company, as well as indemnification of the private fund’s manager (such as KKR Credit Advisors (Singapore)), its affiliates and their respective employees; (iii) prohibit any dividend recapitalization within 24 months of the date that a private fund acquires a controlling interest in a portfolio company; (iv) impose a 100% tax on fees paid by a portfolio company to an asset manager (such as KKR Credit Advisors (Singapore)) that controls or is in a control group with a private fund (such as a KKR Credit Advisors (Singapore) Fund or Other Client) that holds a controlling interest in such portfolio company; (v) eliminate the tax deductibility of some or all indebtedness incurred in connection with the acquisition of a portfolio company; and (vi) subject carried interest to taxation as ordinary income rather than as capital gains for U.S. federal income tax purposes. If these proposals were to be enacted, even if only in part, they would materially and adversely affect the ability of KKR Credit Advisors (Singapore) Funds and Other Clients, KKR Credit Advisors (Singapore) GPs, KKR and its affiliates to engage in the investment activities and other operations that they are intended and expected to engage in. This could result in KKR Credit Advisors (Singapore) Funds or Other Clients being wholly unable to meet their investment objectives, or could require KKR Credit Advisors (Singapore) 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, including due to the use of alternative vehicles and/or parallel funds.

Enhanced oversight and regulation has created uncertainty in the financial markets and, in particular, the private funds industry. Many of the regulators to which KKR Credit Advisors (Singapore), KKR Credit Advisors (Singapore) 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 Advisors (Singapore), KKR Credit Advisors (Singapore) 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 Advisors (Singapore), KKR Credit Advisors (Singapore) Funds, Other Clients or their respective affiliates’ reputations which



could adversely affect KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients. Additional regulation could also increase the risk of third-party litigation. The transactional nature of the business of KKR Credit Advisors (Singapore) Funds or Other Clients exposes KKR Credit Advisors (Singapore) Funds, Other Clients, KKR Credit Advisors (Singapore) GPs, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GPs and KKR Credit Advisors (Singapore) will have contact with governmental authorities and/or could be subjected to responding to inquiries or examinations. KKR Credit Advisors (Singapore) 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 Advisors (Singapore)'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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 reportedly investigated whether certain financial firms made improper payments to secure investments from sovereign wealth funds. If KKR Credit Advisors (Singapore), a KKR Credit Advisors (Singapore) GP or any of its employees or affiliates or any service providers acting on its behalf fails to comply with such laws, regulations or policies, such non-compliance could have a materially adverse effect on such persons and on KKR Credit Advisors (Singapore) Funds or Other Clients.

#### *Political Uncertainty*

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

#### *Compliance with AIFMD*

AIFMD came into force in July 2011 and has been implemented all EU member states of the EU ("**EU Member States**"). The AIFMD applies to (i) alternative investment fund managers ("**AIFMs**") established in the EU who manage EU or non-EU alternative investment funds ("**AIFs**"), (ii) non-EU alternative investment fund managers who manage EU AIFs and (iii) non-EU alternative investment fund managers which market their AIFs within the EU. 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". Although KKR Credit Advisors (Singapore) is affiliated with an Irish AIFM authorized under AIFMD, KKR Credit Advisors (Singapore) might not be able to benefit from the EU passport for all KKR Credit Advisors (Singapore) Funds and Other Clients under AIFMD and the EU passport might not apply to marketing to investors in the United Kingdom if and when its withdrawal from the EU becomes effective.

KKR Credit Advisors (Singapore) is affiliated with KKR AIM, an AIFM which 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 EEA portfolio company within the first two years of ownership ("**asset stripping**" rules) limiting KKR Credit Advisors (Singapore)'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. As a result, AIFMD could have an adverse effect on KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund's or Other Client's portfolio entities located in the EU or EEA member states, potentially requiring KKR Credit Advisors (Singapore) to change its compensation structures for key personnel, thereby affecting KKR Credit Advisors (Singapore)'s ability to recruit and retain these personnel, and disadvantaging KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP's operating flexibility and a KKR Credit Advisors (Singapore) Fund's or Other Client's investment opportunities, as well as expose a KKR Credit Advisors (Singapore) Fund, Other Client, KKR Credit Advisors (Singapore) GP and/or KKR Credit Advisors (Singapore) to conflicting regulatory requirements in the U.S. and the EU or EEA member states. 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client took such steps this may result in additional regulatory burdens and costs for the KKR Credit Advisors (Singapore) Fund or Other Client. The AIFMD is currently subject to legislative review by the European Commission. It is not clear at this time what changes to AIFMD, if any, will be implemented and what impact any such changes would have on KKR Credit Advisors (Singapore) or KKR Credit Advisors (Singapore) Funds and Other Clients.

#### *Laws of Other Jurisdictions Where KKR Credit Advisors (Singapore) Funds are Marketed*

Interests in KKR Credit Advisors (Singapore) Funds are marketed in various jurisdictions. In order to market interests in a KKR Credit Advisors (Singapore) Fund in certain jurisdictions (or to investors who are citizens of or resident in such jurisdictions), a KKR Credit Advisors (Singapore) Fund, the relevant KKR Credit Advisors (Singapore) GP, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund, a KKR Credit Advisors (Singapore) GP, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds to

participate in investment opportunities and could impose onerous or conflicting operating requirements on a KKR Credit Advisors (Singapore) Fund, a KKR Credit Advisors (Singapore) GP, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund and could be substantial. In addition, if a KKR Credit Advisors (Singapore) Fund, a KKR Credit Advisors (Singapore) GP, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund.

## **Tax Considerations**

### *Tax Risks*

An investment in KKR Credit Advisors (Singapore) Funds or Other Clients involves complex U.S. federal income tax and non-U.S. tax considerations that will differ for each investor depending on such investor's particular circumstances. There can be no assurance that the structure of KKR Credit Advisors (Singapore) Funds or Other Clients or of any investment will be tax-efficient for any particular investor. Prospective investors are urged to consult their own tax advisors with reference to their specific tax situation.

### *U.S. Tax Reform*

Major U.S. tax reform legislation was enacted on December 22, 2017. Among the changes to U.S. federal income tax law are (i) a reduction in the U.S. federal income tax rate on corporations, (ii) a partial limitation on the deductibility of business interest expense and new limitations on net operating loss deductions, (iii) an allowance of 100% first-year expensing of certain tangible personal property, (iv) a partial shift of the U.S. taxation of U.S. corporations from a tax on worldwide income to a territorial system under which a U.S. corporation receives a 100% deduction for foreign-source portions of dividends received from certain 10%-owned foreign corporations, and (v) a one-time repatriation tax on certain historic accumulated earnings (which a U.S. corporation could be eligible to spread over an eight-year period) and rules which prevent tax planning strategies which shift profits to low-tax jurisdictions. The legislation, as well as potential future U.S. tax legislation and administrative guidance, could materially impact the tax consequences of an investor's investment in a KKR Credit Advisors (Singapore) Fund or Other Client and the tax treatment of a KKR Credit Advisors (Singapore) Fund's or Other Client's investments. While some of these changes could be beneficial, others could negatively impact the after-tax returns of a KKR Credit Advisors (Singapore) Fund or Other Client and their respective investors. For example, many investments of KKR Credit Advisors (Singapore) Funds and Other Clients utilize substantial amounts of indebtedness, and the partial limitation on the deductibility of interest will decrease the profitability and cash flow of portfolio companies which could adversely affect their valuations, financial flexibility and liquidity.

The U.S. tax reform legislation imposes a disallowance of deductions for net interest expense (even if paid to third parties) in excess of the sum of business interest income and 30% of the adjusted taxable income of the business, which is its taxable income computed without regard to business interest income or expense, net operating losses or the pass-through income deduction (and for taxable years before 2022, also excludes depreciation and amortization). Business interest includes any interest on indebtedness related to a trade or business, but excludes investment interest, to which separate limitations apply. Certain real estate businesses can elect out of these rules. These limitations could have a significant impact on investors in a KKR Credit Advisors (Singapore) Fund or Other Client and/or a KKR Credit Advisors (Singapore) Fund's or Other Client's investments.

The U.S. tax reform legislation also requires KKR 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 holding period will in certain instances result in a conflict between KKR's interests and the interests of investors with respect to the sequence and timing of disposals of investments. Investors in KKR Credit Advisors (Singapore) Funds and Other Clients generally are eligible for long-term capital gains treatment after a holding period of only one year. While KKR Credit Advisors (Singapore) GPs generally intend to seek to maximize pre-tax returns of KKR Credit Advisors (Singapore) Funds and Other Clients as a whole, a KKR Credit Advisors (Singapore) GP will in certain instances nonetheless be incentivized to hold investments for a longer period than would be the case if such three year holding period requirement did not exist and/or to realize investments prior to any future change in law that results in a higher effective income tax rate on its carried interest. A KKR Credit Advisors (Singapore) GP will also be incentivized to structure investments in a manner that mitigates the impact of the three year holding period requirement applicable to carried interest, which could adversely impact the after-tax returns of, or otherwise result in increased costs for, a KKR Credit Advisors (Singapore) Fund or Other Client and their investors. Certain states, including New York and California have proposed legislation to levy additional state tax on carried interest, and additional U.S. federal proposals to tax carried interest at higher rates are also made in Congress from time to time, any of which could also negatively affect KKR's ability to attract and retain employees and key personnel.

The impact of U.S. tax reform on KKR Credit Advisors (Singapore) Fund and Other Clients and their investments and investors is uncertain but could be significant. Prospective 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, prospective investors should consider the potential U.S. state and local tax consequences of an investment in KKR Credit Advisors (Singapore) Funds or Other Clients in the U.S. state or locality 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 Advisors (Singapore) Funds or Other Clients operate. If a KKR Credit Advisors (Singapore) Fund or Other Client makes investments in jurisdictions outside the U.S., a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client from investments in such jurisdictions. Local tax incurred in non-U.S. jurisdictions by KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client is organized, operates, or makes investments could result in additional taxation to a KKR Credit Advisors (Singapore) Fund or Other Client or investors.

#### *KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client. Amounts available for distribution to the investors of a KKR Credit Advisors (Singapore) Fund or Other Client could be reduced as result of the KKR Credit Advisors (Singapore) Fund's or Other Client's obligations to pay any taxes associated with an adjustment. Many issues and the overall effect of this new legislation on KKR Credit Advisors (Singapore) 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 Advisors (Singapore) and its Affiliates*

KKR Credit Advisors (Singapore)'s ability to achieve the investment objectives of KKR Credit Advisors (Singapore) Funds and Other Clients depends to a substantial degree on KKR Credit Advisors (Singapore)'s ability to retain and motivate its investment professionals and other key personnel, and to recruit talented new personnel. KKR Credit Advisors (Singapore)'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 Advisors (Singapore) 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 Advisors (Singapore) or its affiliates, KKR Credit Advisors (Singapore)'s investment professionals would incur a material increase in their tax liability with respect to their entitlement to carried interest. This might make it harder for KKR Credit Advisors (Singapore) to retain and motivate these professionals, which could have an adverse effect on KKR Credit Advisors (Singapore)'s ability to achieve the investment objectives of KKR Credit Advisors (Singapore) Funds and Other Clients.

#### *Certain Tax Positions KKR Credit Advisors (Singapore) Funds or Other Clients Have Taken Could Be Successfully Challenged; Audit Related Matters*

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients or investors in KKR Credit Advisors (Singapore) Funds or Other Clients. An audit of a tax return of KKR Credit Advisors (Singapore) Funds or Other Clients for any given year might result in an adjustment to the tax liability of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients as well as items related to KKR Credit

Advisors (Singapore) Funds or Other Clients. The cost of an audit, if any, at the fund level will be borne by KKR Credit Advisors (Singapore) Funds or Other Clients. However, the cost of any resulting audits of an investor will be borne solely by the affected investor.

## *FATCA*

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

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

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

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

## **Item 9            Disciplinary Information**

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

On June 29, 2015, without admitting or denying the SEC’s findings, KKR consented to the entry of an order to cease and desist from committing or causing any violations and future violations of sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. According to the SEC order, during the period from 2006 to 2011, KKR did not expressly disclose in its flagship private equity fund limited

partnership agreements that it did not allocate broken deal expenses to its co-investment vehicles (including co-investment vehicles established for third party co-investors and co-investment vehicles established for executives, certain consultants and others) and this lack of disclosure resulted in a misallocation of expenses to KKR's flagship private equity funds for that period. The order also finds that KKR did not adopt and implement a written compliance policy or procedure governing its fund expense allocation practices until 2011. KKR agreed in the settlement to pay disgorgement of \$14,165,968, prejudgment interest of \$4,511,441 and a civil monetary penalty of \$10,000,000.

