KKR Asset-Based Finance Fund (K-ABF)

Class A units | APIR CHN0067AU
Class D units | APIR CHN5728AU

ARSN 698 934 379
Product Disclosure Statement
14 July 2026

Issuer and responsible entity:
Channel Investment Management Limited
ACN 163 234 240 I AFSL 439007

Important Information

Investor responsibility

THIS IS AN IMPORTANT DOCUMENT WHICH SHOULD BE READ IN ITS ENTIRETY BEFORE MAKING ANY INVESTMENT DECISION IN RELATION TO THE KKR ASSET-BASED FINANCE FUND (K-ABF) ARSN 698 934 379. YOU SHOULD OBTAIN INDEPENDENT ADVICE IF YOU HAVE ANY QUESTIONS ABOUT ANY OF THE MATTERS CONTAINED IN THIS PRODUCT DISCLOSURE STATEMENT.

About this product disclosure statement

This product disclosure statement ('**PDS**') pertaining to the KKR Asset-Based Finance Fund (K-ABF) ARSN 698 934 379 (the '**Fund**') has been prepared solely in connection with the offer of Class A units ('**Class A Units**') and Class D units ('**Class D Units**') (together, '**Units**') in the Fund and is issued by Channel Investment Management Limited ACN 163 234 240 ('**CIML**' or '**Responsible Entity**') as responsible entity and manager of the Fund. The administrator of the Fund, and the registrar of the Fund is Apex Fund Services Pty Ltd ABN 81 118 902 891 ('**Apex**' or '**Fund Administrator**').

Units issued under this PDS will be issued by CIML on the terms and conditions set out in the constitution of the Fund ('**Constitution**') and in this PDS.

This PDS is dated 14 July 2026.

References to "you" and "your" are references to a person who is a registered unitholder in the Fund ('**Investor**') or a prospective Investor in the Fund.

Offer restrictions

This PDS is intended solely for the use of the person to whom it has been delivered for the purpose of evaluation of a possible investment by the recipient in Units in the Fund described in it and is not to be reproduced or distributed to any other person (other than professional advisers of the prospective investors so receiving it). The offer under this PDS is available to: (i) Wholesale Clients (as defined in section 761G of the Corporations Act 2001 (Cth) ('**Corporations Act**')) in Australia; (ii) Wholesale Investors (within the meaning of clauses 3(2), 3(3)(a), 3(b)(i) and 3(b)(ii) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) ('**FMCA**')) or persons who are close business associates of the offeror (within the meaning of clause 4 of Schedule 1 of the FMCA); (iii) investors investing through an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ('**IDPS**'); and (iv) to whom CIML or KKR Credit Advisors (US) LLC (the '**Underlying Fund Investment Adviser**' and together with its affiliates, '**KKR**') has notified as being eligible to participate in the offer and who have received this PDS (electronically or otherwise) within Australia or New Zealand, as applicable.

Applications from outside Australia or New Zealand, or from applicants whom CIML or KKR has not notified as being eligible to participate in the offer, may not be accepted. The offer under this PDS is not available directly to investors who are not Wholesale Clients, and such investors may only invest indirectly in the Fund through an IDPS.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Units in any jurisdiction outside Australia and New Zealand. Further important information specific to New Zealand Investors is provided under the heading "Notice to Residents of New Zealand" below. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

Nature of information

The information in this PDS is intended to be general information only and is not intended to be a recommendation to invest. It does not take into account your individual objectives, tax and financial situation or particular needs or circumstances. Prospective Investors or current Investors should read and understand this PDS in its entirety, rely upon their own enquiries and take their own financial and taxation advice in deciding whether to invest.

This PDS should be read in conjunction with the Constitution, which is available from CIML upon request. You agree to be bound by the Constitution. If any provision of this PDS is inconsistent with the Constitution, then the Constitution prevails to the extent of the inconsistency.

Updates to information

Information in this PDS is subject to change from time to time. Information regarding the Fund that is not materially adverse may be updated without issuing a new or supplementary PDS. Such updated information may be obtained from the Fund's website at www.channelcapital.com.au/funds. A paper copy of any updated information will be provided on written request, free of charge, from CIML.

Where Investors have provided CIML with their email addresses, CIML will send notices of meetings, other meeting-related documents, and annual financial reports electronically unless an Investor has elected to receive these in physical form and have notified CIML in writing of this election. An Investor has the right to elect whether to receive some or all of these communications in electronic or physical form and the right to elect not to receive annual financial reports at all. An Investor also has the right to elect to receive a single specified communication on an ad hoc basis, in an electronic or physical form.

Supplementary disclosure

In accordance with CIML's obligations under the Corporations Act, CIML may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

Risks and no guarantee

An investment in the Fund is an interest in a registered managed investment scheme, and is not a bank deposit, bank security or other bank liability. In considering whether to invest in the Fund, prospective Investors should consider the risks that could affect the financial performance of the Fund. Some of the risks affecting the Fund are summarised in section 8 of this PDS.

Investments in the Fund should be regarded as high risk and speculative in nature. Due to the Fund's indirect exposure to asset-based financed assets through the Underlying Fund, there is a risk that Investors may incur significant losses, including the potential loss of their entire capital. The Fund does not offer capital protection, guaranteed returns, or assured liquidity. Accordingly, this Fund is suitable only for Investors who understand and accept the likelihood of volatility and capital loss.

An investment in the Fund is not a deposit with, or liability of, CIML or KKR or any other company of the "Channel" or "KKR" corporate groups, in which CIML or KKR, respectively, is a part of. None of CIML, KKR, the custodian of the Fund, the Fund Administrator or their directors, associates nor any of their related bodies guarantees the success or performance of the Fund or the KKR Asset-Based Finance Fund (the '**Underlying Fund**'), the return of an Investor's capital, the payment of distributions or any specific rate of return or income return. The target return on any investment may be affected by assumptions or by unknown risks. The results of any investment may differ materially from the results anticipated. Neither CIML nor any of if its affiliates are obliged to provide any liquidity or secondary market support for dealing in the Units. Investments in the Fund are not guaranteed or underwritten by CIML or KKR or any other person or party and you may lose some or all of your investment.

Responsibility for this PDS

CIML has on its own initiative, except as otherwise stated in section 13.6 of this PDS, undertaken the preparation of this PDS. KKR has not been involved, except as otherwise stated in section 13.6, in the preparation of this PDS and does not accept any responsibility or liability for any information contained in this PDS. In addition, KKR is not involved in the investment decision making process for the Fund, nor is it a sponsor, adviser, distributor or affiliate of the Fund.

This PDS does not constitute an offer to sell, or a solicitation of an offer to buy, or an invitation to subscribe for or buy the Fund's Units in the United States ('**U.S.**') or to any U.S. person, and is not available to persons in the United States or to U.S. persons. The Fund is not, and will not be, registered or regulated under the U.S. Investment Company Act of 1940 (United States of America), as amended (the '**1940 Act**'), and the Fund's Units have not been, and will not be, registered under the U.S. Securities Act of 1933 (United States of America), as amended ('**Securities Act**'), and may not be offered or sold in the U.S. or to, or for, the account of any U.S. person. Each applicant will be deemed to have represented and warranted to CIML that such applicant is not a U.S. person and is not acting on account of a U.S. person. Each person applying for the Fund's Units shall by virtue of such application be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this PDS and are not acting for the account or benefit of a person within such jurisdiction.

No person is authorised by CIML to give any information or make any representation in connection with the Fund that is not contained in this PDS. Any information or representation that is not contained in this PDS may not be relied on as having been authorised by CIML.

Forward-looking statements

Certain information contained in this PDS may constitute "forward-looking statements" that can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "estimate", "target", "intend", "continue", or "believe", or the negatives thereof or other variations thereon or comparable terminology.

Furthermore, any projections or other estimates in this PDS, including estimates of returns or performance, are "forward-looking statements" and are based upon certain assumptions that may change. Due to various risks and uncertainties, including those set out under risks affecting the Fund summarised in section 8 of this PDS, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. The forward-looking statements included in this PDS involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, CIML or KKR. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, Investors are cautioned to not place undue reliance on such forward-looking statements. Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this PDS are forward-looking statements and subject to this disclaimer.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

Indirect investors (IDPS)

CIML has authorised the use of this PDS as disclosure to Investors and prospective Investors who invest directly in the Fund, as well as investors and prospective investors of an IDPS. This PDS is available for use by persons applying for the Fund's Units through an IDPS ('**Indirect Investors**').

The operator of an IDPS is referred to in this PDS as the '**IDPS Operator**' and the disclosure document for an IDPS is referred to as the '**IDPS Guide'**. If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read the IDPS Guide before investing in the Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become an Investor in the Fund or have the rights of Investors in the Fund. Rather, the IDPS Operator becomes the Investor in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights on an Indirect Investor's behalf according to the arrangement governing the IDPS. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for Units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. CIML accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS or to withdraw the PDS from circulation if required by CIML.

Miscellaneous

Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

Any photographs, images, charts and diagrams in this PDS are for illustrative purposes only and may not represent any current or proposed investments of the Fund.

All amounts quoted in this PDS are in Australian Dollars (‘**AUD**’ or ‘**A$**’) unless stated otherwise. Capitalised terms have the meaning given to those terms in section 16 of this PDS, unless the context otherwise requires.

Any photographs, images, charts and diagrams in this PDS are for illustrative purposes only and may not represent any current or proposed investments of the Fund.

All amounts quoted in this PDS are in Australian Dollars (‘AUD’) unless stated otherwise.

Capitalised terms have the meaning given to those terms in section 15 of this PDS, unless the context otherwise requires.

Notice to Residents of New Zealand

This PDS and the information contained in or accompanying this PDS are not, and are under no circumstances to be construed as, an offer of financial products for issue requiring disclosure to an investor under Part 3 of the FMCA. This PDS and the information contained in or accompanying this PDS have not been registered, filed with or approved by any New Zealand regulatory authority or under or in accordance with the FMCA. This PDS and the information contained in or accompanying this PDS is not a disclosure document under New Zealand law and does not contain all the information that a disclosure document is required to contain under New Zealand law.

Any offer or sale of any Units in the Fund described in these materials in New Zealand will be made only:

(a) to a person who is required to pay a minimum of NZ$750,000 in respect of each Class of Units on acceptance of the offer of those Class of Units;

(b) to a person who is an investment business within the meaning of clause 37 of Schedule 1 of the FMCA;

(c) to a person who meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMCA;

(d) to a person who is large within the meaning of clause 39 of Schedule 1 of the FMCA;

(e) to a person who is a government agency within the meaning of clause 40 of Schedule 1 of the FMCA;

(f) to a person who is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMCA; or

(g) to a person who is a close business associate within the meaning of clause 4 of Schedule 1 of the FMCA of the offeror.