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

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

## **Item 10 Other Financial Industry Activities and Affiliations**

### **Affiliated Broker-Dealers**

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

Affiliated Brokers (including their respective related lending vehicles) will manage or otherwise participate in underwriting syndicates and/or selling groups with respect to the securities and debt instruments of portfolio companies and other non-controlled entities in or through which KKR Credit Advisors (Singapore) Funds or Other Clients invest, including in respect of securities or other instruments of such portfolio companies in which KKR Credit Advisors (Singapore) 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 will otherwise be 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 Advisors (Singapore) Funds or Other Clients invest, including in connection with mergers,



acquisitions and restructurings, and will alone, or with other counterparties, which might include other KKR Funds and KKR Credit Funds, 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 Advisors (Singapore) Fund's or Other Client's investment. Affiliated Brokers could in the future also provide loans and lines of credit to the portfolio companies of KKR Credit Advisors (Singapore) Funds and Other Clients through the Affiliated Brokers' respective related lending vehicles. Such financing and underwriting services may also be provided to a third party in which a KKR Credit Advisors (Singapore) Fund or Other Client (or portfolio company) may invest. Affiliated Brokers will also provide syndication services to such entities including in respect of co-investments in transactions participated in by KKR Credit Advisors (Singapore) Funds or Other Clients. Affiliated Brokers will generally receive fees, including underwriting, 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. Affiliated Brokers from time to time could waive such fees.

Affiliated Brokers and other KKR Credit Advisors (Singapore) 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 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 Advisors (Singapore) Funds and Other Clients that there will be sufficient capital to complete the proposed transaction) or fund a different instrument or security in the portfolio company than that held by KKR Credit Advisors (Singapore) Funds and Other Clients to facilitate the syndication, which KKR proprietary entities may in either scenario sell down prior to KKR Credit Advisors (Singapore) Funds or Other Clients disposing of their respective investments in the portfolio company.

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

Under certain circumstances, the relationship KKR Credit Advisors (Singapore) has with its Affiliated Brokers will give rise to a potential conflict of interest between KKR Credit Advisors (Singapore) and KKR Credit Advisors (Singapore) 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). KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 have a valid claim against the underwriter, the participating KKR Credit Advisors (Singapore) Fund or Other Client will have a conflict in determining whether to seek recourse or sue an Affiliated Broker. KKR Credit Advisors (Singapore) 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 will also provide financing and capital markets services to third parties that are not portfolio companies including third parties that are competitors of portfolio companies of particular KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 potential investee companies of KKR Credit Advisors (Singapore) as described in *Item 4*) and receive consideration for such services. In providing such services to, or with respect to, such funds or companies, Affiliated Brokers will not take into consideration the interests of the relevant portfolio companies or KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client even if the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client) or disclosing to KKR Credit Advisors (Singapore) as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure would be in the best interests of a KKR Credit Advisors (Singapore) Fund or of Other Client.

An Affiliated Broker’s ability to receive commissions or other transactional compensation in certain capital markets transactions on the basis of a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client, KKR Credit Advisors (Singapore), through the Affiliated Brokers, will, in certain cases, have a conflict of interest between a KKR Credit Advisors (Singapore) Fund or Other Client investment opportunity or a related capital markets transaction. Where an Affiliated Broker serves as underwriter with respect to a security in which a KKR Credit Advisors (Singapore) Fund or Other Client invests, such KKR Credit Advisors (Singapore) 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 the KKR Credit Advisors (Singapore) Funds' or Other Clients' ability to dispose of such security at an opportune time. Affiliated Brokers will have access to confidential and/or material non-public information regarding KKR Credit Advisors (Singapore) Funds, Other Clients or their portfolio companies and, subject to applicable law and confidentiality agreements, will be permitted to use such information in connection with financing and other services provided by the Affiliated Brokers.

Transactions involving a KKR Credit Advisors (Singapore) Fund or Other Client and an Affiliated Broker will be reported periodically to KKR's Global Conflicts Committee. In addition, KKR Credit Advisors (Singapore) will review such transactions to ensure that the requirements of Section 206(3) of Advisers Act in respect of principal transactions between any KKR Credit Advisors (Singapore) Fund or Other Client and KKR or its affiliates (including any Affiliated Broker) are complied with in the context of such transactions. Transactions involving a KKR Credit Advisors (Singapore) Fund or Other Client and an Affiliated Broker will be reported periodically to KKR Credit Conflicts Committee.

### **Other Investment Advisers**

#### *KKR Credit Advisors (US)*

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

#### *KKR Credit Advisors (Ireland)*

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

### *KKR Credit Advisors (EMEA) LLP*

KKR Credit Advisors (Singapore) is indirectly under common control with KKR Credit Advisors (EMEA) LLP, which is located in the United Kingdom and which is regulated by the United Kingdom Financial Conduct. KKR Credit Advisors (EMEA) LLP is a “Participating Affiliate” of KKR Credit Advisors (Singapore) and will be involved in identifying, negotiating and monitoring investments recommended by KKR Credit Advisors (Singapore) to KKR Credit Advisors (Singapore) 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 as an investment manager and is 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 KKR Credit Advisors (EMEA) LLP, who provide services to KKR Credit Advisors (Singapore)’s Clients will be considered “associated person” of KKR Credit Advisors (Singapore) and access persons of KKR Credit Advisors (Singapore) for purposes of the Advisers Act.

In this brochure, references to “**KKR Credit Funds**” will include KKR Credit Advisors (Singapore) Funds and Other Clients, KKR Credit Advisors (US) Funds and KKR Credit Advisors (Ireland) Funds. *Kohlberg Kravis Roberts & Co. L.P.*

KKR Credit Advisors (Singapore) is also affiliated with KKR, which is the parent company to KKR Credit Advisors (US), 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 (including investment committees of KKR Credit Advisors (Singapore) Funds and Other Clients. KKR Credit Advisors (Singapore) will also, from time to time, acts as sub-adviser in respect of capital allocated within KKR Funds to strategies implemented by KKR Credit Advisors (Singapore) and will also delegate sub-advisory authority to KKR in respect of capital allocated within certain KKR Credit Advisors (Singapore) Funds or Other Clients to strategies implemented by KKR (in each case, at no incremental cost to the relevant KKR Fund, KKR Credit Advisors (Singapore) Fund or Other Client). Please see *Item 11* for a discussion of the relationship of KKR Credit Advisors (Singapore), KKR Credit Advisors (Singapore) Funds and Other Clients and the KKR Funds.

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 Advisors (Singapore), KKR Credit Advisors (Singapore) 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 Advisors (Singapore), KKR Credit Advisors (Singapore) Funds, Other Clients, Stakes and Seed Managers, and Stakes and Seed Funds for further information.

### *FS/KKR Advisor, LLC*

On April 9, 2018, KKR Credit and FS Investments combined their respective BDC platforms through KKR FS/KKR Advisor, which registered as an investment adviser with the SEC on April 2, 2018. FS/KKR Advisor provides investment advisory services to business development companies (“BDCs”) previously advised and sub-advised by KKR Credit, and BDCs previously advised by FS Investments. KKR Credit owns a 50% interest in FS/KKR Advisor.

### *KKR Capstone*

In conjunction with the Reorganization described above under Item 4 – “Ownership/Structure,” KKR acquired KKR Capstone on January 1, 2020. KKR Capstone executives became employees of KKR after KKR’s. 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 conduct an employment placement business. For further information, please also see Item 5 “KKR Capstone, RPM and Other Consultants.”

### *KKR Alternative Investment Management*

KKR Credit Advisors (Singapore) is affiliated with KKR AIM which is regulated by the CBI, is an authorized EU alternative investment manager and separately files reports as an exempt reporting adviser with the SEC. KKR AIM will enter into delegation and/or sub-advisory agreements with KKR Credit Advisors (Singapore) under which KKR Credit Advisors (Singapore) will provide certain portfolio management services to KKR AIM in connection with investment funds with respect to which KKR AIM serves as alternative investment manager for the purposes of the AIFMD.

### *Global Atlantic*

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. These entities are not expected to provide services to KKR Funds or Other Clients.

### *Commodity Pool Operators and Commodity Trading Advisors*

As a result of providing investment advisory services to certain KKR Credit Advisors (Singapore) Funds that invest in commodity futures and other commodity interests, KKR Credit Advisors (Singapore), certain KKR Credit Advisors (Singapore) GPs and other related entities will 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. As such status is incidental to KKR Credit Advisors (Singapore)’s investment management activities with respect to the relevant KKR Credit Advisors (Singapore) Funds and Other Clients, KKR Credit Advisors (Singapore) does not view such status as giving rise to a material conflict of interest in respect of such KKR Credit Advisors (Singapore) Funds or Other Clients. The CFTC has proposed but not adopted rules that limit the total amount of hedging that investment funds controlled by a single corporate group enter into. While these rules currently apply only to agricultural products, to the extent the CFTC expands them to cover oil and gas this could materially adversely impact KKR Credit Advisors (Singapore) Funds or Other Clients.

### *Pooled Investment Vehicles and Regulated Subsidiaries and Sponsors of Limited Partnerships*

KKR, KKR Credit (including KKR Credit Advisors (Singapore)) and certain of their respective affiliates serve as sponsors or syndicators of a number of limited partnerships, including KKR Funds and KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds and Other Clients). KKR Credit Advisors (Singapore) will also primarily serve as investment adviser to KKR Credit Advisors (Singapore) Funds that are pooled investment vehicles. In addition, its affiliates (including KKR and other KKR Credit entities) also serve as investment advisers of investment vehicles and accounts (i.e., KKR Funds

and other KKR Credit Fund) that are, for the most part, pooled investment vehicles. While primarily unregulated with the exception of certain KKR Credit (US) Funds and KKR Credit (Ireland) Funds, certain of such pooled vehicles are registered with regulatory authorities in their home jurisdiction such as the Cayman Islands or Luxembourg or in jurisdictions in which interests in such pooled investment vehicles are marketed, such as Korea or Japan. As discussed more fully above and in response to *Item 11*, KKR Credit Advisors (Singapore) Funds, other 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, including KKR Credit Advisors (Singapore), 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, including KKR Credit Advisors (Singapore) Funds. KKR Funds and certain KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds) have established or will establish regulated subsidiaries as required under applicable law in order to permit such subsidiaries or such KKR Funds and KKR Credit Funds to make portfolio investments in certain jurisdictions. As discussed in *Item 11*, KKR Credit Advisors (Singapore)'s relationship with KKR and other KKR Credit entities 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 Advisors (Singapore) has adopted to address these conflicts.

#### *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.

On March 30, 2017, KKR's Indian capital markets and credit asset management businesses were reorganized, to create a new parent company, KKR India Financial Services Pte. Ltd. ("**KIFL**"), domiciled in Singapore, through which KCM Capital Markets India Private Limited ("**KCM India**") and KKR India Financial Services Private Limited ("**NBFC I**") are now held. KKR has a significant equity interest in KIFL. KKR separately holds an equity interest in KKR India Asset Finance Private Limited ("**NBFC II**"). NBFC I and NBFC II are each registered by the Reserve Bank of India as non-deposit taking, non-banking financial companies ("**NBFCs**") that are authorized to undertake lending and financing activities in India. NBFC I is primarily focused on corporate lending in India, whereas NBFC II is primarily focused on real-estate debt investments in India. KCM India is licensed by the SEBI (i) as a foreign portfolio investor or foreign venture capital investor to make investments in Indian securities, (ii) as a merchant bank that is authorized to execute capital market mandates, underwrite issues, offer investment advisory and other consultancy services in connection with securities, and (iii) as investment manager and sponsor of alternative investment funds established in India that have raised capital from Indian institutional and fund investors. In addition, a KKR affiliate has acquired an interest in an "asset reconstruction company" in India which sources, services and/or resolves performing or non-performing loans and provides services relating to loan administration, loan or asset resolution, restructuring and reconstruction. KKR Credit Advisors (Singapore) Funds and Other Clients could in the future invest in securities advised by such asset reconstruction company.

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

The Code has been established by its affiliate, KKR, for all of its investment advisory subsidiaries, including KKR Credit Advisors (Singapore). 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 Advisors (Singapore) Funds and Other Clients.

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

The Code includes a code of conduct adopted by KKR Credit Advisors (Singapore) which requires Employees to (i) act with integrity, honesty, competence, and in an ethical manner when dealing with the public, regulators, clients, investors, prospective investors and their fellow Employees; (ii) adhere to the highest standards with respect to any potential material conflicts of interest with KKR Credit Advisors (Singapore) Funds and Other Clients; and (iii) preserve the confidentiality of information that they obtain in the course of KKR Credit Advisors (Singapore)’s business and use such information properly, consistent with applicable legal standards, and not in any way adverse to the interests of any KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 (including KKR Credit Advisors (Singapore)), or KKR Funds or KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds or Other Clients), or investments in private assets that compete with assets or business owned or targeted by KKR Funds or KKR Credit Funds (including KKR Credit Advisors (Singapore) 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 Funds or KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds or Other Clients), for example, 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 or KKR Credit or their affiliates (including KKR Credit Advisors (Singapore)) or KKR Funds or KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds or Other Clients) have an economic interest in, who sponsor investment vehicles that compete with KKR or KKR Credit (including KKR Credit Advisors (Singapore)), or that KKR, KKR Credit (including KKR Credit Advisors (Singapore)) 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 Advisors (Singapore) Funds or Other Clients. Such personal investments give rise to potential or actual conflicts of interest between KKR Credit Advisors (Singapore) Funds and Other Clients on the one hand, and, KKR, KKR Credit Advisors (including KKR Credit Advisors (Singapore)) 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 Advisors (Singapore) 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 such KKR Credit Advisors (Singapore) Fund or Other Client. In addition, certain KKR or KKR Credit personnel hold investments in entities that are or become service providers to KKR or KKR Credit (including KKR Credit Advisors (Singapore)) or portfolio companies of KKR Funds or KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds or Other Clients). Although the relevant KKR or 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 Advisors (Singapore) or portfolio companies of KKR Credit Advisors (Singapore) 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<sup>1</sup> on any personal private fund or private investments, seek to address any potential or actual conflicts of interest relating to personal private investments in respect of KKR Credit Advisors (Singapore)'s business and activities.

The Code restricts Employees' ability to conduct activities outside the Firm that conflict with the interests of the KKR Funds or KKR Credit Funds (including KKR Credit Advisors (Singapore) 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, Industry Advisors, KKR Advisors, RPM and other Consultants from, time to time also serve as directors or interim executives, or otherwise be associated with companies that are competitors of portfolio companies of certain KKR Funds or KKR Credit Funds (including KKR Credit Advisors (Singapore) 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 by KKR Credit personnel pursuant to the Code to

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<sup>1</sup> We note multiple references to KKR's Compliance Group – is this correct or should it be KKR Credit?



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

The Code is available upon written request of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) and its affiliates will not, as principal, sell a security to, or buy a security from, any KKR Credit Advisors (Singapore) Fund or Other Client without providing appropriate disclosure and obtaining the informed consent of such KKR Credit Advisors (Singapore) Fund or Other Client prior to the settlement of each such transaction, as well as the prior authorization of KKR Credit's and KKR Credit Advisors (Singapore)'s Chief Compliance Officer.

Principal transactions occur, for example, where a KKR warehouses an investment, in whole or in part, in one of its proprietary entities for the benefit of one or more KKR Credit Advisors (Singapore) Funds or seeds the initial portfolio of a KKR Credit Advisors (Singapore) Fund by making the initial commitment and capital contributions to the KKR Credit Advisors (Singapore) Fund pending the admission of third party investors to such KKR Credit Advisors (Singapore) Fund and the acquisition by the KKR Credit Advisors (Singapore) Fund of the investment from the proprietary entity or the participation by such third party investors in such seeded initial portfolio of investments. In these cases, a KKR Credit Advisors (Singapore) Fund or Other Client, as applicable, 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 Advisors (Singapore) Fund or Other Client) or be calculated in accordance with a formula provided for in the governing documents of the KKR Credit Advisors (Singapore) Fund or Other Client; and/or (ii) the consent of the respective KKR Credit Advisors (Singapore) Fund's limited partner advisory committee, independent client representative or investors or the consent of the Other Client be obtained prior to the completion of the relevant transaction or in connection with the investors' subscriptions to the KKR Credit Advisors (Singapore) Fund or the establishment of the Other Client relationship. For warehoused assets, the consent to transfer such assets to KKR Credit Advisors (Singapore) Funds or Other Clients is generally obtained through the signed approval of the subscription agreement or limited partnership agreement of the KKR Credit Advisors (Singapore) Fund or 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 Advisors (Singapore) Funds or Other Clients.

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

#### *Stakes and Seed Managers*

Affiliates of KKR Credit Advisors (Singapore) have acquired and will acquire or hold from time to time a non-controlling interest in a third-party hedge fund manager or fund of hedge fund manager (“**Stakes and Seed Managers**”) and funds or other vehicles sponsored or advised by such managers (referred to herein collectively as (“**Stakes and Seed Funds**”). For example, affiliates of KKR Credit Advisors (Singapore) have acquired a 24.9% interest in BlackGold Capital Management L.P., a credit-oriented investment manager focused on energy and hard asset investments, 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**”), a liquid alternatives firm. Affiliates of KKR Credit Advisors (Singapore) also have investments certain real estate managers, such as Drawbridge Realty, and certain infrastructure investment managers, such as India Grid Trust. No Stakes and Seed Fund is an advisory client of KKR Credit Advisors (Singapore). 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 and could in the future be retained by KKR Credit Advisors (Singapore) in respect of KKR Credit Advisors (Singapore) Funds or Other Clients. KKR and KKR Credit also from time to time act, and KKR Credit Advisors (Singapore) could in the future 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 Funds and KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds or Other Clients). For example, KKR and KKR Credit 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 and KKR. KKR Credit may be deemed to have a financial interest in transactions between any Stakes and Seed Fund, on the one hand, and a KKR Credit Fund or Other Client on the other. Such transactions (which do not involve KKR or KKR Credit advisory clients on both sides of the transaction) are neither principal transactions nor agency cross transactions. However, because of a KKR Credit Advisors (Singapore) affiliate’s financial interest in Stakes and Seeds Managers, such affiliate will receive additional compensation related to such transactions. Such additional compensation will not be shared with KKR Credit Advisors (Singapore) Funds or Other Clients. 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.

#### *Cross Transactions and Agency Cross Transactions*

Under certain circumstances, KKR Credit Advisors (Singapore) may arrange for purchases and sales of

securities between two KKR Credit Advisors (Singapore) Funds and/or Other Clients (a “**Cross Transaction**”) (see also discussion of “*Rebalancing Transactions*” below). KKR Credit Advisors (Singapore) will be subject to the specific cross-trading policy adopted by KKR Credit (“**Cross Transactions Policy**”) which is representative of any Advisers Act requirements and complying with applicable law and additional governing documents, for the relevant KKR Credit Advisors (Singapore) Fund or Other Client. The Cross Transactions Policy establishes that a cross transaction can only be effected if appropriate and fair pricing is denoted and the cross transaction provides a clear benefit to each participating KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client might not receive the best price otherwise possible, or KKR Credit Advisors (Singapore) may have an incentive to improve the performance of one KKR Credit Advisors (Singapore) Fund or Other Client by selling underperforming assets to another KKR Credit Advisors (Singapore) Fund or Other Client, for example, to earn fees. KKR Credit Advisors (Singapore) will not arrange for a cross transaction to be implemented unless the requirements of the Cross Transaction Policy are fulfilled. KKR Credit Advisors (Singapore) from time to time will engage in agency cross transactions between Other Clients and KKR Credit Advisors (Singapore) Funds and an unaffiliated third party in a manner consistent with the Advisers Act and the rules promulgated thereunder. In an agency cross transaction, KKR Credit Advisors (Singapore) or one of its affiliates including, in particular, an Affiliated Broker, earns a fee for arranging a transaction between KKR Credit Advisors (Singapore) Funds or Other Clients.

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

#### *Transactions Between KKR Credit Advisors (Singapore) Portfolio Companies*

Portfolio companies of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client (for example, a portfolio company of one KKR Credit Advisors (Singapore) Fund or Other Client could engage a portfolio company of another KKR Credit Advisors (Singapore) Fund or Other Client to provide due diligence and special asset services). Agreements, transactions and other arrangements entered into between one KKR Credit Advisors (Singapore) Fund or Other Client portfolio company and another KKR Credit Advisors (Singapore) Fund or Other Client portfolio company will indirectly benefit KKR Credit Advisors (Singapore) by increasing the overall value of all investments at the expense of one KKR Credit Advisors (Singapore) Fund’s or Other Client’s investment. Generally, transactions between portfolio companies of a KKR Credit Advisors (Singapore) Fund or Other Client and portfolio companies of another KKR Credit Advisors (Singapore) 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 Advisors (Singapore) and without the participation of KKR Credit Advisors (Singapore). However, KKR Credit Advisors (Singapore)’s interest in maximizing such overall investments give rise to a conflict of interest in particular, but not limited to, where KKR Credit Advisors (Singapore) has the ability through its investments to influence the activities of such companies or encourages KKR Credit Advisors (Singapore) Fund or Other Client portfolio companies to transact therewith. Where KKR Credit Advisors (Singapore) determines that there is a conflict of interest,

including possibly because members of management are not sufficiently independent of KKR Credit Advisors (Singapore), KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund and/or Other Client, KKR 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 Advisors (Singapore) Fund or Other Client and such Other Participants could have varying or no interests in certain of such portfolio companies participating in the merger or combination. Following such merger or combination, the KKR Credit Advisors (Singapore) Fund or Other Client 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 Advisors (Singapore) Fund or Other Client 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 Advisors (Singapore) Fund or Other Client 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 Advisors (Singapore) Fund or Other Client 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 Advisors (Singapore) Fund or Other Client 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 Advisors (Singapore) Funds and Other Clients. Similar conflicts will arise in connection with transactions between portfolio companies of KKR Credit Advisors (Singapore) Funds and Other Clients and portfolio companies of KKR Funds and other KKR Credit Funds (including with respect to the interests of KKR and other KKR Credit entities, as applicable).

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

As described in response to *Item 10*, KKR Credit Advisors (Singapore) 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 and debt instruments issued by portfolio companies, holding companies and other controlled or non-controlled entities in or through which KKR Credit Advisors (Singapore) Funds or Other Clients invest (including securities that are senior or junior within the capital structure of those held by KKR Credit Advisors (Singapore) Funds or Other Clients) or otherwise be involved in the public or private placement of securities or debt instruments issued by KKR Credit Advisors (Singapore) Fund or Other Client portfolio companies and other controlled or non-controlling entities in or through which a KKR Credit Advisors (Singapore) Fund or Other Client invests. Affiliated Brokers also provide capital markets advisory services to portfolio companies of KKR Credit Advisors (Singapore) Funds or Other Clients portfolio companies and other controlled or non-controlling entities in or through which a KKR Credit Advisors (Singapore) Fund or Other Client invests, including in connection with mergers, acquisitions and restructurings; and will alone, or with other counterparties, which might include other KKR Funds and KKR Credit Funds, 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients invest; (ii) KKR Credit Advisors (Singapore) 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. Affiliated Brokers, as a consequence of such activities, will hold positions in instruments and securities issued by a KKR Credit Advisors (Singapore) Fund's or Other Client's portfolio companies (or controlled or non-controlled entities through which they invest), including securities issued in different parts of the capital structure of such companies, and will engage from time to time in transactions that are also appropriate investments for a KKR Credit Advisors (Singapore) Fund or Other Client. Subject to applicable law, Affiliated Brokers receive fees, including underwriting, placement commissions, financing fees, 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 Advisors (Singapore) Funds or Other Clients. 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 Advisors (Singapore) 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 Advisors (Singapore) Fund, Other Client or portfolio company will, 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 Advisors (Singapore) Fund's or Other Client's ability to dispose of such securities at an opportune time.

KKR Credit has conflicts of interest policies and procedures in place, applicable to KKR Credit Advisors (Singapore), where transactions involving a KKR Credit Advisors (Singapore) 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 Credit reviews such transactions to ensure that the requirements of Section 206(3) of the Advisers Act and Rule 206(3)-2 under the Advisers Act, as applicable, in respect of principal transactions between any KKR Credit Advisors (Singapore) Fund or Other Client and KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients. In such case, the Affiliated Broker's particular client would typically require the Affiliated Broker to act exclusively on its behalf, thereby precluding KKR Credit Advisors (Singapore) Funds or Other Clients from participating in such investment opportunities. No Affiliated Broker would be obligated to decline any such engagements in order to make an investment opportunity available to KKR Credit Advisors (Singapore) Funds or Other Clients. In addition, Affiliated Brokers could come into the possession of information through these new businesses that limits a KKR Credit Advisors (Singapore) Fund's or Other Client's ability to engage in potential transactions.

Affiliated Brokers or KKR Credit investment vehicles (including KKR Credit Advisors (Singapore) Funds and Other Clients) will from time to time provide financing to 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 Fund or other KKR Credit Fund (including another KKR Credit Advisors (Singapore) 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 Advisors (Singapore) may face conflicts of interest where any Affiliated Broker or a KKR Credit Advisors (Singapore) Fund or Other Client 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 KKR Credit Advisors (Singapore) Fund or Other Client and, potentially, related arranging fees for KKR Credit Advisors (Singapore) affiliates. Any such financing arrangements will be subject to KKR Credit's policies and procedures for addressing conflicts.