In subscribing for Units in the Fund each investor represents and agrees that it is not acquiring those Units in the Fund with a view to dealing with them (or any of them) other than where an exclusion under Part 1 of Schedule 1 of the FMCA applies to such dealing and, accordingly:

- it has not offered or sold, and will not offer or sell, directly or indirectly, any Units in the Fund; and
- it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Units in the Fund,

in each case in New Zealand within 12 months after the issue of Units to that investor other than to persons who meet the criteria set out in paragraphs (a) to (e) above.

Notice to residents of New Zealand who are Wholesale Investors within clause 3(3)(b)(i) of Schedule 1 of the FMCA (NZ$750,000 minimum investment – paragraph (a) above).

Warning

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is NZ$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Table of Contents

1. Key Fund information

This table contains a summary of the key features of the Fund and should be read in conjunction with the more detailed information appearing elsewhere in this PDS. You should read the PDS in full before deciding whether to invest. Please refer to the Glossary (see section 16) for definitions of terms. For further information on the key features and service providers, please refer to the sections noted below. If you are in doubt as to the course you should follow, please consult your professional adviser(s).

Fund Features	Summary	Section(s)
Responsible Entity	Channel Investment Management Limited ACN 163 234 240 AFSL 439007 (‘**CIML**’ or ‘**Responsible Entity**’).	4
Fund Name	KKR Asset-Based Finance Fund (K-ABF) (the ‘**Fund**’).	6
Unit class	This PDS applies to Class A units (‘**Class A Units**’) and Class D units (‘**Class D Units**’) (together, ‘**Units**’). As at the date of this PDS and until the expiry of the Qualifying Period, only Class D Units are being offered for investment under this PDS. Class A Units are not currently available for investment and investors will only be able to participate in the offer of Class A Units following the expiry of the Qualifying Period, or earlier at the discretion of CIML. CIML may issue other classes of Units with different rights, restrictions and terms of issue (including with respect to fees) in accordance with the Constitution. Where more than one class of units are on issue in the Fund, all rights and entitlements attached to a class of units are limited to the rights, entitlements, obligations, assets, liabilities and other amounts referable to that class and do not extend to any other class of units. CIML may issue further classes of units in the Fund under a separate product disclosure statement or information memorandum.	9.4
Underlying Fund	KKR Asset-Based Finance Fund (the ‘**Underlying Fund**’) is a diversified, closed-end management investment company organised as a Delaware statutory trust on 5 September 2019 and registered with the United States Securities and Exchange Commission (the ‘**SEC**’) under the Investment Company Act of 1940 (United States) (‘**1940 Act**’), as amended from time to time and Securities Act of 1933 (United States of America), as amended (‘**Securities Act**’). The Underlying Fund is structured as an interval fund and conducts quarterly repurchase offers of 5% to 25% of its outstanding shares at NAV.	6
Underlying Fund Investment Adviser	KKR Credit Advisors (US) LLC (the ‘**Underlying Fund Investment Adviser**’ and, together with its affiliates, ‘**KKR**’).	6.3
Fund investment objective and strategy	The Fund, via its investment in the Underlying Fund, aims to generate current income and, to a lesser extent, long-term capital appreciation. The Fund is generally expected to invest between 95% and 100% of its assets in USD-denominated Class I shares of the Underlying Fund. The Fund will not make direct investments in asset-based financed assets (‘**ABF**’) assets and will obtain exposure to such assets solely through its investment in the Underlying Fund. The Fund may hold cash for short-term operational purposes only.	3, 6.2

Fund Features	Summary	Section(s)
	The Fund will not engage in short selling, but may use leverage and derivatives (including foreign exchange forward contracts) solely for foreign exchange hedging purposes. For further details on the Fund's investment objective and strategy, please refer to sections 3 and 6.2 of this PDS.	
Underlying Fund investment objective and strategy	The Underlying Fund seeks to generate current income and, to a lesser extent, long-term capital appreciation. The Underlying Fund seeks to achieve its investment objectives by pursuing a multi-sector investment approach that primarily targets a range of ABF investments across asset sectors and throughout the capital structure of ABF opportunities, including privately sourced and structured investments, that have attractive relative value and the potential to deliver high current income and strong risk-adjusted returns across market cycles. The Underlying Fund invests primarily in ABF opportunities across four key ABF market sectors: (i) consumer/mortgage finance; (ii) commercial finance; (iii) hard assets; and (iv) contractual cash flows (collectively, '**ABF Investments**'). Under normal circumstances, the Underlying Fund will invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in ABF Investments, either directly or indirectly through separate investment structures or vehicles. For further details on the Underlying Fund's investment objective and strategy, please refer to sections 3 and 6.3 of this PDS.	3, 6.3
Fund authorised investments	The Fund is generally expected to invest between 95% and 100% of its assets in the Underlying Fund, with between 0% and 5% held in cash and cash equivalents. The Fund may also have derivative market exposure of between -10% and 10% through foreign exchange forward contracts used solely for hedging purposes. These ranges are indicative only and are subject to change.	6.2
Underlying Fund authorised investments	The Underlying Fund invests primarily in ABF opportunities across four key market sectors: (i) consumer/mortgage finance (including, but are not limited to, consumer loans, credit card receivables, point-of-sale loans, auto loans and leases, solar residential loans, home improvement loans, student loans and mortgage finance investments); (ii) commercial finance (including, but are not limited to, equipment leases, factoring receivables, trade financing, small business loans, whole business loans and NAV loans); (iii) hard assets (including, but are not limited to, aircraft leasing, infrastructure, fiber, railcars and single-family rentals); and (iv) contractual cash flows (including intellectual property, insurance financing, royalties and risk transfer transactions). The Underlying Fund's ABF Investments generally include loans, private securitisations or similar privately negotiated instruments, public securitisations, equity investments in platforms and structures with exposure to ABF Investments, short-term financing facilities, and interests in diversified pools of loans.	6.3
Fund base currency	Australian dollars ('**AUD**' or '**A$**').	6
Underlying Fund base currency	United States dollars ('**USD**' or '**US$**').	6

Fund Features	Summary	Section(s)
Currency hedging	The Fund intends to invest in a USD-denominated Class I share class of the Underlying Fund. The Fund uses foreign exchange forward contracts, managed through Record Currency Management Limited ('**Record**'), to hedge the Fund's USD exposure back to AUD. The Fund may engage in historical rate rollovers where insufficient cash is available to meet losses arising from maturing contracts. For further details on the Fund's currency hedging, please refer to sections 3 and 6.2 of this PDS.	3 and 6.2
Fund unit pricing	Monthly – on the last Calendar Day of the month or more frequently as determined by CIML.	9.2
Minimum suggested investment timeframe	At least five (5) years. The Fund is designed as a medium- to long-term investment for Investors who have a limited need for liquidity in their investment. The Fund is therefore not suitable for investors who depend on the short-term availability of their funds.	1
Minimum initial investment[1]	A$100,000.	1
Minimum additional investment	No minimum.	1
Minimum investment balance[1]	A$100,000.	1
Minimum redemption amount	No minimum.	1

Fund's key fees and costs	All figures disclosed are inclusive of GST less any RITC and are shown without any other adjustment in relation to any tax deduction available to CIML.
	
	Management fees and costs
	
	Class A Units
	
	Estimated management fees and costs of 1.90% per annum of the NAV of the Fund referable to the Class A Units, comprised of:
	
	• a management fee of 0.25% per annum of the NAV of the Fund referable to the Class A Units ('**Management Fee**');
	
	• estimated indirect costs of 1.64% per annum of the NAV of the Fund referable to the Class A Units, consisting of:
	
	  ◦ an estimated Underlying Fund management fee of 1.00% per annum; and
	
	  ◦ estimated Underlying Fund expenses of 0.64% per annum (reflecting the benefit of the Underlying Fund Expense Limitation and Reimbursement Agreement (as defined in section 10.4 of this PDS) currently in effect); and
	
	• estimated expense recoveries of 0.01% per annum of the NAV of the Fund referable to the Class A Units (including the establishment fee described below).
		10

Fund Features	Summary	Section(s)

	Class D Units
	
	Estimated management fees and costs of 1.90% per annum of the NAV of the Fund referable to the Class D Units, comprised of:
	
	• a management fee of 0.25% per annum of the NAV of the Fund referable to the Class D Units (‘**Management Fee**’);
	
	• estimated indirect costs of 1.64% per annum of the NAV of the Fund referable to the Class D units, consisting of:
	    • an estimated Underlying Fund management fee of 1.00% per annum; and
	    • estimated Underlying Fund expenses of 0.64% per annum (reflecting the benefit of the Underlying Fund Expense Limitation and Reimbursement Agreement (as defined in section 10.4 of this PDS) currently in effect); and
	
	• estimated expense recoveries of 0.01% per annum of the NAV of the Fund referable to the Class D Units (including the establishment fee described below).
	
	Underlying Fund management fee waiver agreements
	
	For the period beginning on 1 April 2026, through 31 December 2026, the Underlying Fund Investment Adviser has agreed to waive the Underlying Fund management fee and the Underlying Fund Incentive Fee to the extent necessary to ensure that the aggregate Underlying Fund management fee and the Underlying Fund Incentive Fee payable by the Underlying Fund does not exceed 1.74% of the Underlying Fund’s average daily net assets.
	
	For further details on the Underlying Fund Expense Limitation and Reimbursement Agreement, please refer to section 10 of this PDS.
	
	Performance fee
	
	The Fund will not charge a performance fee.
	
	The Underlying Fund charges a performance fee by means of a quarterly incentive fee (‘**Underlying Fund Incentive Fee**’) based on the Underlying Fund’s pre-incentive fee net investment income for the immediately preceding quarter. The Underlying Fund Incentive Fee is subject to a quarterly hurdle rate of 1.25% (5.0% per annum) of the average daily value of the Underlying Fund’s net assets for the most recently completed fiscal quarter.
	
	Following expiry of the Management Fee Waiver Agreements, the full Underlying Fund Incentive Fee will be payable.
	
	Establishment fee
	
	CIML will charge an establishment fee of up to $348,500 for establishing the Fund, payable from Fund assets over a period of up to ten years from the issue of the first Units. This forms part of the estimated expense recoveries.	