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

As described in *Item 5 - Fees and Compensation*, KKR Credit Advisors (Singapore) and its affiliates (including, in particular, KKR and other KKR Credit entities) will receive monitoring fees, financial advisory fees, loan administrative agent fees, transaction fees, and other compensation for services provided to portfolio companies, holding companies and other entities in or through which a KKR Credit Advisors (Singapore) Fund or Other Client invests. Such parties will also receive break-up fees and other compensation with respect to KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients, as described in their offering materials, documents and/or the governing documents.

Certain portfolio companies of KKR Funds (including proprietary vehicles) and KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds or Other Clients) are or could be counterparties to or participants in agreements, transactions or other arrangements with the portfolio companies of other KKR Funds and KKR Credit Funds (including other KKR Credit Advisors (Singapore) Funds or Other Clients). For example, a portfolio company of a KKR Credit Advisors (Singapore) Fund could retain a company in which another KKR Credit Advisors (Singapore) 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 Funds and KKR Credit Funds (including KKR Credit Advisors (Singapore) Funds or Other Clients) will indirectly benefit the relevant KKR Fund or KKR Credit Fund as an investor in such companies or adversely impact the portfolio companies of the other KKR Funds or KKR Credit Funds with which they do business. The interest of KKR and KKR Credit (including KKR Credit Advisors (Singapore)) and any KKR Fund or KKR Credit Fund (including any KKR Credit Advisors (Singapore) 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 or KKR Credit (including KKR Credit Advisors (Singapore)) or the relevant KKR Fund or KKR Credit Fund has the ability through its investments to influence the activities of such companies or encourages portfolio companies of a KKR Fund or KKR Credit Fund, as applicable, to transact therewith.

Such portfolio companies will also in certain cases compete with a KKR Credit Advisors (Singapore) Fund's or Other Client's investments. For example, a KKR Credit Advisors (Singapore) Fund could invest in a company which competes with, is a customer of, or is a service provider or supplier to another KKR Credit Advisors (Singapore) Fund portfolio company. In providing advice and recommendations to, or with respect to such portfolio company's business dealings, KKR Credit Advisors (Singapore) is not obligated to and may not take into consideration the interests of the other relevant KKR Credit Advisors (Singapore) Fund or its portfolio companies and other investments. Accordingly, these circumstances give rise to certain potential conflicts of interest. Certain portfolio companies of a KKR Credit Advisors (Singapore) Fund or Other Client could have an economic incentive or do something for commercial reasons that have adverse consequences for another KKR Credit Advisors (Singapore) Fund or Other Client or its portfolio company, such as seeking to expand its market share at the expense of the other

KKR Credit Advisors (Singapore) Fund or Other Client portfolio company, withdrawing business from the other KKR Credit Advisors (Singapore) Fund or Other Client portfolio company in favor of another company, offering the same product or service at a lower price, increasing its own prices along with other enterprises in the industry, or commencing litigation against another KKR Credit Advisors (Singapore) Fund's or Other Client's portfolio company. Certain KKR Credit Advisors (Singapore) Funds or Other Clients could also obtain confidential information regarding their portfolio companies that they cannot act on or disclose to another KKR Credit Advisors (Singapore) 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 could result in adverse consequences to such other KKR Credit Advisors (Singapore) Funds or Other Clients or their investments. Similar conflicts will arise in respect of portfolio companies of KKR Funds and other KKR Credit Funds.

While KKR Credit Advisors (Singapore) Funds and Other Clients will generally have only a limited ability pursuant to their applicable governing documents to invest in portfolio companies of KKR Funds, such KKR Credit Advisors (Singapore) Funds and Other Clients will typically not be restricted in their ability to provide financing to a third-party sponsor, acquisition vehicle of a sponsor or another portfolio company for the purposes of acquiring another company that represents a private equity, special situations or other equity investment of a KKR Fund (or another KKR Credit Fund, including another KKR Credit Advisors (Singapore) Fund or Other Client. In addition, certain KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client. To the extent such investment opportunities arise, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client through financing provided directly or indirectly by another KKR Credit Advisors (Singapore) Fund or Other Client. In addition, KKR Credit Advisors (Singapore) Funds and Other Clients will not be restricted in their ability to refinance loans or other debt positions held by other KKR Credit Advisors (Singapore) Funds or Other Clients in a borrower prior to their stated maturity. Such prepayments results in KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Credit Advisors (Singapore) will face 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 Advisors (Singapore) Funds or Other Clients. The pricing and terms of any of the foregoing refinancing transactions will, from time to time, be established solely by KKR Credit Advisors (Singapore) and its affiliates without the involvement of an independent third party. Similar conflicts will arise in respect of the refinancing of loans held by other KKR Credit Funds by KKR Credit Advisors (Singapore) Funds or Other Clients or the refinancing of loans held by KKR Credit Advisors (Singapore) Funds or Other Clients by other KKR Credit Funds.

Certain KKR proprietary entities and Affiliated Brokers, on behalf of their proprietary and client accounts, will 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client are likely to retain companies in which KKR 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 Advisors (Singapore) Fund or Other Client portfolio companies and any such companies indirectly benefit KKR Credit Advisors (Singapore) as the affiliate of an owner of such companies or adversely impact any KKR Credit Advisors (Singapore) Fund or Other Client portfolio companies with which they do business. KKR Credit Advisors (Singapore)'s interest in maximizing the return on such investments can give rise to a conflict of interest in particular, but not limited to, where KKR Credit Advisors (Singapore) has the ability through its investments to influence the activities of such companies or encourages KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients or their respective portfolio companies, on the other, are generally not expected to constitute the types of transactions that will entitle such companies to fees or other compensation that will reduce management fees payable by the KKR Credit Advisors (Singapore) Fund or Other Client. For example, insurance brokerage fees or IT licensing fees payable by a KKR Credit Advisors (Singapore) Fund portfolio company to an affiliate of KKR Credit Advisors (Singapore) for related services of an affiliate of KKR Credit Advisors (Singapore) will not reduce management fees, but will benefit the KKR Credit Advisors (Singapore) affiliate. Similarly, fees paid to loan servicers, Platform Managers or Asset Servicers in which KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund's or Other Client's investments. For example, KKR Credit Advisors (Singapore) or its affiliates might invest in a company which competes with a KKR Credit Advisors (Singapore) 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, KKR Credit Advisors (Singapore) and their affiliates will not take into consideration the interests of the relevant KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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.

As noted in response to *Item 5*, Employees, Senior Advisors, Industry Advisors, KKR Advisors and RPM and other Consultants could sometimes serve on the boards of KKR Credit Advisors (Singapore) Fund or Other Client portfolio companies and in such capacity could receive director's fees, which might be retained in whole or in part by the relevant Employee, Senior Advisor, Industry Advisor, KKR Advisor, RPM 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 Advisors (Singapore) Funds or Other Clients. As the KKR Credit Advisors (Singapore) 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, Industry Advisors, KKR Advisors, RPM and other Consultants could also serve as directors or interim executives, or otherwise be associated with, companies that are competitors of portfolio companies of certain KKR Credit Advisors (Singapore) Funds or Other Clients. It would be expected that the interests of a competitor company would often not be aligned with those of a KKR Credit Advisors (Singapore) Fund, Other Client or their portfolio company, and consistent with the fiduciary duty owed by Employees, RPM, Senior Advisors, Industry Advisors,



KKR Advisors and other Consultants to such Competitor Companies when serving on their boards, they will act in the best interests of the Competitor Companies, and not in the best interests of KKR Credit Advisors (Singapore) Funds or Other Clients. Having Employees serve as directors or interim executives of a portfolio company of a KKR Credit Advisors (Singapore) Fund or Other client or another company (including a portfolio company of another KKR Credit Advisors (Singapore) Fund or Other Client) will, under certain circumstances, restrict the ability of a KKR Credit Advisors (Singapore) Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

KKR Credit Advisors (Singapore) and its affiliates receive or will receive certain fees through third parties pursuant to participation or “back-to-back” arrangements (please see Item 5 – *Non-Shared Fees*). While KKR Credit Advisors (Singapore) 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 Advisors (Singapore) and its affiliates will make determinations of market rates based on its consideration of a number of factors, which are generally expected to include KKR Credit Advisors (Singapore)’s experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by KKR Credit Advisors (Singapore) to be appropriate under the circumstances. While KKR Credit Advisors (Singapore) and its affiliates will generally seek to obtain benchmarking data regarding the rates charged or quoted by third parties for similar services, appropriate comparisons might not be 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 Advisors (Singapore) or its affiliates 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 Advisors (Singapore) Fund, Other Client and/or such other investment vehicles and accounts that invest.

As discussed below under *KKR Credit Advisors (Singapore) Purchases/Sales of Securities Recommended to KKR Credit Advisors (Singapore) Funds or Other Clients*, Employees and other persons associated with KKR Credit Advisors (Singapore) and its affiliates and executives of KKR Credit Advisors (Singapore) Fund portfolio companies are permitted to invest in KKR Associates Vehicles established as co-investment vehicles to facilitate participation by such persons in portfolio investments made by KKR Credit Advisors (Singapore) Funds or Other Clients (which vehicles typically will not be charged management fees or carried interest allocations, performance fees or certain expenses). Employees and other persons associated with KKR Credit Advisors (Singapore) and its affiliates 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 Advisors (Singapore) Funds or Other Clients. Please see the *Proprietary Investments* and *Balance Sheet Investments* sections below for further information regarding such investments.

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

**Investments in which KKR Credit Advisors (Singapore), KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients. In particular, certain KKR Credit Advisors (Singapore) Funds or Other Clients may co-invest in private equity and other investments made by KKR Funds and KKR Funds are permitted to co-invest in KKR Credit Advisors (Singapore) investment strategies and other investments alongside KKR Credit Advisors (Singapore) 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 Advisors (Singapore) on the one hand and KKR Funds on the other hand.

Certain KKR Credit Advisors (Singapore) Funds and Other Clients, other KKR Credit Funds KKR Funds, KKR Associates Vehicles and other KKR proprietary entities and KKR affiliates, including an Affiliated Broker, invest or could invest in different parts of the capital structure of the same portfolio company. For example, a KKR Credit Advisors (Singapore) Fund or a KKR Credit Advisors (Singapore) affiliate, including an Affiliated Broker, is permitted to invest in debt securities issued by a portfolio company in which a KKR Fund has a controlling or other equity interest, or an Affiliated Broker can underwrite an offering of debt securities issued by a portfolio company that are more senior or junior to those held by a KKR Credit Advisors (Singapore) Fund or Other Client. In addition, a KKR Credit Advisors (Singapore) Fund or Other Client have could hold preferred equity in a portfolio company in which another KKR Credit Fund holds ordinary shares or more junior debt. The interests of the KKR Credit Advisors (Singapore) Fund and such KKR Fund or other KKR Credit Fund or such KKR Credit Advisors (Singapore) affiliate, including any Affiliated Broker, 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 Advisors (Singapore) Fund or Other Clients could be adverse to those taken for a KKR Fund, another KKR Credit Fund, a KKR Credit Advisors (Singapore) affiliate, or vice versa and actions taken by an Affiliated Broker could be adverse to the interests of a KKR Credit Advisors (Singapore) Fund or Other Client, or vice versa. KKR and KKR Credit, including KKR Credit Advisors (Singapore), 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 could take certain actions that, in the absence of a potential conflict, they 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 KKR Funds or KKR Accounts that have existing interests 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 Advisors (Singapore) and other KKR Credit entities and KKR for KKR Funds and KKR Funds (including KKR proprietary entities), as applicable, will conflict from time to time with the transactions and strategies employed by KKR Credit Advisors (Singapore) in managing KKR Credit Advisors (Singapore) Funds and Other Clients (and vice versa). For example, where a KKR Credit Advisors (Singapore) Fund, Other Client, other KKR Credit Fund, 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 Advisors (Singapore) and KKR could give 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 Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, KKR Funds or KKR proprietary entities that are different from, or otherwise inconsistent with, the advice

given or timing or nature of any action taken with respect to the investments held by, and transactions of, KKR Credit Advisors (Singapore) Funds or Other Clients (or, as applicable, other KKR Credit Advisors (Singapore) Funds or Other Clients). In certain cases, such advice and actions will adversely impact a KKR Credit Advisors (Singapore) Fund or Other Client.