Fund Features	Summary	Section(s)
	Transaction costs The Fund's estimated gross transaction costs are 0.23% per annum of the NAV of the Fund referable to the Units. **Buy-sell spread** CIML does not currently impose a buy-sell spread on Class A Units. CIML does not currently impose a buy spread on Class D Units, however CIML may seek to apply a sell spread to redemptions from Class D Units in the Fund, in connection with the Bonus Share Program (as described below) and to also ensure such costs are passed on to Investors who redeem their Class D Units from the Fund during the three-year clawback period. **Withdrawal fees** Under the Constitution, CIML may apply a withdrawal fee to the redemption of Units. In particular CIML may, in connection with the Bonus Share Program (as described below), apply such a withdrawal fee to redemptions from Class D Units in the Fund during the three-year Clawback Period. For further details on the Fund's key fees and costs, please refer to section 10 of this PDS.	
Applications	Monthly on the last calendar day of each month or more frequently as determined by CIML. Applications must be received, verified and accepted and cleared application monies received in the Fund's application bank account by 5:00 pm (Sydney, New South Wales time), ten (10) Business Days prior to the last calendar day of each month. CIML reserves the right not to accept (wholly or in part) any application for any reason or without reason. For further details on the Fund's application process, please refer to sections 11.1 and 11.2 of this PDS.	11
Redemptions	The Fund intends to process redemption requests on a monthly basis on the last calendar day of each month or more frequently as determined by CIML (each a '**Redemption Date**'), where liquidity is available (and where the Fund is liquid for the purposes of the Corporations Act). **However, investors do not have a right to redeem their Units in the Fund, and CIML has absolute discretion to accept or reject redemption requests in whole or in part for any reason.** Redemption requests are to be made in writing by completing a redemption form to be received by the Fund Administrator by 5:00 pm (Sydney, New South Wales time) at least ten (10) Business Days prior to the relevant Redemption Date. CIML may, in its sole discretion, choose to waive or shorten this notice period. Units will be redeemed based on the Unit price prevailing at the time less redemption transaction costs and any amounts the Investor owes to CIML.	3 and 11.3

Fund Features	Summary	Section
	There may be circumstances where the Fund is unable to meet redemption requests within the expected timeframe, particularly if the Fund experiences liquidity constraints or if market conditions are adverse. In such cases, redemptions may be partially fulfilled, or suspended altogether. For instance, if the Fund does not have sufficient cash to satisfy all redemption requests on a given Redemption Date, the requests may be processed on a pro-rata basis. The Fund's ability to meet redemption requests is directly dependent on the Underlying Fund's quarterly repurchase offer program, which currently provides for repurchases of 5% of outstanding shares per quarter. For further details on the Fund's redemptions, please refer to sections 3 and 11.3 of this PDS.	
Distributions	Monthly (when applicable or available from the Underlying Fund), or otherwise as determined by CIML. In relation to Class A Units, you can elect to have your distribution automatically reinvested as additional Units in the Fund or credited to your nominated financial institution account (as applicable, provided that distributions for a given Class of Units may only be reinvested in Units of the same Class). If no election is made, your distributions will be automatically reinvested into the Fund. In relation to Class D Units, distributions will generally be paid in cash and will be credited to your nominated financial institution account. There is currently no distribution reinvestment option available to holders of Class D Units, however, CIML in its sole discretion may require that distributions are reinvested and applied towards the issue of additional Class D Units. For further details on the Fund's distributions, please refer to section 9.3 of this PDS.	9.3
Liquidity of assets	The Fund invests substantially all of its assets in Class I shares of the Underlying Fund. The Underlying Fund pursues a multi-sector ABF investment approach investing primarily in illiquid private credit assets including consumer/mortgage finance, commercial finance, hard assets and contractual cash flows. CIML does not reasonably expect to realise at least 80% of the Fund's assets within ten (10) calendar days. This illiquidity directly restricts CIML's capacity to satisfy investor redemption requests promptly. Investors must carefully consider this illiquidity and the potential restrictions on redeeming their investment when making their investment decision.	3 and 6.2
Bonus Share Program	The Underlying Fund intends to implement a bonus share program (the '**Underlying Fund Bonus Share Program**') pursuant to which eligible Investors in the Underlying Fund, including the Fund, will receive additional shares of the Underlying Fund (the '**Underlying Fund Bonus Shares**') at no additional cost in connection with their purchase of shares in the Underlying Fund. The Underlying Fund Bonus Share Program will run for the period commencing 1 April 2026 until the earlier of (i) the date the Underlying Fund achieves US$500 million in aggregate purchase orders for shares following the commencement of the Underlying Fund Bonus Share Program (the '**Shares**	6.2

Fund Features	Summary	Section
	Threshold') and (ii) 2 November 2026, or at a later date as determined by the Underlying Fund (the '**Termination Date**') (the '**Qualifying Period**'). As at the date of this PDS and until the expiry of the Qualifying Period, only Class D Units are being offered for investment. Class A Units are not currently available for investment and investors will only be able to participate in the offer of Class A Units following the expiry of the Qualifying Period, or at earlier at the discretion of CIML. In response to the Underlying Fund Bonus Share Program, Investors who hold Class D Units as at the expiry of the Qualifying Period will receive Bonus Units issued by the Fund with a value equal to the Bonus Rate (as defined in section 6) of the aggregate Unit Value of the Investor's Class D Units ('**Bonus Share Program**'). The number of Bonus Units to be issued will be calculated by dividing the Bonus Rate (expressed as a percentage) of the value of the Investor's qualifying Class D Units by the Fund's NAV per Class D Unit prevailing at the time of issuance. Bonus Units will be allocated to the Investor's holding on the last Business Day of the month at the end of Qualifying Period. Following the expiry of the Qualifying Period, Class D Units will be closed to new or additional applications. Investors wishing to apply for new or additional Units in the Fund are invited to apply for Class A Units. Underlying Fund Bonus Shares are subject to a three-year clawback period commencing at the end of the Qualifying Period. The clawback operates on a pro-rata basis (i.e., if the Fund redeems its shares in the Underlying Fund during the Clawback Period, this will result in the Fund's forfeiture of Underlying Fund Bonus Shares, proportionate to the amount of shares redeemed). Similarly, the Fund's Bonus Share Program will be subject to a three-year Clawback Period and operates on a pro-rata basis (i.e., if an Investor in the Fund redeems its Class D Units during the Clawback Period, this will result in the Investor's forfeiture of Bonus Units, proportionate to the amount of Class D Units redeemed. Specifically, if an Investor redeems their Class D Units in the Fund during the Clawback Period, CIML may, at its sole discretion apply one or more of Clawback Mechanisms (in the form of a sell spread, withdrawal fee, or via cancellation or forfeiture (at no consideration) of Units) to effect an appropriate clawback of Bonus Units. Switching, conversion or transfer of Class D Units during the Clawback Period will generally not be permitted. For further details on the Bonus Share Program, please refer to section 6.2 of this PDS.	

[1] CIML has discretion to accept lower amounts.

2. RG 240 Benchmarks

The Australian Securities and Investments Commission ('**ASIC**') Regulatory Guide 240, "Hedge Funds: Improving disclosure" ('**RG 240**'), requires funds, that qualify as "hedge funds", to meet certain benchmarks and disclosure principles to ensure that Investors have the necessary information to make an informed decision.

The Fund will be considered as a "fund of hedge funds" for the purposes of RG 240 as the Underlying Fund exhibits, or will exhibit, two or more characteristics of a hedge fund as set out in RG 240. Consequently, as the Fund is a "fund of hedge funds", the RG 240 benchmarks and disclosure principles apply to the Fund and the Underlying Fund on a "look-through" basis.

The following table provides a summary of thebenchmark and disclosure principles required under RG 240 and where further detail can be found within this PDS.

Benchmark	Is the Benchmark satisfied?	Section(s) (for further information)
Benchmark 1 Valuation of assets Whether valuations of the hedge fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	**The Fund** The Fund complies with this benchmark. The Fund will invest substantially all of its assets in Class I shares of the Underlying Fund, which are not exchange traded assets. All assets of the Fund (including any that are not exchange traded), are valued by the Fund Administrator. All assets of the Fund (including any that are not exchange traded), are valued in accordance with standard market practice and market prices are generally electronically sourced from third parties. The Fund Administrator is not related to either CIML or KKR. This benchmark is satisfied in respect of the Fund. CIML, however, does not have a policy that requires the Underlying Fund to satisfy this benchmark. For further details on the Fund's investment strategy, please refer to section 6.2 of this PDS. **The Underlying Fund** The Underlying Fund meets this benchmark. Although the Underlying Fund's board of trustees ('**Underlying Fund Board**') has delegated responsibility for applying the Underlying Fund's valuation methods to the Underlying Fund Investment Adviser, the actual valuations of the Underlying Fund's non-exchange traded assets are in substance provided by independent third-party pricing services that are unrelated to KKR and approved by the Underlying Fund Board. The Underlying Fund Investment Adviser's role in the valuation process is supervisory and methodological rather than determinative of asset values. Accordingly, the benchmark is met. Specifically, the Underlying Fund's non-exchange traded assets are valued by independent third parties as follows: • directly originated loans are valued on an individual loan level by an independent third-party pricing service approved by the Underlying Fund Board, using inputs that incorporate borrower-level data and market developments; • bank loans and senior loans are valued using market quotations or a commercially reasonable method selected by an Underlying Fund Board-approved independent third-party pricing service, or broker quotations where independent pricing is unavailable; and • fixed-income instruments, non-exchange traded derivatives and swaps are valued using quotes obtained from brokers, dealers or independent third-party pricing services. For more information on the Underlying Fund's valuation policies, please refer to section 6.3 of this PDS.	6

Benchmark	Is the Benchmark satisfied?	Section(s) (for further information)
Benchmark 2 Periodic Reporting Whether the issuer will provide periodic disclosure of key information on an annual and monthly basis.	**The Fund** The Fund complies with this benchmark. The following information in relation to the Fund will be made available to the Fund's Investors on a monthly basis: • current total net asset value of the Fund and the withdrawal value of a Unit; • net return after fees, costs and taxes charged to, or withheld from returns of, the Fund; • changes to key service providers, including any change in related party status; • any material changes to the risk profile or investment strategy; and • any changes in individuals playing a key role in investment decisions for the Fund. The following information in relation to the Fund will be made available to the Fund's Investors on an annual basis: • asset allocation to each asset type; • liquidity profile at the end of the relevant period; • maturity profile of liabilities at the end of the relevant period; • the gross exposure as a measure of the leverage ratio at the end of the relevant period; • details on the class of derivative counterparties engaged; • monthly or annual returns; and • any changes to key service providers including any change in related party status. All reports addressing the above matters will be available at the Fund's website at www.channelcapital.com.au/funds. **The Underlying Fund** The Underlying Fund complies with this benchmark. The following information in relation to the Underlying Fund will be made available to the Underlying Fund's investors on a monthly basis: • current total net asset value of the Underlying Fund and the withdrawal value of a Unit; • net return after fees, costs and taxes charged to, or withheld from returns of, the Underlying Fund; • changes to key service providers, including any change in related party status; • any material changes to the risk profile or investment strategy; and • any changes in individuals playing a key role in investment decisions for the Underlying Fund. The following information in relation to the Underlying Fund will be made available to the Underlying Fund's investors on an annual basis: • asset allocation to each asset type; • liquidity profile at the end of the relevant period; • maturity profile of liabilities at the end of the relevant period; • the gross exposure as a measure of the leverage ratio at the end of the relevant period; • details on the class of derivative counterparties engaged; • monthly or annual returns; and • any changes to key service providers including any change in related party status.	6

3. RG 240 Disclosure Principles

ASIC has established nine disclosure principles for funds categorised as "hedge funds" or "fund of hedge funds" under RG 240. Issuers of such products are expected to include information about these principles in their PDS.

The table below outlines these disclosure principles along with a summary of related information. It is important to review this information alongside the detailed explanations provided in this PDS and the key risks outlined in section 8. Updates to this section regarding RG 240 principles will occur periodically. Non-material updates will be posted on the Fund's website (www.channelcapital.com.au/funds) while material changes will result in an updated PDS.

Disclosure Principle	Summary	Section(s) (for further information)
Disclosure Principle 1: Investment strategy Whether investors are made aware of the details of the investment strategy for the fund, including the type of strategy, how it works in practice and how risks are managed	**The Fund** The Fund aims to provide investors with current income and, to a lesser extent, long-term capital appreciation. The Fund is generally expected to invest between 95% and 100% of its assets in USD-denominated Class I shares of the Underlying Fund. The Underlying Fund was organised as a Delaware statutory trust on 5 September 2019 and is a closed-end company that is registered with the SEC under the 1940 Act and the Securities Act. The Fund will not make direct investments in ABF assets and will obtain exposure to such assets solely through its investment in the Underlying Fund. The Fund may hold cash for short-term operational purposes only. The Fund will not engage in short selling, but may use leverage and derivatives (including foreign exchange forward contracts) solely for foreign exchange hedging purposes. CIML selected the Underlying Fund following a detailed due diligence process assessing its management team, investment philosophy, strategy alignment, risk management capabilities and operational infrastructure. CIML has selected the Underlying Fund because of its alignment to the Fund's investment objective and strategy. The Fund's key investment assumptions include: the continued operation and performance of the Underlying Fund; the availability of the Class I share class; the effectiveness currency hedging; the availability and creditworthiness of derivative counterparties; CIML's ongoing oversight and monitoring capability; and any regulatory and tax treatment. For further details on the Fund's key assumptions, please refer to section 6.4 of this PDS. The Fund applies CIML's comprehensive risk management framework, which involves identifying, analysing and evaluating risks, assessing controls, assigning risk ratings, and implementing appropriate treatment plans. The Fund has no specific diversification guidelines or limits, no policies on the geographic location of underlying funds or their managers, nor does it maintain policies on the custodial arrangements of underlying funds. The Fund's investment strategy is not dependent on any particular individual. The investment strategy may change from time to time and investors will be notified of any material changes in accordance with the Corporations Act. For further details on the Fund's investment strategy, please refer to section 6.2 of this PDS. There are certain risks involved in investing in the Fund. For more information, please refer to section 8.	6 and 8

Disclosure Principle	Summary	Section(s) (for further information)
	The Underlying Fund The Underlying Fund seeks to generate current income and, to a lesser extent, long-term capital appreciation. The Underlying Fund seeks to achieve its investment objectives by pursuing a multi-sector investment approach that primarily targets a range of ABF Investments across asset sectors and throughout the capital structure of ABF opportunities, including privately sourced and structured investments, that have attractive relative value and the potential to deliver high current income and strong risk-adjusted returns across market cycles. The Underlying Fund invests primarily in ABF opportunities across four key ABF market sectors: (i) consumer/mortgage finance; (ii) commercial finance; (iii) hard assets; and (iv) contractual cash flows. Under normal circumstances, the Underlying Fund will invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in ABF Investments, either directly or indirectly through separate investment structures or vehicles. The Underlying Fund's underlying assets are predominantly denominated in USD. The Underlying Fund's assets are predominantly located in the United States, Europe and other developed markets.	
Disclosure Principle 2: Investment manager Whether investors have the necessary information about the people responsible for managing the fund's investments, such as their qualifications and relevant commercial experience, and the proportion of their time devoted to the hedge fund.	**The Fund** CIML, as responsible entity, operates and manages the Fund. The Fund's investment strategy is not dependent on any particular individual. As at the date of this PDS, there have been no significant adverse regulatory findings against CIML. For more information, please refer to section 4 of this PDS. **Underlying Fund** The Underlying Fund is managed by the Underlying Fund Investment Adviser, a registered investment adviser under the U.S. Advisers Act of 1940, as amended. The key individuals with primary responsibility for day-to-day management and oversight of the Underlying Fund are Daniel Pietrzak, Avi Korn, Varun Khanna and Chris Mellia. Certain members of the Underlying Fund Investment Adviser's ABF Investment Committee also provide oversight to the investment activities of the Underlying Fund. As at the date of this PDS, there have been no significant adverse regulatory findings against the Underlying Fund Investment Adviser or its key individuals. For further details on the Underlying Fund Investment Adviser and the key individuals responsible for managing the Underlying Fund, please refer to sections 5 and 6.3 of this PDS. For specific risks related to the Underlying Fund Investment Adviser, please refer to section 8 of this PDS.	4, 5, 6, and 8

Disclosure Principle	Summary	Section(s) (for further information)
Disclosure Principle 3: Fund structure Whether investors Whether the issuer explains the investment structures involved, the relationships between the entities in the structure, fees payable to the fund operator and investment manager, the jurisdictions involved (if these involve parties offshore), the due diligence performed on underlying funds, and the related party relationships within the structure.	**The Fund** The Fund is an unlisted Australian unit trust registered with ASIC as a managed investment scheme under the Corporations Act. The Fund primarily obtains its investment exposure by investing in a USD-denominated Class I share class of the Underlying Fund. Key service providers to the Fund include: Ernst & Young as the Fund's auditor; Citibank N.A. Hong Kong Branch as the Fund's custodian; Apex Fund Services Pty Ltd as the Fund's administrator and registrar; and Record Currency Management Limited for currency advisory and management services and managing part or all of the foreign currency exposures of the Fund. CIML conducts comprehensive due diligence on all key service providers and monitors their ongoing compliance with service standards. CIML has entered into an agreement with a KKR entity under which CIML provides responsible entity services to the Fund and KKR provides access to the Underlying Fund. There are no other related party relationships between CIML and the Fund's key service providers. All material arrangements in connection with the Fund are entered into on arm's length terms. For further details on the Fund's structure, fees and related party arrangements, please refer to sections 6, 10 and 13.8 of this PDS. Because the Underlying Fund operates overseas, investment in the Fund introduces additional risks. For further details on the Fund's risks, please refer to section 8.2 of this PDS. **Underlying Fund** The Underlying Fund is a diversified, closed-end management investment company organised as a Delaware statutory trust on 5 September 2019 and registered with the SEC under the 1940 Act and the Securities Act. The Underlying Fund is structured as an interval fund conducting quarterly repurchase offers. Key service providers to the Underlying Fund include: KKR Credit Advisors (US) LLC as both investment adviser and administrator; U.S. Bank, N.A. as custodian and transfer agent; SS&C GIDS, Inc. as dividend paying agent, transfer agent and registrar; KKR Capital Markets LLC as principal underwriter and distributor; and Deloitte & Touche LLP as independent registered public accounting firm. The Underlying Fund Investment Adviser is a related party of KKR. KKR Capital Markets LLC is also a KKR-affiliated entity. The remaining key service providers are independent of KKR. The Underlying Fund Investment Adviser receives the Underlying Fund Management Fee of 1.00% per annum (currently subject to waiver arrangements, see section 10.4 of the PDS) and a quarterly Underlying Fund Incentive Fee (also currently subject to waiver arrangements). All other material arrangements within the Underlying Fund's structure are as described in section 10.4 of this PDS. For further details on the Underlying Fund's structure and related party relationships, please refer to sections 6.3, 10 and 13.8 of this PDS.	6, 10, and 13.8

Disclosure Principle	Summary	Section(s) (for further information)
Disclosure Principle 4: **Valuation, location and custody of assets** Whether the issuer discloses the types of assets held, where they are located, how they are valued and the custodial arrangements.	**The Fund** The Fund's NAV is calculated by the Fund Administrator in accordance with the Constitution, based on the value of the Fund's assets less its liabilities. As the Fund invests all or substantially all of its assets in Class I shares of the Underlying Fund, the value of the Fund's assets reflects the NAV of the Underlying Fund as reported by the Underlying Fund. The Fund is generally expected to invest between 95% and 100% of its assets in Class I shares of the Underlying Fund, with the remainder held in cash or cash equivalents. The Fund may also have derivative market exposure of between -10% and 10% through foreign exchange forward contracts used solely for hedging purposes. The Fund's assets are held by Citibank N.A. Hong Kong Branch as custodian, which is independent of CIML and KKR. The Fund has no specific policies on the geographic location of underlying funds or their managers, nor does it maintain policies in respect of the custodial arrangements of underlying funds. For further details, please refer to sections 6.2 and 9 of this PDS. **Underlying Fund** The Underlying Fund's NAV is determined daily on each day that the New York Stock Exchange ('**NYSE**') is open for business. Portfolio securities and other assets for which market quotes are readily available are valued at market value. Securities and other assets for which market quotes are not readily available are valued at fair value as determined in good faith by the Underlying Fund Board or persons acting at their direction, with the Underlying Fund Board having delegated the application of valuation methods to the Underlying Fund Investment Adviser. The Underlying Fund's non-exchange traded assets are valued by independent third-party pricing services approved by the Underlying Fund Board and unrelated to KKR, as described in section 2 (Benchmark 1) of this PDS. The Underlying Fund invests primarily in ABF opportunities across four key market sectors (consumer/mortgage finance, commercial finance, hard assets and contractual cash flows) predominantly located in the United States, Europe and other developed markets. The Underlying Fund does not maintain a formal policy restricting the geographic location of its assets beyond its principal focus on the United States, Europe and other developed markets. The Underlying Fund's assets are held by U.S. Bank, N.A. as custodian, which is independent of KKR. For further details, please refer to sections 6.3 and 9 of this PDS.	6 and 9