The timing of entry into or exit from a portfolio investment will, in certain cases, vary as among KKR Credit Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds, 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 Advisors (Singapore) Fund, Other Client or KKR Credit Advisors (Singapore) Fund to its general partner, where such securities are otherwise disposed of by such KKR Credit Advisors (Singapore) Fund, Other Client, other KKR Credit Fund 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 Advisors (Singapore) Fund or Other Client or any such other investing entities. There can be no assurance that the terms of, or the return on, such KKR Credit Advisors (Singapore) Fund's or Other Client's investment will be equivalent to, or better than, the terms of, or the returns obtained by, a different KKR Credit Advisors (Singapore) Fund or Other Client, other KKR Credit Fund or a KKR Fund or KKR proprietary entity, including in respect of any category of investments, nor can there be any assurance that a different KKR Credit Advisors (Singapore) Fund or Other Client, other KKR Credit Fund or a KKR Fund or KKR proprietary entity with similar investment objectives, programs or strategies, including, without limitation, any Seed Investments, will hold the same positions, obtain the same financing or perform in a substantially similar manner as such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients, other KKR Credit Funds, KKR Funds or KKR proprietary entities on the one hand and different KKR Credit Advisors (Singapore) Funds or Other Clients on the other, the regulatory status of certain KKR Credit Advisors (Singapore) Funds or Other Clients, other KKR Credit Funds, KKR Funds and any related restrictions or obligations imposed on KKR Credit Advisors (Singapore) (or any affiliate) as a fiduciary thereof. For example, while one KKR Credit Advisors (Singapore) Fund engages in *bona fide* hedging transactions, in KKR proprietary entities enter into such transactions for speculative purposes or, alternatively, set hedge a given risk related to a given investment more or less fully than such KKR Credit Advisors (Singapore) Fund. Certain KKR proprietary entities enter into such hedging arrangements in connection with investments alongside a KKR Credit Advisors (Singapore) Fund and, like other investors in such KKR Credit Advisors (Singapore) Fund, also enter into hedging arrangements in connection with their investments made through such KKR Credit Advisors (Singapore) Fund (including with respect to the applicable KKR Credit Advisors (Singapore) GP's entitlement to receive carried interest distributions), which arrangements are not employed by such KKR Credit Advisors (Singapore) Fund itself. These differences in hedging strategy could result in such KKR proprietary entities achieving more or less favorable returns with respect to an investment relative to the returns achieved by the KKR Credit Advisors (Singapore) Fund or Other Client or other investors in the KKR Credit Advisors (Singapore) Fund or Other Client. In the future, certain KKR Credit Advisors (Singapore) Funds or Other Clients, other KKR Credit Funds, KKR Funds or a KKR proprietary entity concurrently, or in close proximity in time with such acquisition by a different KKR Credit Advisors (Singapore) Fund or Other Client, establish a short position in a security acquired by such other KKR Credit Fund, KKR Fund or Other Client (for example as collateral) or that otherwise relates to such an investment held by such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client or otherwise benefit the execution of the transaction entered into by another KKR Credit Advisors (Singapore) Fund or Other Client, other KKR Credit Fund or a KKR Fund and/or KKR proprietary entity.

With respect to portfolio companies of KKR Credit Advisors (Singapore) Funds or Other Clients that are private equity investments of KKR and/or KKR Funds (if any), KKR will typically seek to acquire controlling or other significant influence positions and will also seek to make some investments in which they do not acquire control or significant influence. KKR Funds will frequently have the ability to elect some or all of the members of the board of directors of their portfolio companies and thereby control their policies and operations, including the appointment of management, future issuances of common stock, or other securities, the payments of dividends, if any, on their common stock, the incurrence of debt, amendments to their certificates of incorporation and bylaws, and entering into extraordinary transactions. Certain actions of a portfolio company that KKR is in a position to control or influence either directly by reason of a KKR Fund's or KKR proprietary entity's interest in such company will be in the interests of the KKR Fund or KKR proprietary entity but adverse to the interests of a KKR Credit Advisors (Singapore) Fund or Other Client, or vice versa. For example, a KKR Fund or KKR proprietary entity could have an interest in pursuing an acquisition that would increase indebtedness, a divestiture of revenue-generating assets, or another transaction that, in KKR's judgment, could enhance the value of the KKR Fund's investment, but would subject debt investments made by a KKR Credit Advisors (Singapore) Fund or Other Client to additional or increased risk.

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

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

KKR Credit Advisors (Singapore) Funds or Other Clients can also participate in re-leveraging and recapitalization transactions involving issuers of their portfolio investments in which other KKR Credit Advisors (Singapore) Funds or Other Clients, other KKR Credit Funds 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 Advisors (Singapore) Fund or Other Client's debt investments in certain companies, KKR Funds could invest in equity issued by the same companies. Certain interests of the KKR Credit Advisors (Singapore) Fund or Other Client might not be aligned in all circumstances with the interests of the KKR Funds to the extent that they hold equity interests, which could create actual or potential conflicts of interest, or the appearance of such conflicts. In that regard, certain actions taken by KKR (or any affiliate) or the KKR Funds will be adverse to the KKR Credit Advisors (Singapore) Fund or Other Client. The involvement of KKR and KKR Credit Advisors (Singapore) at both the equity and debt levels could inhibit strategic information exchanges among other creditors. In certain circumstances, KKR Credit Advisors (Singapore) Funds or Other Clients 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 Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds and/or KKR Funds investing in different parts of the capital structure of a portfolio company are particularly likely to conflict in the case of financial stress or distress of the company and such conflicts will be increased where KKR and/or KKR Funds hold material equity interests in a portfolio company or otherwise have a material influences 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 Advisors (Singapore) Fund or Other Client, as a holder of debt issued by such company, to provide such additional financing and the ability of KKR Credit Advisors (Singapore) to recommend such additional financing as being in the best interests of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Client's interests will be subordinated or otherwise adversely affected by virtue of KKR Funds' involvement and actions relating to their investments. There can be no assurance that the term of or the return on a KKR Credit Advisors (Singapore) 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 other KKR Credit Fund) participating in the transaction. In certain circumstances, actions taken by KKR in respect of any KKR Fund's interest in a portfolio company will result in a loss or substantial dilution of a KKR Credit Advisors (Singapore) Fund's or Other Client's investment in the same portfolio company, while such KKR Fund will recover all or part of amounts due to it. In addition, where a KKR Credit Advisors (Singapore) Fund or Other Client is a creditor of a portfolio company in which a KKR Fund holds equity securities, KKR Credit Advisors (Singapore) or such KKR Credit Advisors (Singapore) Fund or Other Client will 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 as a more junior debt holder or as an equity holder. Similarly, KKR Credit Advisors (Singapore)'s ability to implement a KKR Credit Advisors (Singapore) 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 (or an affiliate), other KKR Credit Funds or a KKR Fund impose restrictions on such KKR Credit Advisors (Singapore) Fund or Other Client engaging in transactions that KKR Credit Advisors (Singapore) is interested in otherwise pursuing. Similar issues will arise with KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds, Other Clients, their portfolio companies and other entities in or through which KKR Credit Advisors (Singapore) Funds and Other Clients invest could 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 Advisors (Singapore) will agree to assume the market risk associated with a hedging arrangement entered into by or on behalf of the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) will in turn enter into agreements with such counterparty pursuant to which such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) affiliate receiving this indirect fee in a deal-contingent hedging arrangement will not always be aligned with the interests of the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) affiliate has participated in a related deal-contingent hedging arrangement.

KKR Credit Advisors (Singapore) is subject to the KKR Credit policies and procedures intended to mitigate potential conflicts of interest inherent in investments by KKR Credit Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds and KKR Funds in portfolio companies of other KKR Credit Advisors (Singapore) Funds or Other Clients. These policies and procedures, which include limitations on both the maximum amounts and types of such investment and procedures relating to transacting in the securities of such companies when they become distressed, are intended to supplement such restrictions and other requirements relating to such investments disclosed in the offering materials, disclosure documents and/or governing documents of any KKR Credit Advisors (Singapore) Fund, Other Client, other KKR Credit Fund or KKR Fund. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund's limited partner advisory committee or limited partners or from an Other Client, or other means of resolving the conflict in lieu of referring such conflict to the KKR Credit Advisors (Singapore) Fund's limited partner advisory committee or limited partners (or Other Client), to the extent permitted pursuant to the governing documents of such KKR Credit Advisors (Singapore) Fund or other Client).

To the extent KKR Credit Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds 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 Credit Advisors (Singapore) Funds 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 Advisors (Singapore) Fund or Other Client or co-investment vehicle can participate in such investments on different and potentially less favorable terms than other participants if KKR Credit Advisors (Singapore) deems such participation as being otherwise in the best interests of any relevant KKR Credit Advisors (Singapore) Fund or Other Client.

In addition to investing alongside KKR Credit Advisors (Singapore) Funds and Other Clients, certain KKR Funds and other KKR Credit Funds will invest as limited partners in KKR Credit Advisors (Singapore) Funds and will have the right to exercise any vote, consent or waiver required or permitted under the partnership agreements of the KKR Credit Advisors (Singapore) Funds in which they invest in the same manner as other limited partners in such KKR Credit Advisors (Singapore) Funds. Such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds. To the extent that any such vote, waiver or consent is permitted to be exercised independently by KKR Credit Advisors (Singapore) or an affiliate in its capacity as general partner, manager or a similar role KKR Credit Advisors (Singapore) and its affiliates will seek to exercise such vote, waiver or consent in accordance with the interests of such KKR Funds or KKR Credit Funds investing as limited partners in KKR Credit Advisors (Singapore) 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).

### **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 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 may invest in securities or other financial instruments of companies (or issuers) in which KKR Credit Advisors (Singapore) Funds or Other Clients also have an interest. These funds and accounts also invest in competitors of KKR Credit Advisors (Singapore) Funds, Other Clients or their respective portfolio companies. In addition, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 (including KKR Credit Advisors (Singapore)). However, as it relates to investment opportunities where KKR Credit Advisors (Singapore) 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 Advisors (Singapore), its Funds or Other Clients, control and supervisory oversight will be retained by KKR Credit Advisors (Singapore).

### **KKR Credit Advisors (Singapore) Purchases/Sales of Securities Recommended to KKR Credit Advisors (Singapore) Clients**

#### *Co-Investment Vehicles*

As indicated above in response to *Item 4*, KKR Credit Advisors (Singapore) (and its affiliates) could 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 KKR Credit Advisors (Singapore) Funds and Other Clients. Any such vehicle will be established at KKR Credit Advisors (Singapore)'s or its affiliates sole discretion, and KKR Credit Advisors (Singapore) 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, Industry Advisors, RPM and other persons associated with KKR, including executives of KKR portfolio companies and external consultants (i.e., KKR Associates 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 other participating KKR Credit Advisors (Singapore) Funds, Other Clients and to co-investment vehicles that are open to third party institutional co-investors seeking to participate in investments made by KKR Credit Advisors (Singapore) Funds and Other Clients. These special purpose vehicles are established and administered by KKR Credit Advisors (Singapore) and its affiliates to facilitate the investments and related investment decisions and activities of such third-party co-investors. KKR Credit Advisors (Singapore) does not provide investment management, advisory, monitoring or supervisory services to such vehicles or the related co-investors. KKR Credit Advisors (Singapore) (and its affiliates) does not charge management fees or receive incentive allocations for its services to KKR Associates Vehicles and KKR Credit Advisors (Singapore) (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 Advisors (Singapore) (or its affiliates) also bear any allocable share of expenses on behalf of these vehicles.

#### *Proprietary Investments*

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

In addition, in certain circumstances the Balance Sheet will, from time to time, make a capital commitment to a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client, through the conversion of a portion of the interest of the general partner of the KKR Credit Advisors (Singapore) Fund or Other Client into a limited partner interest, followed by the transfer of the relevant interest to the prospective investor.

In addition, a KKR Credit Advisors (Singapore) Fund or Other Client could, subject to applicable requirements in their governing documents, including potentially obtaining advisory committee consent, determine to sell a particular portfolio investment into a separate vehicle, managed by KKR Credit



Advisors (Singapore) or its affiliate and/or a third party advisor, with different terms than the KKR Credit Advisors (Singapore) Fund or Other Client (e.g., longer duration), and provide investors with the option to monetize their investment with the KKR Credit Advisors (Singapore) Fund or Other Client at the time of such sale, or to roll all or a portion of their interest in the portfolio investment into the new vehicle. Under such circumstances, KKR Credit Advisors (Singapore) or its affiliates could invest in or alongside the new vehicle, or hold the entirety of the portfolio investment sold by the KKR Credit Advisors (Singapore) Fund or Other Client through or alongside the new vehicle (i.e., in the event that all investors elect to monetize their investment at the time of sale to the new vehicle).