Disclosure Principle	Summary	Section(s) (for further information)
Disclosure Principle 5: **Liquidity** Whether investors are made aware of the fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.	**The Fund** For the purposes of Disclosure Principle 5, CIML does not reasonably expect to realise at least 80% of the Fund's assets at the value ascribed to those assets in calculating the Fund's NAV within ten (10) calendar days, given the Fund invests substantially all of its assets in the Underlying Fund. The Fund's liquidity is directly and materially dependent on the Underlying Fund's quarterly repurchase program, which currently provides for repurchases of 5% of outstanding shares per quarter. CIML monitors the Fund's liquidity position on an ongoing basis and actively monitors the Underlying Fund's liquidity profile. For further details on the Fund's liquidity, please refer to section 6.2 of this PDS. **Underlying Fund** CIML does not reasonably expect the Underlying Fund to be able to realise at least 80% of its assets at the value ascribed to those assets in calculating the Underlying Fund's NAV within ten (10) calendar days. A significant portion of the Underlying Fund's investments are in private, illiquid securities which are typically subject to restrictions on resale. Each of the four ABF market sectors (i.e., consumer/mortgage finance, commercial finance, hard assets and contractual cash flows) may individually represent more than 10% of the Underlying Fund's NAV and cannot reasonably be expected to be realised within ten days. The realisable value of a highly illiquid investment at any given time could be less than its intrinsic value. The Underlying Fund manages liquidity through its interval fund structure, which provides quarterly repurchase offers of 5% to 25% of outstanding shares (currently 5% under ordinary circumstances). From the time notification is sent to shareholders until the repurchase payment deadline, the Underlying Fund ensures that at least 100% of the repurchase offer amount consists of assets that can be sold at approximately their valued price within the repurchase period, or that mature by the payment deadline. Repurchase offers may be suspended in certain circumstances as described in section 6.3 of this PDS. For further details on the Underlying Fund's liquidity, please refer to section 6.3 of this PDS.	6

Disclosure Principle	Summary	Section(s) (for further information)
Disclosure Principle 6: **Leverage** Whether investors are made aware of the maximum anticipated level of leverage of the fund (including leverage embedded in the assets of the fund.	**The Fund** The Fund may employ leverage primarily in connection with hedging its USD exposure back to AUD through foreign exchange forward contracts managed by Record. The Fund may engage in historical rate rollovers (extending maturing foreign exchange forward contracts at the original rate) which may involve the use of a credit facility provided by derivative counterparties and could be construed as a form of leverage. The maximum anticipated level of leverage at Fund level from hedging activities is estimated to be in a range of between -10% and 10% of NAV (gross leverage of up to 110%). For every $1 of the Fund's NAV, the Fund could be leveraged up to an additional $0.10 through its foreign exchange hedging activities, resulting in total exposure of up to 110% of NAV. Actual leverage is generally expected to be significantly lower. The Fund's assets will not be used as collateral in connection with these leverage activities. As the Fund will primarily invest in the Underlying Fund, it is also exposed to the risks and effects of leverage employed by the Underlying Fund. For further details, please refer to section 6.2 of this PDS. **Underlying Fund** The Underlying Fund may use leverage as and to the extent permitted by the 1940 Act, including through credit facilities from banks or other financial institutions, margin facilities, the issuance of preferred shares or notes, and leverage attributable to dollar rolls or similar transactions. Leverage providers are expected to be banks and other financial institutions, being prudentially regulated entities. The Underlying Fund does not target a fixed level of leverage and will use it opportunistically based on market conditions. In connection with its borrowing activities, the Underlying Fund may pledge its assets as collateral. The extent of encumbrance will depend on the terms of credit agreements with lenders. The maximum leverage permitted under the 1940 Act equates to approximately 1.5x the Underlying Fund's NAV in the case of debt financing (for every $1 of NAV, the Underlying Fund may borrow up to $0.50, resulting in $1.50 of total assets, representing 300% asset coverage) or 2.0x the Underlying Fund's NAV in the case of preferred stock issuance (for every $1 of NAV, the Underlying Fund may issue $1 of preferred stock, resulting in $2.00 of total assets, representing 200% asset coverage). The Underlying Fund does not target a fixed level of leverage and may in practice operate with materially lower or no leverage at all. For further details, please refer to section 6.3 of this PDS.	6

Disclosure Principle	Summary	Section(s) (for further information)
Disclosure Principle 7: **Derivatives** Whether investors are made aware of the purpose and types of derivatives used by the fund operator or investment manager, and the associated risks.	**The Fund** The Fund uses derivatives, specifically foreign exchange forward contracts, primarily for the purpose of hedging currency risk. This strategy involves managing the Fund's USD exposure by hedging it back to AUD. The Fund will not enter into derivative transactions for speculative purposes. Derivatives are negotiated directly with counterparties over-the-counter ('**OTC**'), allowing the Fund to tailor contract terms to its specific hedging needs. Counterparties are selected by Record based on stringent criteria including creditworthiness, regulatory compliance and capacity to provide principal protection, and are typically major financial institutions. The Fund does not post collateral in respect of its derivative positions, and accordingly is not exposed to the risk of losing collateral posted with a counterparty. However, the Fund remains exposed to counterparty credit risk, if a counterparty defaults or becomes insolvent, the Fund would be treated as an unsecured creditor. The Fund may also engage in historical rate rollovers in circumstances where insufficient cash is available to meet losses arising from maturing contracts. As the Fund invests primarily in the Underlying Fund, it is also exposed to the risks and effects of derivatives used by the Underlying Fund. For further details, please refer to section 6.2 of this PDS. **Underlying Fund** The Underlying Fund may enter into interest rate, foreign exchange or other derivative agreements, including swaps, futures, forwards and options, to hedge interest rate and currency risk or for speculative purposes. Any derivative agreements entered into for speculative purposes are not expected to be material. There can be no assurance that any hedging strategy the Underlying Fund employs will be successful. Types of derivatives that the Underlying Fund may use include swaps (including interest rate and credit default swaps), futures, forwards, options and forward contracts. The Underlying Fund may also enter into reverse repurchase agreements and dollar rolls. Derivative transactions may be undertaken on an exchange or OTC. OTC derivatives are generally less liquid than exchange-traded instruments and involve greater counterparty risk. Key risks associated with the collateral requirements of derivative counterparties include: the risk that margin required under clearing house rules could exceed collateral required for similar OTC transactions; the risk that if a counterparty becomes bankrupt or fails to perform, the Underlying Fund could experience significant delays in recovery and may be treated as a general unsecured creditor; and the risk that amounts held in margin accounts would not be available for other investment purposes. Derivatives transactions are also subject to operational and legal risk including from documentation issues, settlement issues and system failures. For further details, please refer to section 6.3 of this PDS.	6

Disclosure Principle	Summary	Section(s) (for further information)
Disclosure Principle 8: **Short selling** Whether investors are made aware of how short selling may be used as part of the investment strategy, and of the associated risks and costs of short selling.	**The Fund** The Fund will not engage in short selling. As the Fund will primarily invest in the Underlying Fund, the Fund implements its investment policy by relying on the investment policy of the Underlying Fund Investment Adviser in respect of acceptable types of short selling that can be engaged by the Underlying Fund, and is also exposed to the risks and effects of short selling, if any, that is employed by the Underlying Fund. For further details, please refer to section 6.2 of this PDS. **Underlying Fund** The Underlying Fund is permitted to engage in short selling as part of its investment strategy. Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. The Underlying Fund will incur transaction costs, including interest and borrowing expenses, in connection with opening, maintaining and closing short sales. Risks associated with short selling include: the risk of theoretically unlimited loss if the price of a security sold short rises; the risk that securities needed to deliver or close out a short position may not be available; counterparty risk; collateral and broker insolvency risk; and the risk that short selling proceeds, if reinvested, give rise to a form of leverage. In times of unusual or adverse market, economic, regulatory or political conditions, the Underlying Fund might not be able, fully or partially, to implement its short selling strategy. For further details, please refer to section 6.3 of this PDS.	6

Disclosure Principle	Summary	Section(s) (for further information)
Disclosure Principle 9: **Withdrawals** Whether investors are made aware of the circumstances in which the issuer of the hedge fund allows withdrawals and how this might change.	The Fund intends to process redemption requests on a monthly basis on the last calendar day of each month or more frequently as determined by CIML, where liquidity is available. Redemption requests are to be made in writing by completing a redemption form to be received by the Fund Administrator by 5:00 pm (Sydney, New South Wales time) at least ten (10) Business Days prior to the relevant Redemption Date. CIML may, in its sole discretion, choose to waive or shorten this notice period. Units will be redeemed based on the Unit price prevailing at the time less redemption transaction costs and any amounts the Investor owes to CIML. Notwithstanding the above, under the terms of the Constitution, investors do not have a right to redeem their Units in the Fund. CIML retains absolute discretion to accept or reject redemption requests in whole or in part for any reason. The Fund's ability to meet redemption requests is directly and materially dependent on the Underlying Fund's quarterly repurchase program, which currently provides for repurchases of 5% of outstanding shares per quarter (and has adopted a fundamental policy conducting quarterly repurchase offers of 5% to 25% of outstanding shares). Redemptions may be suspended for up to 265 calendar days where CIML reasonably believes, among other things, that: the Underlying Fund has suspended or restricted redemptions; meeting requests may be to the disadvantage of remaining investors; CIML cannot accurately determine the unit price; or CIML considers suspension is in investors' best interests. Redemptions may be partially fulfilled on a pro-rata basis. Any unsatisfied redemption requests will be rejected and will not be automatically carried forward. A new redemption request must be submitted for any subsequent Redemption Date. Where a redemption request exceeds 5% of the Fund's assets (or such other amount as determined by CIML), CIML may satisfy the request in stages over a period of up to 12 months. If CIML accepts a redemption request, it must redeem the relevant Units within 130 calendar days after acceptance. Redemption proceeds will be paid within 30 calendar days following the redemption of Units. The maximum period for redeeming Units is 395 calendar days (265 days plus up to 130 days of suspension). If the Fund becomes not liquid for the purposes of the Corporations Act, withdrawals will only be possible if CIML makes a regulated withdrawal offer in accordance with Part 5C.6 of the Corporations Act. CIML is not obliged to make such a withdrawal offer. Investors will be notified of any material changes to their withdrawal rights as soon as practicable on the Fund's website at www.channelcapital.com.au/funds. Investors who received Bonus Units pursuant to the Bonus Share Program should be aware that the three-year Clawback Period commences at the end of the Qualifying Period and runs for three years from that date. Specifically, if an Investor redeems their Class D Units in the Fund during the Clawback Period, CIML may, at its sole discretion apply one or more Clawback Mechanisms. For further details on the Fund's withdrawal guidelines, please refer to sections 6 and 11.3 of this PDS.	6.3 and 11.3

4. About CIML

Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('**CIML**') is the trustee/responsible entity and manager of a number of managed investment schemes and is the issuer of this PDS. Channel Capital Pty Ltd ACN 162 591 568 ('**Channel**') provides investment management infrastructure and services across multiple asset classes and is the holding company of CIML. Channel is an authorised representative (authorised representative number 001274413) of CIML.