The Public Company has adopted policies and procedures (the “**Balance Sheet Guidelines**”) to mitigate potential conflicts of interest between the investment activities of the Balance Sheet on the one hand and any KKR Credit Advisors (Singapore) Fund or Other Client or other KKR Credit Fund or other KKR Fund) 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 Public Company’s businesses or earnings. Examples of such uses include strategic acquisitions, the strategic partnership with FS Investments, general partner commitments to KKR Credit Advisors (Singapore) Funds, other KKR Credit Funds and KKR Funds, warehoused investments for KKR Credit Advisors (Singapore) Funds and Other Clients, other KKR Credit Funds and KKR Funds and Stakes and Seed Managers. For the sake of clarity, Stakes and Seed Managers are separate and distinct from Seed Investments. Investments in Stakes and Seed Managers involve strategic, non-controlling investments in third-party managers (and their funds) while Seed Investments are strategic investments managed by KKR (or its affiliates). If a potential (non-warehoused) investment is determined by KKR in its discretion to be strategic in nature, then such investment opportunity (including the acquisition of assets that are within the investment focus of any KKR Credit Advisors (Singapore) Fund or Other Client) is deemed not within the investment focus of any KKR Credit Advisors (Singapore) 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).

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 and its affiliates on behalf of KKR Funds and KKR Credit Funds, including KKR Credit Advisors (Singapore) 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 Funds or KKR Credit Funds. Similarly, KKR has established investment vehicles with approximately \$5 billion of third-party capital and approximately \$3 billion of 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 Funds . 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 Fund. While the targeted hold period for a core investment is generally longer than the targeted hold period for traditional private equity-focused KKR Funds’ investments, there are other attributes of core investments that are similar to investments targeted by traditional private equity-focused KKR Funds, 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 Funds pursuing the relevant private equity strategies and certain other investor transparency measures.

KKR proprietary entities from time to time co-invest in KKR Credit Advisors (Singapore) Funds' or Other Clients' investments. Co-investments by KKR proprietary entities result in less availability of discretionary investment opportunities for third parties. KKR and its affiliates, including KKR Credit Advisors (Singapore), do 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 (or its affiliates) retains any allocated monitoring fees, transaction fees and services costs based on their respective ownership of the relevant investment. KKR (and its affiliates) 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 Funds from time to time in investments that fall within their respective strategies and also meet the criteria for opportunistic core investments. Application of KKR's and KKR Credit's allocation policies and procedures to KKR Credit Advisors (Singapore) Funds and Other Clients will in certain circumstances result in allocations of investment opportunities between KKR Credit Advisors (Singapore) Funds, Other Clients, other KKR Credit Funds and KKR Funds on the one hand and KKR proprietary entities on the other, that are non-pro rata (including a greater than pro rata allocation to a proprietary account) relative to a KKR Credit Advisors (Singapore) Fund, Other Client, other KKR Credit Fund or KKR Fund in either the same or different parts of a target company's capital structure. Please also see "*Allocation of Investments*" below for further information. In addition, a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) or its affiliate and/or a third party advisor, with different terms than the KKR Credit Advisors (Singapore) Fund or Other Client (for example, longer duration). Under such circumstances, KKR Credit Advisors (Singapore) or its affiliates could invest in the new vehicle alongside participating limited partners, or hold the entirety of the portfolio company interest sold by the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients. The foregoing proprietary entities, including Seed Investments and KFN invests in similar or the same types of securities, properties or other assets in which KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients. These proprietary entities will, in certain circumstances, compete with, and have interests adverse to a KKR Credit Advisors (Singapore) Fund or Other Client. The existence of Seed Investments and KKR proprietary entities, including KFN, investing in the same or similar investments made by KKR Credit Advisors (Singapore) Funds or Other Clients could, among other adverse consequences, affect the prices of the investments, securities, properties or other assets in which a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients. Investment professionals who participate in investment decisions made on behalf of KKR Credit Advisors (Singapore) Funds or Other Clients as described above are also

involved in the investment activities of the Balance Sheet. As noted above, the Balance Sheet Guidelines seek to mitigate the potential conflicts of interest.

Lastly, the Balance Sheet's operational funding uses typically consist of activities to facilitate normal course transactions in support of the Public Company's businesses, including credit support to KKR GP obligations to KKR Funds and KKR Credit Funds and support of certain transactions by KKR Funds and KKR Credit Funds. 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 GP's obligation to a KKR Fund or KKR Credit to support certain transactions by KKR Funds or KKR Credit Funds 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 Fund or KKR Fund invests or to platform vehicles in order to bridge down payments or other operational needs of a portfolio investment pending the receipt by such entities of capital contributions from the KKR Fund or KKR Credit Fund and other equity owners. As an additional example, a KKR proprietary account has in the past guaranteed and will in the future guarantee the obligation of a KKR GP entity to post collateral on behalf of a KKR 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 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 Funds and to a strategic partner regarding the ownership of its business. KKR will also, in certain circumstances, become liable for certain fees payable to sellers of businesses or assets if a transaction does not close, subject to certain conditions, if any, specified in the acquisition agreements for such businesses or assets. Operational funding activities are not offered to KKR Credit Advisors (Singapore) Funds or Other Clients for investment allocation purposes.

Moreover, from time-to-time, KKR will finance, securitize or employ other structured finance arrangements in respect of certain Balance Sheet assets. Such entities generally hold limited partner interests in certain KKR Funds or KKR Credit Funds. For example, KKR may develop structured transactions in which KKR provides subordinated or equity financing and third party investors provide senior financing to an investment vehicle that invests in KKR Funds and KKR Credit Funds. KKR could also employ structured financing arrangements with respect to co-investment interests and other Balance Sheet investments. These structured financing arrangements could alter KKR's returns and risk exposure as compared to KKR holding such assets outside of such structured financing arrangements and could create incentives for KKR to take actions in respect of such assets that it otherwise would not in the absence of such arrangements. KKR expects to establish additional financing partners in the future, including structured finance arrangements in which certain KKR employees and/or third-party co-investors are offered the opportunity to invest in the equity interest alongside, or in lieu of, the Balance Sheet.

### **Allocation of Investments**

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

Fund, KKR Associate Vehicles, KKR Funds, KKR proprietary entities or other KKR affiliates or other parties, including other co-investors (as defined below under “Allocation of Investment Opportunities–*Co-investors*”), in the event there is an overlap of investment strategies with KKR Credit. Such policies and procedures are further supported by specific guidelines addressing proprietary investment activity which may occur alongside KKR Credit Funds. Allocations of investment opportunities among KKR Funds, including KKR Credit Advisors (Singapore) Funds and Other Clients, KKR Associates Vehicles and those KKR proprietary entities that participate in the relevant KKR Credit investment strategy, are overseen by the 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, including KKR Credit Advisors (Singapore) 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 KKR Credit Advisors (Singapore) Funds and Other Clients. Moreover, except as provided in the governing documents of KKR Credit Advisors (Singapore) Funds or Other Clients, no KKR Credit Advisors (Singapore) Fund or Other Client will necessarily have any priority with respect to any category of investment opportunities in accordance with KKR’s allocation methodology (as discussed below) and may result in a KKR Credit Advisors (Singapore) 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*

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

Primary accounts represent those KKR Credit Funds 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 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**”).

<b>Primary Accounts</b>	
Private Funds	Multi-investor KKR Credit Funds and funds-of-one managed by KKR Credit).
SMAs	KKR Credit Funds managed by KKR Credit pursuant to managed account arrangements.
Affiliated Co-Investor Accounts	KKR Credit Funds 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 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.

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:

<b>Secondary Accounts</b>	
Other Funds / SMAs/Accounts with Strategy Allocation	Certain KKR Credit Funds 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 (“ <b>Secondary Accounts</b> ”). Further, there is no right to participate in pro rata allocation and therefore these participate second in the allocation waterfall following Primary Accounts.

<b>Third Tier Accounts</b>	
Balance Sheet <sup>2</sup>	<p>The Balance Sheet is comprised of KKR proprietary investment vehicles and is not entitled to be offered any opportunities in any strategies. The Balance Sheet will be offered the opportunity to participate in investments after Primary Accounts and Secondary Accounts have been permitted to participate. KKR will, in certain cases, consider its own interest before the interests of Syndicatees (defined 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>
Syndicatees	<p>“<b>Syndicatees</b>” 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 third-parties, such as institutional investors or high net worth individuals. Syndicatees are not advisory clients of KKR or KKR Credit. Certain Syndicatees might have priority or first look rights as it relates to certain investment opportunities.</p> <p>Syndicatees participate third in allocation waterfall following Primary Accounts and Secondary Accounts.</p>
Other Funds/SMAs/Accounts without Strategy Allocation	Certain KKR Credit Funds that have (i) 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

<sup>2</sup> 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 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. 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.

	<p>opportunities. Further, there is no right to participate in pro rata allocation and, therefore, these KKR Credit Funds participate last in the allocation waterfall following Primary Accounts, Secondary Accounts and Third Tier Accounts.</p> <p>Participate third in allocation waterfall following Primary Accounts and Secondary Accounts.</p>
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KKR Credit could develop new client relationships and vehicles, including new types of arrangements that alter the relative priority of allocations described above, pursuant to any limitations contained in the offering materials, disclosure documents and/or governing documents for existing KKR Credit Funds.

### *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 (including KKR Credit Advisors (Singapore) Funds and , Other Clients), Associates Vehicles and KKR proprietary entities that participate in such strategy, provided that the method is designed to achieve a fair and equitable allocation of such investment opportunity among all eligible KKR Credit Funds 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, , 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, KKR Associates Vehicles, Seed Investments and other KKR proprietary entities based on requested order size for KKR Credit vehicles managed on a parallel basis (e.g., onshore and offshore KKR Credit Funds 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 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 (including, as applicable, KKR Credit Advisors (Singapore)) and its affiliates.

The application of relevant factors and other limitations discussed above in determining allocations of investment opportunities between a KKR Credit Fund, KKR Associates 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 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 interest in any existing investment by another KKR Credit Fund 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 has insufficient available capital (including pursuant to reserves for follow-on investments following the end of the KKR Fund's investment period established by the relevant KKR 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 GP or KKR Credit. Conversely, to the extent a KKR Credit Fund 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 increasing its concentration in the relevant investment, which might increase the losses incurred by such other KKR Credit Fund 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 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, Seed Investment and other KKR proprietary entity will be allocated the balance, up to its maximum allocation. Reallocations are permitted only when in the best interests of all KKR Credit Funds, 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 that participate in a relevant strategy.

#### *Co-Investors*

To the extent excess capacity of an investment opportunity exists after the eligible KKR Credit Funds and KKR Associates Vehicles ("**Primary Accounts**") (as defined above) participating in the relevant investment strategy have received their target allocation, KKR Credit (including, as applicable, KKR Credit Advisors (Singapore)) 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/SMAs/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 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 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.

### *Co-Investment Structuring*

In addition to economic interests, the voting, control and governance rights with respect to an investment in which KKR Credit \ Funds, 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 where the KKR Credit Funds (or co-investors) own a majority of the economics or equity in the entity. Where KKR proprietary entities or a KKR Credit Fund have interests or requirements that do not align with those of a different KKR Credit Advisors, 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.

### *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 (including any KKR Credit Advisors (Singapore) Fund or Other Client. As such, strategic investments and operational funding activities are not typically allocated to KKR Credit Advisors (Singapore) Funds or Other Clients. The Balance Sheet’s opportunistic investments, however, are also allocated to relevant KKR Credit Advisors (Singapore) Funds and 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 *Item 11 – Allocation of Investment Opportunities* for further information regarding KKR’s allocation procedures with respect to certain co-investments by KKR alongside KKR Credit Advisors (Singapore) Funds or Other Clients.

## **Other Conflicts of Interest**

### *Side Letters*

A KKR Credit Advisors (Singapore) Fund, KKR Credit Advisors (Singapore) GP or another KKR Credit Advisors (Singapore) affiliate, can (and are expected to) enter into side letters or other similar agreements with particular investors in a KKR Credit Advisors (Singapore) Fund without the approval or vote of any other investor, which generally have the effect of establishing rights under, altering or supplementing the terms of such KKR Credit Advisors (Singapore) 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 (which if applicable, generally increase the percentage interest of other investors in and contribution obligations of other investors with respect to, such investments); (ii) reporting obligations of the KKR Credit Advisors (Singapore) GP; (iii) waiver of certain confidentiality obligations; (iv) consent of the KKR Credit Advisors (Singapore) GP to certain transfers by such investors or other exercises by the KKR Credit Advisors (Singapore) GP of its discretionary authority under a KKR Credit Advisors (Singapore) 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) rights with respect to investments in successor KKR Credit Advisors (Singapore) Funds; or (viii) additional obligations, and restrictions on KKR Credit Advisors (Singapore) Funds with respect to the structuring of any investment (including with respect to alternative vehicles).

#### *"Most Favored Nation" Provisions*

Most favored nation provisions or "MFNs" in side letters entered into between a KKR Credit Advisors (Singapore) Fund, KKR Credit Advisors (Singapore) GP or another KKR Credit Advisors (Singapore) affiliate and particular investors in KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund under separate side letters. MFNs are generally granted to investors in KKR Credit Advisors (Singapore) Funds on the basis of the size of their respective investments in such KKR Credit Advisors (Singapore) Funds. Thus, an MFN potentially allows a KKR Credit Advisors (Singapore) Fund investor to obtain benefits under other KKR Credit Advisors (Singapore) Fund investors' side letters that have committed lower amounts to the KKR Credit Advisors (Singapore) Fund, subject to certain limits, or "carve-outs," curtailing the provisions that a KKR Credit Advisors (Singapore) Fund investor can elect from such side letters. Certain economic benefits or rights are excluded from the MFN provisions of certain KKR Credit Advisors (Singapore) Funds, including (i) any rights or economic benefit established in favor of a KKR Credit Advisors (Singapore) 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) the confidential treatment of the identity of an investor in a KKR Credit Advisors (Singapore) Fund or Other Client, and (v) economic benefits in favor of strategic partnerships and comparable arrangements, as described below. To the extent that a KKR Credit Advisors (Singapore) GP or a KKR Credit Advisors (Singapore) Fund agrees with one or more investors to limitations on indemnification or to modifications of release, exculpation or waiver provisions, the KKR Credit Advisors (Singapore) Fund could be adversely affected to the extent any such limitation or modification were subsequently to limit the recourse of the KKR Credit Advisors (Singapore) Fund against such investors or were to allow for recourse by such investors against the KKR Credit Advisors (Singapore) Fund.

#### *Strategic Partnerships and Other Arrangements*

KKR and its affiliates, including KKR Credit, have entered and will from time to time enter into agreements with investors who are expected to be investors in a KKR Credit Advisors (Singapore) Fund, which agreements are entered into with such investors other than in their respective capacities as investors in such fund. Such agreements will not constitute side letters since they do not establish rights under or alter or supplement the terms of the KKR Credit Advisors (Singapore) Fund's governing documents and therefore will not be disclosed or offered to other investors. Such agreements include, without limitation, strategic partnerships with investors, arrangements regarding investments with KKR and/or KKR Credit

in one or more investment strategies, which could include co-investments alongside a KKR Credit Advisors (Singapore) Fund or Other Client, and similar arrangements established by KKR Credit Advisors (Singapore) and its affiliates with investors other than in their respective capacities as investors in a KKR Credit Advisors (Singapore) Fund.

KKR and KKR Credit has established and will in the future establish, based on client demand, 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's and/or KKR Credit's platform of products, investment ideas and asset classes (including the investment strategy of a KKR Credit Advisors (Singapore) Fund). Certain such arrangements include KKR and/or KKR Credit (including KKR Credit Advisors (Singapore)) granting certain preferential terms to such investors, including blended fee and carried interest rates that are lower than those applicable to a KKR or KKR Credit fund (including a KKR Credit Advisors (Singapore) Fund) when applied to the entire strategic partnership, rights to participate in the investment review and evaluation process, specialized reporting and training by KKR and/or KKR Credit of personnel from the investor including secondment of personnel from the investor to KKR or KKR Credit (or vice versa). Where such investors participate in a KKR Credit Advisors (Singapore) Fund through dedicated investment vehicles or accounts as part of such arrangements, certain such vehicles and accounts are expected to be granted terms, including management fees or carried interest, that are more favourable than those applicable to other investors notwithstanding that the capital commitment of the relevant investors to such vehicles or accounts and/or the capital commitments to the KKR Credit Advisors (Singapore) Fund by such vehicles or accounts could be smaller than other investors' capital commitments to such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund. The foregoing preferential terms are not expected to be subject to the MFN provisions of any relevant KKR Credit Advisors (Singapore) Fund and are therefore expected to be unavailable to investors in such KKR Credit Advisors (Singapore) Fund that have not entered into strategic partnerships with KKR or KKR Credit.

KKR Credit Advisors (Singapore) and its affiliates have established and in the future will establish, other KKR Credit Advisors (Singapore) Funds and Other Clients and, as applicable, other KKR Funds and KKR Credit Funds (including proprietary accounts) that pursue similar investments and strategies to KKR Credit Advisors (Singapore) Funds and Other Clients and will, in certain cases, permit such entities and other investors to co-invest in investments made by KKR Credit Advisors (Singapore) Funds and Other Clients. The terms applicable to such other entities, including management fees or carried interest, are expected to be often more favourable than those applicable to the relevant KKR Credit Advisors (Singapore) Fund or Other Client (and sometimes to include no management fees or carried interest). The foregoing preferential terms are similarly not expected to be subject to the MFN provisions of any relevant KKR Credit Advisors (Singapore) Fund and are therefore expected to be unavailable to investors in such KKR Credit Advisors (Singapore) Fund that have not entered into such arrangements with KKR Credit Advisors (Singapore) or its affiliates.

#### *General Partner's Interest; Fees*

A KKR Credit Advisors (Singapore) GP's entitlement to receive carried interest or performance allocations or fees (particularly where a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP and KKR Credit Advisors (Singapore) to make riskier or more speculative investments on behalf of KKR Credit Advisors (Singapore) Funds (or Other Clients) than would be the case in the absence of this arrangement. The payment by some, but not all, KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client) will, in certain cases, create an incentive for KKR Credit Advisors (Singapore) to disproportionately allocate time, services or functions to KKR Credit Advisors (Singapore) 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 Credit Advisors (Singapore) Funds or Other Clients. Recently enacted U.S. tax reform legislation requires KKR Credit Advisors (Singapore) 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 Advisors (Singapore)'s interests and the interests of investors with respect to the sequence and timing of disposals of investments. Investors in KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP or, as applicable, KKR Credit Advisors (Singapore), will be responsible for the valuation of a KKR Credit Advisors (Singapore) Fund's or Other Client's investments. In some KKR Credit Advisors (Singapore) Funds or Other Clients, KKR Credit Advisors (Singapore) GPs (or KKR Credit Advisors (Singapore), as applicable) will 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 Advisors (Singapore) Funds or Other Clients have exceeded previous "high water marks". Each such KKR Credit Advisors (Singapore) GP (and KKR Credit), therefore, will have 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 Advisors (Singapore) GP (or KKR Credit) is entitled with respect to the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client. Further, in the "catch-up" period (if any) that occurs after investors in certain KKR Credit Advisors (Singapore) Funds or Other Clients have received the applicable preferred return, the KKR Credit Advisors (Singapore) GP or KKR Credit, as applicable, will be incentivized to bring realizations forward and lock in returns (and stop the accrual of the preferred return), even though the relevant KKR Credit Advisors (Singapore) Fund or Other Client would achieve a higher overall return if it had realized the investment at a later date. Finally, a KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore) could be motivated to overstate valuations in order to improve a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client prior to the relevant KKR Credit Advisors (Singapore) GP's or KKR Credit Advisors (Singapore)'s receiving carried interest or performance allocations or fees. KKR Credit Advisors (Singapore) has valuation policies and procedures in place to protect against such conflicts of interest.

In addition, in the event that any KKR Credit Advisors (Singapore) 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 Advisors (Singapore) GP or KKR Credit Advisors (Singapore). If the valuations made by the KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client), the carried interest or performance allocations or fees received by such KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore), 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 Advisors (Singapore) Fund will be permitted to make a distribution in kind to all investors in the KKR Credit Advisors (Singapore) Fund.

Certain investors in KKR Credit Advisors (Singapore) Funds or investors in 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 of an investment by a KKR Credit Advisors (Singapore) Fund or Other Client, in which case the KKR Credit Advisors (Singapore) GP thereof 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 Advisors (Singapore) GP with respect to such . In such circumstances, notwithstanding the KKR Credit Advisors (Singapore) GP's election to receive its share of the investment in-kind, it is expected that the KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund's or Other Client's governing documents. The decision of the KKR Credit Advisors (Singapore) GP to receive such an in kind distribution will result in such KKR Credit Advisors (Singapore) GP disposing of its investment at a different time than the disposition by the KKR Credit Advisors (Singapore) Fund or Other Client 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 Advisors (Singapore) Fund or Other Client with respect to the portion of the investment allocable to the investors. A KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client.

Under certain circumstances, a KKR proprietary entity could seek to hold a co-investment interest in an investment when a KKR Credit Advisors (Singapore) Fund or Other Client sells its interest in the same investment, due to differences in strategy, asset allocation objectives or liquidity needs. KKR would obtain any consents required under the governing documents of the relevant KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients.

The payment of management fees by KKR Credit Advisors (Singapore) Funds and Other Clients, under certain cases, will also give rise to certain conflicts of interest. Management fees payable after a KKR Credit Advisors (Singapore) Fund's or Other Client's investment period terminates will typically be based on the cost basis of invested capital, which generally includes any amounts borrowed by KKR Credit Advisors (Singapore) Funds or Other Clients, as of the last day of the most recently ended calendar quarter. Post-investment period management fees will increase to the extent that the relevant KKR Credit Advisors (Singapore) Fund or Other Client has invested more capital. As a result, the method of calculating the management fees creates an incentive for a KKR Credit Advisors (Singapore) GP (or KKR Credit Advisors (Singapore)) to seek to draw down and deploy more capital (or more capital more quickly) or to borrow more than it would otherwise do. Furthermore, the method of calculating management fees creates an incentive for a KKR Credit Advisors (Singapore) GP (or KKR Credit Advisors (Singapore)) to cause the relevant KKR Credit Advisors (Singapore) 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 Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client and its portfolio companies will also provide goods or services to or have business, personal, political, financial or other relationships with KKR Credit Advisors (Singapore) GPs, KKR Credit Advisors (Singapore) or its affiliates or Employees or other KKR Funds and KKR Credit Funds (including proprietary accounts) . Such advisors and service providers will, in certain circumstances, also be investors in (or investments of) KKR Credit Advisors (Singapore) Funds, Other Clients or KKR Credit Advisors (Singapore) or its affiliates or Employees or other KKR Funds or KKR Credit Funds (including proprietary accounts) , sources of investment opportunities for KKR Credit Advisors (Singapore), or otherwise be co-investors with or counterparties to transactions involving the foregoing and payments by such KKR Credit Advisors (Singapore) Funds, Other Clients and/or portfolio companies will, in certain cases, indirectly benefit KKR Credit Advisors (Singapore) or its affiliates or Employees or such other KKR Credit Advisors (Singapore) Funds or Other Clients or other KKR Funds or KKR Credit Funds. These relationships will, under certain circumstances create an incentive for the KKR Credit Advisors (Singapore) GPs and KKR Credit Advisors (Singapore) in deciding whether to select or recommend any such advisor or service provider to perform services for a KKR Credit Advisors (Singapore) Fund or Other Client or a portfolio company (the cost of which will generally be borne directly or indirectly by such KKR Credit Advisors (Singapore) Fund or Other Client or its portfolio company, as applicable).

Notwithstanding the foregoing, KKR Credit Advisors (Singapore) GPs and KKR Credit Advisors (Singapore) will generally seek to engage advisors and service providers in connection with investment transactions for KKR Credit Advisors (Singapore) 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 providers' provision of certain investment-related services and research that a KKR Credit Advisors (Singapore) GP or KKR Credit Advisors (Singapore) believes to be of benefit to the KKR Credit Advisors (Singapore) Fund or Other Client, as applicable. Advisors and service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. However, 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 or 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 expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by KKR Credit Advisors (Singapore) Funds, Other Clients or their portfolio companies are different from those used by KKR Credit Advisors (Singapore), its affiliates or their respective employees, KKR Credit Advisors (Singapore) and its affiliates will pay different amounts or rates than those paid by the KKR Credit Advisors (Singapore) Funds, Other Clients and their portfolio companies. However, it is KKR Credit Advisors (Singapore)'s practice to not enter into arrangements with advisors or service providers that could provide for lower rates or discounts than those available to KKR Credit Advisors (Singapore) Funds, Other Clients or their portfolio companies for the same services. In connection with such relationships, KKR Credit Advisors (Singapore) GPs or KKR Credit Advisors (Singapore), as appropriate, will make determinations of market rates based on their consideration of a number of factors, which are generally expected to include their 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 Advisors (Singapore) Fund or Other Client and its portfolio companies will also provide goods or services to or have business, personal, political, financial or other relationships with the KKR Credit Advisors (Singapore) GP of such KKR Credit Advisors (Singapore) Fund or Other Client, KKR Credit Advisors (Singapore) 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) are expected to temporarily provide their personnel to KKR Credit Advisors (Singapore) or its affiliates pursuant to various arrangements, including at cost or at no cost. While often the KKR Credit Advisors (Singapore) Funds and Other Clients and their portfolio companies are the beneficiaries of these types of arrangements, KKR Credit Advisors (Singapore) will be the beneficiary of these arrangements as well, including in circumstances where the advisor or service provider also provides services to the KKR Credit Advisors (Singapore) Fund or Other Client in the ordinary course. Such personnel will provide services in respect of multiple matters, including in respect of matters related to KKR Credit Advisors (Singapore), its affiliates and/or portfolio companies.