CIML is licensed under the Corporations Act to act as responsible entity of the Fund. CIML is responsible for managing the Fund in accordance with the Corporations Act and the Constitution. You can obtain a copy of the Constitution free of charge by contacting CIML and requesting a copy be made available to you.

CIML and its holding company, Channel, have forged strategic partnerships with international and Australian fund managers across a range of different asset classes including Australian and global securities, alternative investments and fixed interest securities.

As at the date of this PDS there have been no adverse regulatory findings against CIML or any of its key officers or employees.

5. About KKR

Kohlberg Kravis Roberts & Co. L.P. is based in the United States and is a leading global investment firm with over four decades of experience in investments, and a strong record of investment performance over the global economic cycles during that time.

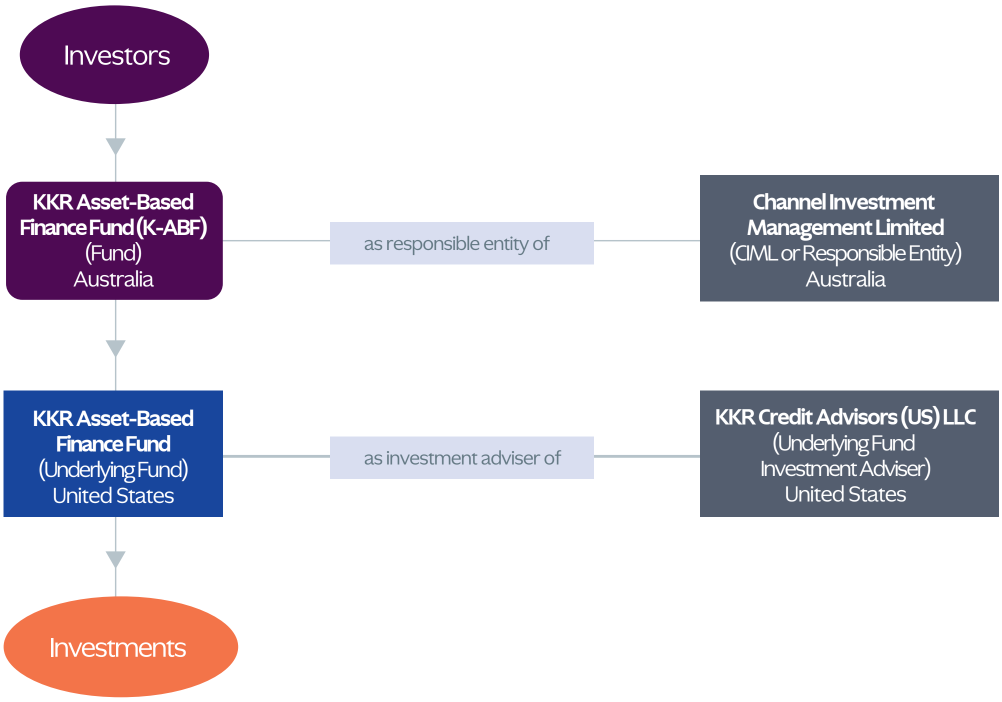
Established in 1976, KKR pioneered the buyout industry and has continued to thrive as one of the world's largest and most successful private equity investment firms through the past four decades of economic cycles and market changes. With over 20 years of credit investing, the strong presence it has in both public and private credit markets affords KKR, in its view, a differentiated perspective on relative value and a distinct sourcing edge that benefits from global exposure as well as expertise across multiple sectors and strategies.

As of 31 March 2026, KKR manages over US$290 billion of assets under management in credit and capital markets. As at the date of this PDS, there have been no relevant and significant adverse regulatory findings against the Underlying Fund Investment Adviser or any of its key officers or employees.

6. The Fund and Underlying Fund

6.1 Structure Diagram

Set out below is a diagram of the investment structure of the Fund and the Underlying Fund.



6.2 The Fund

About the Fund

The Fund is an unlisted Australian unit trust registered with ASIC as a managed investment scheme under the Corporations Act. This PDS relates to Class A Units and Class D Units of the Fund. The Fund primarily obtains its investment exposure by investing in a USD-denominated share class of the Underlying Fund

Investment objective and strategy

The Fund, via its investment into the Underlying Fund, aims to generate current income and, to a lesser extent, long-term capital appreciation.

The Underlying Fund seeks to achieve its investment objectives by pursuing a multi-sector investment approach that primarily targets a range of ABF investments across asset sectors and throughout the capital structure of ABF opportunities, including privately sourced and structured investments, that have attractive relative value and the potential to deliver high current income and strong risk-adjusted returns across market cycles. To achieve its objective, the Fund is generally expected to invest between 95% and 100% of its assets in Class I shares of the Underlying Fund, being a USD-denominated share class. The Fund will not make direct investments in ABF assets and will obtain exposure to such assets solely through its investment in the Underlying Fund. The Fund may hold cash for short-term operational purposes only. The Fund will not engage in short selling, but may use leverage and derivatives (including foreign exchange forward contracts) solely for foreign exchange hedging purposes, as described further below. The implementation of the Fund's investment strategy is not dependent on any particular individual.

In selecting the Underlying Fund as the vehicle that the Fund will invest into, CIML has undertaken a comprehensive, multi-step due diligence process that has entailed an evaluation of the level of experience of the Underlying Fund's management team, risk management capabilities, investment philosophy and their strategy to determine if it aligns with the strategy of the Fund and its operational infrastructure. Further, the due diligence process in the selection of the Underlying Fund has included a comprehensive review of the Underlying Fund's offering documents and investment guidelines to ensure compliance with the regulatory requirements and to ensure alignment with the Fund's objectives. The selection process of the Underlying Fund is guided by the Fund's investment strategy, which seeks to identify and invest in an underlying fund that has a robust risk management framework and an experienced management team.

The Fund applies CIML's risk management strategy, which encompasses a comprehensive process for identifying, analysing, and evaluating risks to ensure effective management aligned with the Fund's investment objectives. Upon identifying a risk, CIML undertakes a detailed risk analysis to understand its complexity, evaluate existing control measures, determine the likelihood and potential consequences of the risk materialising, and assign a risk rating. Control measures are scrutinised to ensure they effectively lower the likelihood and impact of risks, with appropriate policies, procedures, or actions implemented as necessary. The likelihood of a risk materialising is assessed consistently across all business teams of CIML to avoid subjective biases, using a predefined likelihood rating system. Similarly, the potential consequences are evaluated to determine their impact on CIML, ensuring a uniform approach. Based on the outcomes of the risk analysis, risks are evaluated to decide the necessary treatments, their priorities, and the balance between potential benefits and adverse outcomes. This evaluation considers whether existing controls are sufficient or if additional measures are needed, especially for higher-rated risks. Risk treatment options include accepting, mitigating, transferring, or avoiding the risk, with the cost of managing risks weighed against the benefits of the investment or activity. Upon completing the risk assessment, CIML develops risk management plans recorded in its risk register, prioritising risks and allocating resources effectively.

The Fund has: (i) no specific diversification guidelines or limits; (ii) no policies on the geographic location of underlying funds, their managers or the geographic focus of their investing; and (iii) no policies to be applied in relation to the custodial arrangements of underlying funds.

The Fund may not be successful in achieving its investment objective. The investment objective or strategy may change from time to time. Should any material changes to the Fund's investment objective or strategy arise, the Fund's Investors will be duly notified in compliance with the provisions of the Corporations Act.

Allocation range of Fund's investments

The Fund is generally expected to invest over time within the allocation ranges set out below.

Asset Type	Allocation Range
Underlying Fund	95% to 100%
Cash and Cash Equivalents	0% to 5%
Derivative Market Exposure – foreign exchange forward contracts for hedging purposes	-10% to 10%

The above ranges are indicative only and are subject to change. In particular, inflows from subscriptions and outflows from redemptions may cause the amount of cash held by the Fund to be higher or lower than stated in the above indicative ranges.

Bonus Share Program

The Underlying Fund has implemented a bonus share program pursuant to which eligible investors in the Underlying Fund receive additional shares of the Underlying Fund at no additional cost in connection with their purchase of shares. Such Underlying Fund Bonus Shares are purchased by the Underlying Fund Investment Adviser and/or its affiliates on behalf of (or transferred to) eligible investors from the assets of the Underlying Fund Investment Adviser and/or its affiliates (and not from the assets of the Underlying Fund). Underlying Fund Bonus Shares have the same rights as other shares of the same share class.

Pursuant to Class D Units, the Fund participates in the Underlying Fund Bonus Share Program as an investor in the Underlying Fund. Underlying Fund Bonus Shares are issued at the Underlying Fund level to the Fund in accordance with the Underlying Fund's Bonus Share Program terms. The Fund will in turn issue additional Class D Units ('**Bonus Units**') to eligible Fund Investors proportionate to each investor's Qualifying Units (as defined below). Eligible investors of the Fund will therefore see additional Class D Units appear in their holdings at the end of the '**Qualifying Period**' (as defined below).

As at the date of this PDS and until the expiry of the Qualifying Period, only Class D Units are being offered for investment.

Class A Units are not currently available for investment and prospective investors will only be able to participate in the offer of Class A Units following the expiry of the Qualifying Period, or earlier at the discretion of CIML.

Post the Qualifying Period, Class D Units will be closed to new or additional applications. Investors wishing to apply for new or additional Units in the Fund are invited to apply for Class A Units.

<u>Fund-level qualifying period and Bonus Unit issuance</u>

Investors who hold Class D Units as at the expiry of the Qualifying Period will be eligible to receive Bonus Units. Class D Units held in the Fund that meet these criteria are referred to as '**Qualifying Units**'.

At the end of the Qualifying Period, the Fund will issue Bonus Units to eligible Fund investors at the Bonus Rate. The Bonus Rate is calculated as the value of Underlying Fund Bonus Shares issued to the Fund at the Termination Date divided by the Fund's NAV at the Termination Date, prior to the issuance of any Bonus Shares or Bonus Units.

By way of example, based on the Fund having a 96% allocation to the Underlying Fund at the Termination

Date, the Bonus Rate will equate to approximately 2.88% of Qualifying Units held as at the Termination Date. The number of Bonus Units to be issued will be calculated by dividing the Bonus Rate (expressed as a percentage) of the value of the Investor's Qualifying Class D Units by the Fund's NAV per Class D Unit prevailing at the time of issuance. The foregoing is indicative only of the Bonus Rate based on a 96% allocation to the Underlying Fund. Where the allocation to the Underlying Fund is greater or lesser than 96% as at the Termination Date, the Bonus Rate will correspondingly change.

To be eligible to receive Bonus Units, an investor must hold Class D Units at the Termination Date. Investors who redeem any of their Class D Units prior to the end of the Qualifying Period will not be eligible to receive Bonus Units in respect of those redeemed Class D Units.

Three-year clawback period

Underlying Fund Bonus Shares issued pursuant to the Underlying Fund Bonus Share Program are subject to a three-year clawback period commencing on the date on which the Underlying Fund Bonus Shares are issued to the Fund ('**Clawback Period**'). The Clawback Period commences at the end of the Qualifying Period and runs for three years from that date.

During the Clawback Period, the Underlying Fund Investment Adviser may, in its sole discretion and subject to applicable law, require the forfeiture or cancellation of some or all of the Underlying Fund Bonus Shares held by the Fund under certain circumstances, including but not limited to repurchases of the Fund's shares in the Underlying Fund, transfers or other events specified by the Underlying Fund Investment Adviser.

The clawback operates on a pro-rata basis (i.e., if the Fund redeems its shares in the Underlying Fund during the Clawback Period, this will result in the Fund's forfeiture of Underlying Fund Bonus Shares, proportionate to the amount of shares redeemed).

Similarly, the Fund's Bonus Share Program will be subject to a three-year clawback period and operates on a pro-rata basis (i.e., if an Investor in the Fund redeems its Class D Units during the Clawback Period, this will result in the Investor's forfeiture of Bonus Units proportionate to the amount of Class D Units redeemed. Specifically, if an Investor redeems their Class D Units in the Fund during the Clawback Period, CIML may, at its sole discretion apply one or more of the following to effect an appropriate clawback of Bonus Units:

- levy a sell spread to such Investors making a redemption in the Fund of equal value to the number of forfeited Bonus Units plus any additional costs incurred in the form of the Fund's forfeited Underlying Fund Bonus Shares ; and /or
- levy a withdrawal fee to such Investors making a redemption in the Fund of equal value to the number of forfeited Bonus Units, to the extent the applied sell spread is insufficient to cover the appropriate clawback of Bonus Units; and/or
- cause the forfeiture, cancellation or redemption for zero consideration of any Bonus Units held by the Investor referable to the Class D Units redeemed;

(collectively, when applied for the purpose of effecting a clawback under the Bonus Share Program, '**Clawback Mechanisms**').

For the avoidance of doubt the application of the above Clawback Mechanisms will only be applied to the extent sufficient to cover the appropriate clawback of Bonus Units and to also to ensure any additional costs are passed on to redeeming Investors.

Switching, conversion or transfer of Class D Units during the Clawback Period will generally not be permitted.

Investors should carefully consider the implications of redeeming Class D Units during the Clawback Period before submitting a redemption request.

Modification and termination

The Underlying Fund Investment Adviser may, in its sole discretion and at any time, modify the terms of the Underlying Fund Bonus Share Program, including the termination date of the Underlying Fund's qualifying period, or otherwise suspend or terminate the Underlying Fund Bonus Share Program, subject to applicable law. Any such modification or termination at the Underlying Fund level may affect the Fund's ability to issue Bonus Units to eligible investors. Investors should not rely on the continued availability of Bonus Units when making investment decisions in relation to Class D Units.

Where there is a misalignment between the closure of the Bonus Share Program and the Fund's application window, CIML may pro rata, in whole or part, an application between a bonus share class (specifically Class D Units) and corresponding non-bonus share class (specifically Class A Units). Investors may therefore apply for Class D Units and instead be given Class A Units.

Additionally, the Fund may need to redeem some of its Shares in the Underlying Fund during a "clawback" period for reasons not driven by investor withdrawals (for example, to raise cash for operations or cover losses from currency hedging). If this happens, the Fund will forfeit any Underlying Fund Bonus Shares it would have received from the Underlying Fund (in proportion to the amount redeemed). Forfeiture of such Underlying Fund Bonus Shares would reduce the Fund's overall performance.

Conflicts of interest

Investors should note that the Underlying Fund Bonus Share Program may create certain conflicts of interest at the Underlying Fund level. Because the Underlying Fund Management Fee is calculated as a percentage of the average daily value of the Underlying Fund's net assets, the issuance of Underlying Fund Bonus Shares that increase the Underlying Fund's asset base may result in increased fee revenues to the Underlying Fund Investment Adviser if the increase in fee income offsets the cost of contributing those shares. In addition, the Underlying Fund Bonus Share Program may create an incentive for investors to subscribe for Units in the Fund within the Qualifying Period, which could result in subscriptions that are not solely motivated by the investment merits of the Fund.

Liquidity

For the purposes of RG 240, since CIML invests all or substantially all of the Fund's assets in shares of the Underlying Fund, CIML does not reasonably expect to realise at least 80% of its assets at the value ascribed to those assets in calculating the Underlying Fund's net asset value within ten (10) Calendar Days of the date that a value is ascribed to the asset. Nevertheless, the Fund is expected to be a "liquid scheme", as defined in section 601KA of the Corporations Act, since it reasonably expects that the property of the Fund can be realised for its market value within the period specified in the Constitution for satisfying withdrawal requests, being a period of up to 395 days.

Despite this, Investors do not have a right to withdraw from the Fund. The discretion to accept or decline redemption requests lies with CIML (see "Withdrawal Risk" in Section 8).

In accordance with the Fund's risk management policies, regular monitoring of the liquidity of the Underlying Fund and the assets it invests in is required. This monitoring aims to ensure that the Underlying Fund continues to operate within the permitted investment parameters. To manage these liquidity risks, the Fund implements several measures. For instance, CIML continuously monitors its investment portfolio in the Underlying Fund and the liquidity profile of the Underlying Fund, adjusting its investment allocations as needed to maintain an appropriate level of liquidity. Moreover, CIML regularly reviews and conducts diligence on the Underlying Fund Investment Adviser to assess and anticipate any potential liquidity constraints in the Underlying Fund. This ongoing diligence enables the Fund to respond proactively to any changes in the liquidity profile of the Underlying Fund and to adjust its investment strategy pertaining to the liquidity of the Underlying Fund accordingly.

Leverage

The Fund may employ leverage primarily in connection with the hedging of the Fund's USD exposure from the base currency of the Underlying Fund back to AUD. The use of leverage in this context is intended to manage currency risk and enhance the stability of returns for AUD-based Investors.

The Fund may engage in historical rate rollovers, which involve extending maturing foreign exchange forward contracts at the original rate. While intended as a hedging strategy designed to mitigate currency risk, it could also be construed as a form of leverage, as it may involve the use of a credit facility provided by the derivative counterparties engaged by the Fund, facilitated through Record, which will be selected based on stringent criteria, including their creditworthiness, regulatory compliance, and capacity to provide principal protection. These counterparties are typically major financial institutions with established reputations in the market.

The maximum anticipated level of leverage at Fund level, in connection with the Fund's foreign exchange hedging, is estimated to be in a range of between -10% and 10%, which is a gross leverage of 110%. Hence, for every $1 of the Fund's net asset value, the Fund could be leveraged up to an additional $0.10 through its foreign exchange hedging activities, resulting in a total exposure of 110%, although the actual leverage employed is generally expected to be significantly lower, typically reflecting short-term positions during periods of heightened foreign exchange market volatility. The level of leverage via the Fund's use of historical rate rollovers is therefore generally expected to be significantly less than the above quoted range. The Fund's assets will not be used as collateral in connection with these leverage activities.

The Fund's foreign exchange hedging transactions are typically documented under standard market agreements (such as ISDA master agreements) with derivative counterparties. While the Fund does not generally post collateral in connection with these arrangements, the counterparties may have contractual rights of setoff and netting in respect of amounts owed between the parties under those agreements.

In the event of the insolvency of CIML, a service provider or a derivative counterparty, the Fund may be exposed to counterparty credit risk, including the risk that amounts owing to the Fund are delayed, reduced or not recovered in full, and that the Fund's claims rank alongside other unsecured creditors of the relevant entity.

Apart from these customary contractual rights and exposures arising in the ordinary course of derivatives transactions, the Fund's assets are not expected to be otherwise encumbered or subject to security interests granted in favour of counterparties in connection with its foreign exchange hedging activities.

As the Fund will primarily invest in the Underlying Fund, the Fund will implement its investment policy by relying on the investment policy of the Underlying Fund Investment Adviser in respect of acceptable types of leverage that can be engaged in by the Underlying Fund. Since the Fund invests into the Underlying Fund, it is also exposed to the risks and effects of leverage that is employed by the Underlying Fund (see "Leverage" in Section 6.3 for more information).

The Underlying Fund Investment Adviser is charged with developing financial risk management policies for the Underlying Fund and overseeing the implementation of such policies. The board of trustees of the Underlying Fund exercises risk oversight function over the Underlying Fund.

Worked example of the Fund's use of leverage

To illustrate the impact of leverage on investment returns and losses, consider the following worked example. Assume the Fund has gross assets valued at $100 million and employs leverage up to 10% of its NAV through its hedging activities, resulting in $10 million of borrowed funds. This brings the total investment capital to $110 million.

- **Scenario 1 – Positive Return:** If the Fund's investments yield a 10% return, the gross profit would be $11 million ($110 million x 10%). After accounting for borrowing costs, assuming an interest rate of 5%, the cost of borrowing $10 million would be $0.5 million ($10 million x 5%). Therefore, the net profit would be $10.5 million ($11 million – $0.5 million). Without leverage, a 10% return on $100 million would result in a $10 million profit. Thus, leverage has enhanced the return from 10% to 10.5%.
- **Scenario 2 – Negative Return:** If the Fund's investments experience a 10% loss, the gross loss would be $11 million ($110 million x 10%). The cost of borrowing remains $0.5 million. The total loss would then be $11.5 million ($11 million + $0.5 million). Without leverage, a 10% loss on $100 million would result in a $10 million loss. Thus, leverage has amplified the loss from 10% to 11.5%.

These examples demonstrate that while leverage can amplify returns, it also increases the potential for greater losses. The Fund's use of leverage through its hedging activities aims to reduce the impact of currency fluctuations on investment returns, aiming to provide outcomes as if there were no material foreign currency exposure. However, the use of derivatives for hedging purposes may still involve leverage and can introduce additional risks, particularly in adverse market conditions. Investors should be aware that the use of leverage can result in significant fluctuations in the value of their investment.

Derivatives

The Fund is expected to use derivatives, specifically foreign exchange forward contracts, primarily for the purpose of hedging currency risk. This strategy involves managing the Fund's exposure to USD fluctuations by hedging it back to the AUD, which is the Fund's base currency. The use of derivatives is integral to the Fund's investment strategy, with an objective for currency risks to not adversely impact the value of the Fund's investments in the Underlying Fund, which is denominated in USD. Importantly, the Fund will not enter into derivative transactions for speculative purposes.