#### *Third Party Placement Agents*

KKR Credit Advisors (Singapore) will enter into arrangements with third parties to raise capital for a KKR Credit Advisors (Singapore) Fund. Such placement agents will receive a flat fee or in some cases a percentage of the investments they bring to the respective KKR Credit Advisors (Singapore) Fund. KKR Credit Advisors (Singapore) generally bears the economic impact of such fees instead of KKR Credit Advisors (Singapore) Funds. Basing the placement agent's compensation on an investor's decision to invest creates a conflict of interest by incentivizing the placement agent to attract investors to a KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Fund or Other Client are detailed agreements that establish complex arrangements among KKR Credit Advisors (Singapore), the investors, the KKR Credit Advisors (Singapore) 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 will not have 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 Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients or their investors.

#### *Multiple Clients*

Certain inherent conflicts of interest will arise if KKR Credit Advisors (Singapore) provides investment management services to multiple clients, as these clients will, in certain cases, have overlapping investment objectives. The KKR Credit Advisors (Singapore) professionals who provide investment management services to one KKR Credit Advisors (Singapore) Fund or Other Client will be associated with (or in some cases are the same as) other KKR Credit Advisors (Singapore) professionals who

provide similar services to other KKR Credit Advisors (Singapore) Funds or Other Clients with the same or similar investment objectives. In addition, portfolio strategies or KKR proprietary investment strategies that KKR Credit Advisors (Singapore) employs for a KKR Credit Advisors (Singapore) Fund or Other Client could conflict with strategies for other KKR Credit Advisors (Singapore) Funds or Other Clients, and will affect the prices and availability of securities and other assets in which such other KKR Credit Advisors (Singapore) Funds or Other Clients invest. KKR Credit Advisors (Singapore) also could advise KKR Credit Advisors (Singapore) Funds or Other Clients with conflicting investment objectives or strategies, which can adversely affect the prices and availability of other securities or instruments held by or considered for one or more KKR Credit Advisors (Singapore) Funds or Other Clients.

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

#### *Advisory Committees*

Certain KKR Credit Advisors (Singapore) Funds or Other Clients will have advisory committees that consist of the representatives of certain investors in such KKR Credit Advisors (Singapore) Funds or Other Clients. Any approval or consent given by such advisory committees is generally binding on such KKR Credit Advisors (Singapore) 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 Advisors (Singapore) has adopted investment allocation policies and procedures and conflicts mitigation policies and procedures to mitigate potential conflicts of interest among KKR Credit Advisors (Singapore) 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. In addition, advisory committee members

generally do not owe a fiduciary obligation to the relevant KKR Credit Advisors (Singapore) Fund or Other Client.

#### *Common Advisors*

KKR Credit Advisors (Singapore) Funds, Other Clients, certain co-investment vehicles, KKR Associates Vehicles and other KKR Funds and KKR Credit Funds (including proprietary accounts) will generally engage common legal counsel and other advisors to represent all of the parties in a particular transaction in which they participate, including a transaction in which such parties 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 such parties, 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 Advisors (Singapore) Funds and Other Clients also routinely represent KKR Credit and KKR in various matters. Certain partners of the law firms and other advisors and service providers engaged to represent KKR Credit Advisors (Singapore) and its affiliates, KKR Credit Advisors (Singapore) Funds, Other Clients, certain co-investment vehicles, KKR Associates Vehicles and other KKR Funds and KKR Credit Funds (including proprietary accounts), are or will be directly or indirectly investors in KKR Credit Advisors (Singapore) Funds or other KKR Funds or KKR Credit Funds, and also represent or could represent one or more portfolio companies or investors of the foregoing.

### **Item 12 Brokerage Practices**

#### *Selecting or Recommending Broker-Dealers*

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

As noted above in *Item 10*, the Affiliated Brokers do not execute transactions on behalf of KKR Credit Advisors (Singapore) 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, KKR Credit Advisors (Singapore) does not enter into soft dollar or comparable commission sharing arrangements with broker-dealers relating to transactions executed for the benefit of KKR Credit Advisors (Singapore) 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 are expected to provide KKR Credit Advisors (Singapore) or its affiliates with proprietary research and other products and services, which KKR Credit Advisors (Singapore), in certain cases, will use to service all KKR Credit Advisors (Singapore) Funds or Other Clients. KKR Credit Advisors (Singapore) 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 will not be causing any KKR Credit Advisors (Singapore) Fund and Other Client to "pay up" for such research, services or products and such research, products and services will not be a factor considered by KKR Credit Advisors (Singapore) in directing client transactions to such broker-dealers. KKR Credit Advisors (Singapore) will not cause KKR Credit Advisors (Singapore) 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 investments will typically be executed by KKR Credit Advisors (Singapore) on behalf of KKR Credit Advisors (Singapore) Funds or Other Clients on terms specifically negotiated by KKR Credit Advisors (Singapore) with the issuer or seller of such investments.

In certain jurisdictions, such as the United Kingdom and Ireland, KKR Credit Advisors (Singapore)'s locally-regulated affiliates will be required to pay for research services they consume in order to comply with EU regulations known as "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 Advisors (Singapore) is of the view that this aligns with KKR Credit Advisors (Singapore)'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 Advisors (Singapore) will engage broker-dealers or affiliates of broker-dealers with whom it engages in securities transactions on behalf of KKR Credit Advisors (Singapore) Funds and Other Clients to place securities issued by KKR Credit Advisors (Singapore) Funds. Similarly, such entities will be underwriters of, or otherwise involved in the placement of securities issued by portfolio companies of KKR Credit Advisors (Singapore) Funds and Other Clients or otherwise held by KKR Credit Advisors (Singapore) Funds and Other Clients. 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 Advisors (Singapore)'s selection of broker dealers and other trading counterparties. KKR Credit

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

#### *Aggregation of Client Orders (Bunched Trades)*

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

### **Item 13            Review of Accounts**

KKR Credit Advisors (Singapore) has an internal structure which will allocate responsibility for oversight of KKR Credit Advisors (Singapore) Fund and Other Client portfolios and/or specific KKR Credit Advisors (Singapore) Fund or Other Client portfolio investments to the relevant 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 professionals. Generally, investments of KKR Credit Advisors (Singapore) Funds and Other Clients are overseen by established investment committees, which primarily consist of representation by portfolio management, KKR Credit senior investment professionals, and for certain credit strategies, trading.

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

The nature and frequency of regular reports to KKR Credit Advisors (Singapore) Funds and Other Clients and to investors in KKR Credit Advisors (Singapore) Funds and Other Clients depends on the terms of the governing documents of such KKR Credit Advisors (Singapore) Funds and Other Clients. Typically investors in KKR Credit Advisors (Singapore) 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 RPM and other Consultants receive economic benefits from portfolio companies of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds or Other Clients and fees and/or servicing payments payable to KKR Credit Advisors (Singapore) or its affiliates (including KKR Capstone), RPM or other Consultants.

#### *Compensation to Non-Supervised Persons for Client Referrals*

KKR Credit Advisors (Singapore) could enter into solicitation agreements pursuant to which it compensates a third-party intermediary for client referrals that result in the provision of investment advisory services by KKR Credit Advisors (Singapore). KKR Credit Advisors (Singapore) will disclose any such solicitation arrangements to affected investors, and any cash solicitation agreements will comply with Rule 206(4)-3 under the Advisers Act. Solicitors introducing clients to KKR Credit Advisors (Singapore) would be expected to receive compensation from KKR Credit Advisors (Singapore), such as a retainer and/or a percentage of introduced capital. Such compensation would be paid pursuant to a written agreement with the solicitor and would be expected to be terminable by either party from time to time. The cost of any such fees would be expected to be borne entirely by KKR Credit Advisors (Singapore) or KKR and not by any affected client.

### **Item 15 Custody**

KKR Credit Advisors (Singapore) will have custody of the assets of certain KKR Credit Advisors (Singapore) Funds and KKR Associates Vehicles, and these KKR Credit Advisors (Singapore) Funds and their investors will receive annual audited financial statements from the KKR Credit Advisors (Singapore) Funds' auditors. Other KKR Credit Advisors (Singapore) Funds and Other Clients of KKR Credit Advisors (Singapore) could receive account statements from broker-dealers, banks or other qualified custodians with respect to the assets managed by KKR Credit Advisors (Singapore). KKR Credit Advisors (Singapore) expects to send certain account and performance information to KKR Credit Advisors (Singapore) Funds and Other Clients, and KKR Credit Advisors (Singapore) urges the KKR Credit Advisors (Singapore) Funds and Other Clients to compare the information they receive from KKR Credit Advisors (Singapore) with the information received from KKR Credit Advisors (Singapore) Fund auditors or broker-dealers, banks or other qualified custodians.

### **Item 16 Investment Discretion**

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

Advisors (Singapore) Fund, and disclosed in the offering or disclosure documents for the relevant KKR Credit Advisors (Singapore) Fund, as applicable. These terms, which could vary as among each KKR Credit Advisors (Singapore) Fund, could potentially restrict KKR Credit Advisors (Singapore)'s advice concerning investment in certain securities or types of securities, geographies, and leverage. Typically, the governing documents of the KKR Credit Advisors (Singapore) Funds are expected to contain limited investment restrictions and requirements as to diversification of fund investments, either by geographic region or asset type.

For Other Clients, KKR Credit Advisors (Singapore) would negotiate the level of investment discretion with the client at the outset of the advisory relationship.

In addition to the conflicts of interest described under *Item 11*, as a general matter, KKR Credit Advisors (Singapore) expects, in certain cases, to exercise its investment discretion to give advice or take action (including entering into short sales or other “opposite way trading” activities) with respect to the investments held by, and transactions of KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds, Other Clients or KKR proprietary entities. Such different advice and/or inconsistent actions could be due to a variety of reasons, including, without limitation, differences between the investment objectives, programs, strategies and tax treatment of certain KKR Credit Advisors (Singapore) Funds, Other Clients or KKR proprietary entities or the regulatory status of other KKR Credit Advisors (Singapore) Funds or Other Clients and any related restrictions or obligations imposed on KKR Credit Advisors (Singapore) as a fiduciary thereof. Such advice and actions will, in certain cases, adversely impact KKR Credit Advisors (Singapore) Funds and Other Clients. For example, another KKR Credit Advisors (Singapore) Fund, Other Client, Seed Investment or other KKR proprietary entity establishes a short position in a security held by a KKR Credit Advisors (Singapore) Fund, Other Client, Seed Investment or 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 Advisors (Singapore) Fund, Other Client, Seed Investment or other KKR proprietary entity holds. Similarly, KKR Credit Advisors (Singapore) seeks to buy or sell a security for a KKR Credit Advisors (Singapore) Fund or Other Client and, concurrently or in close proximity in time, seek to buy or sell the same securities or similar securities in the opposite direction; this can benefit the execution quality of the second account to execute such a trade. KKR Credit Advisors (Singapore) has established policies and procedures intended to address conflicts of interest inherent in effecting long and short positions in the same security (i.e., opposite way trading) with respect to KKR Credit Advisors (Singapore) Funds, Other Clients, Seed Investments and other propriety accounts. These policies and procedures are designed to ensure that KKR Credit Advisors (Singapore) 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 Advisors (Singapore) has adopted policies with respect to voting Client securities. KKR Credit has engaged an independent third party proxy voting specialist, Institutional Shareholder Services, Inc. (“ISS”), to assist KKR Credit, including KKR Credit Advisors (Singapore), 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. Notwithstanding this appointment, KKR Credit Advisors (Singapore) retains ultimate voting discretion with respect to KKR Credit Advisors (Singapore) Fund and Other Client securities.

It is the general policy of KKR Credit Advisors (Singapore) to vote proxies in the best interest of its' Clients. KKR Credit Advisors (Singapore) 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 Advisors (Singapore) Funds and Other Clients, or even choose not to vote proxies in certain situations. Any such exceptions will be documented by KKR Credit Advisors (Singapore).

KKR Credit Advisors (Singapore) 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 Advisors (Singapore) has adopted policies to address these and other issues that could give rise to a conflict, including referring the matter to the KKR Credit Conflicts Committee. Appropriate documentation to support its proxy voting position on such proxy matters will be maintained.

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

#### **Item 18            Financial Information**

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

#### **Item 19            Requirements for State-Registered Advisers**

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