Given the limited liquidity of the Underlying Fund and the potential impact on the Fund's ability to meet losses arising from hedging transactions, the Fund may engage in historical rate rollovers to the foreign exchange forward contract if sufficient cash is not available to meet such losses. This approach involves extending maturing foreign exchange forward contracts at the original rate, and helps manage the timing of settlements and the impact on the Fund's liquidity position. While this strategy is designed to mitigate currency risk, it could also be construed as a form of leverage, as it may involve the use of a credit facility provided by the derivative counterparties engaged by the Fund, facilitated through Record.

CIML has engaged Record to provide hedging and foreign exchange services to the Fund. Record, as an agent for and on behalf of the Fund, will transact in OTC derivative transactions with counterparties, provided these transactions comply with ASIC and its associated regulations. ASIC imposes specific requirements, including mandatory reporting, bilateral risk management, compulsory clearing for certain classes of OTC derivatives, and margin posting requirements for OTC derivatives contracts that are not centrally cleared.

The Fund does not post collateral in respect of its derivative positions. Accordingly, the Fund is not exposed to the risk of losing collateral posted with a derivative counterparty or clearing entity. However, the Fund remains exposed to counterparty credit risk. If a derivative counterparty defaults or becomes insolvent, the Fund would be treated as an unsecured creditor of that counterparty and may be unable to recover amounts owed or may only do so on less favourable terms. This could adversely affect the Fund's ability to achieve its investment objectives. CIML manages this risk by transacting only with counterparties that satisfy its creditworthiness criteria (see "Derivative Risks" in Section 8.2 for more information).

The derivatives used by the Fund, specifically foreign exchange forward contracts, are not exchange-traded. Instead, they are negotiated directly with counterparties, allowing the Fund to tailor the terms of the contracts to its specific hedging needs.

Derivative counterparties engaged by the Fund, through Record, will be selected based on stringent criteria, including their creditworthiness, regulatory compliance, and capacity to provide principal protection. These counterparties are typically major financial institutions with established reputations in the market.

As the Fund will primarily invest in the Underlying Fund, the Fund will implement its investment policy by relying on the investment policy of the Underlying Fund Investment Adviser in respect of acceptable types of derivatives that can be engaged by the Underlying Fund. The Fund is also exposed to the risks and effects of derivatives, if any, that are utilised by the Underlying Fund (see “Derivatives” in Section 6.3 for more information). The Underlying Fund Investment Adviser is charged with developing financial risk management policies for the Underlying Fund and overseeing the implementation of such policies. The board of trustees of the Underlying Fund exercises risk oversight function over the Underlying Fund.

Short Selling

The Fund will not engage in short selling.

As the Fund will primarily invest in the Underlying Fund, the Fund will implement its investment policy by relying on the investment policy of the Underlying Fund Investment Adviser in respect of acceptable types of short selling that can be engaged by the Underlying Fund, and it is also exposed to the risks and effects of short selling, if any, that is employed by the Underlying Fund (see “Short Selling” in Section 6.3 for more information). The Underlying Fund Investment Adviser is charged with developing financial risk management policies for the Underlying Fund and overseeing the implementation of such policies. The board of trustees of the Underlying Fund exercises risk oversight function over the Underlying Fund.

Key Service Providers

CIML has appointed Ernst & Young (‘**Fund Auditor**’) as the auditor of the Fund. The role of the Fund Auditor in respect of the Fund is to provide an opinion on whether the financial statements and compliance plan of the Fund is in accordance with the Corporations Act.

CIML has appointed Citibank N.A. Hong Kong Branch (‘**Fund Custodian**’) to provide custodial services to the Fund. The Fund Custodian is responsible for holding the Fund’s assets, arranging for settlement of sales and purchases of assets, proper segregation, accurate record-keeping, and timely reporting. The Fund Custodian has no supervisory role in relation to the operation of the Fund and the Responsible Entity is liable to the unitholders for the acts and omissions of the Fund Custodian. The Fund’s custodial arrangements comply with the applicable legal and regulatory obligations to safeguard Investor interests and maintain the integrity and security of the Fund’s assets. Notwithstanding, from time to time, CIML under its Australian financial services licence may hold the non-cash assets of the Fund itself. CIML has policies and procedures in place to ensure that this is managed to the minimum standards for holding scheme assets as prescribed in section 601FCAA of the Corporations Act, as amended from time to time.

Apex Fund Services Pty Ltd ABN 81 118 902 891 (‘**Apex**’ or ‘**Fund Administrator**’) has been appointed as the administrator and registrar of the Fund. The Fund Administrator provides fund administration services including independent third-party unit pricing, administration and registry services, and some accounting services for the Fund.

CIML has appointed Record Currency Management Limited (‘**Record**’) under an investment management agreement for currency advisory and management services and managing part or all of the foreign currency exposures of the Fund using Record’s currency hedging program. The investment management agreement between CIML and Record has no fixed term and continues until terminated in accordance with its terms. CIML may terminate the agreement at any time by giving written notice to Record. Record may terminate the agreement by giving at least two months’ written notice to CIML, or immediately if required by a regulatory body. Either party may also terminate the agreement on at least five (5) Business Days’ written notice if the other party is in material breach of the agreement and does not remedy that breach within 30 days of notice to do so, or has made a material misrepresentation under the investment management agreement. Further, the investment management agreement between Record and CIML contains certain indemnity provisions that may be considered materially onerous from an Investor’s perspective. In general terms, CIML (as responsible entity of the Fund) agrees to indemnify Record against certain claims, liabilities and costs arising in connection with transactions undertaken under the agreement, except to the extent such claims arise from Record’s own fraud, negligence, misconduct or wilful default. This means that, subject to those exceptions, the Fund may be required to meet third-party claims, liabilities or expenses that would otherwise be borne by Record. The scope of Record’s appointment otherwise covers the day-to-day management of the Fund’s currency hedging program within the investment guidelines agreed with CIML

Monitoring, due diligence and related party relationships

To protect the Fund and its Investors, CIML will implement measures to ensure that all of the Fund’s key service providers, including but not limited to, Record, the Fund Custodian, the Fund Administrator and the Fund Auditor comply with their respective service agreement obligations. CIML has a comprehensive monitoring and reporting framework, which involves regular performance assessments, ongoing communication, and prompt resolutions of any issues that may arise. In the event that a service provider fails to meet their contractual obligations or not meet the requisite performance standards, CIML will take appropriate remedial actions, which may include the termination of the service agreement. CIML's supervision of service providers aims to ensure that the Fund's operations are conducted in an efficient, compliant, and transparent manner which ultimately protects the interests of the Fund and its Investors.

CIML performs comprehensive due diligence on the key service providers of the Fund, including but not limited to, Record, the Fund Custodian, the Fund Administrator, and the Fund Auditor to ensure that the Fund's assets and the interests of Investors in the Fund are protected. This procedure commences with a thorough examination of, where appropriate, each service provider's financial position, industry reputation and historical performance. Further, CIML will assess each of the Fund's service providers' operational frameworks, including system for risk management, reporting, and compliance to determine their ability to meet the Fund's requirement and maintain high standards of performance. As part of CIML's operational due diligence on the Underlying Fund Investment Adviser, CIML has assessed and will seek to rely on the Underlying Fund Investment Adviser's robust due diligence process that is performed on all of the Underlying Fund's key service providers. CIML will periodically review and update its due diligence process to take into consideration any changes in the Fund's strategy, regulatory environment, or market conditions. CIML will also carefully examine the qualifications and expertise of the personnel responsible for managing the Underlying Fund, as well as assess their compliance with internal policies, procedures, and regulatory requirements.

There are no related party relationships between CIML, the Underlying Fund and the Fund's or the Underlying Fund's service providers, except for the service provider relationship between KKR, an affiliate of the Underlying Fund Investment Adviser, and the Underlying Fund, as set out below in Section 6.3 under the heading "Related Party Relationships". All material arrangements in connection with the Fund are entered into on arm's length terms. CIML considers that any fees payable under related party arrangements represent reasonable remuneration, having regard to the nature of the services provided, and are consistent with CIML's policies and procedures for managing conflicts of interest and related party transactions. These arrangements are subject to oversight to ensure they continue to be appropriate and in the best interests of Investors.

6.3 Underlying Fund

About the Underlying Fund

The Underlying Fund is a diversified, closed-end management investment company that continuously offers its shares and is operated as an "interval fund". The Underlying Fund was organised as a Delaware statutory trust on 5 September 2019 and is registered with the SEC under the 1940 Act and the Securities Act. The Underlying Fund is an "interval fund", a type of fund that, in order to provide liquidity to shareholders, conducts quarterly repurchase offers of 5% to 25% of its outstanding shares at NAV. The Underlying Fund currently conducts quarterly repurchase offers for 5% of its outstanding shares under ordinary circumstances. The Underlying Fund intends to elect to be treated, and intends to qualify annually, as a regulated investment company ('**RIC**') under the U.S. Internal Revenue Code of 1986, as amended. In order to be eligible for the special tax treatment accorded to RICs, the Underlying Fund must distribute with respect to each taxable year at least 90% of the sum of its "investment company taxable income" (generally its taxable ordinary income and realised net short-term capital gains in excess of realised net long-term capital losses, if any) and its net tax-exempt income (if any) to its shareholders.

Investment objective and strategy

The Underlying Fund's investment objective is to generate current income and, to a lesser extent, long-term capital appreciation.

The Underlying Fund seeks to achieve its investment objectives by pursuing a multi-sector investment approach that primarily targets a range of ABF investments across asset sectors and throughout the capital structure of ABF opportunities, including privately sourced and structured investments, that have attractive relative value and the potential to deliver high current income and strong risk-adjusted returns across market cycles. The Underlying Fund will leverage the Underlying Fund Investment Adviser and its affiliates' extensive capabilities and resources in the ABF ecosystem, including its specialised sector expertise and deep financing relationships and partnerships with management teams, to invest primarily in ABF opportunities across four key ABF market sectors: (i) consumer/mortgage finance, (ii) commercial finance, (iii) hard assets and (iv) contractual cash flows (collectively, the '**ABF Investments**'). Please see below for an explanation of these terms.

The Underlying Fund may not be successful in achieving its investment objective. The Underlying Fund's investment objective and investment strategy is not fundamental and may be changed by the Underlying Fund Board without the approval of the Underlying Fund's shareholders. The Underlying

Fund's investment objective or strategy may change from time to time. Should any material changes to the Underlying Fund's investment objective or strategy arise, Investors will be duly notified in compliance with the provisions of the Corporations Act

Investment allocations

The Underlying Fund Investment Adviser principally invests in the four key ABF market sectors:

(i) Consumer/Mortgage Finance

The Underlying Fund's consumer/mortgage finance investments are generally expected to focus on financing originators with strong track records to more high-value customer segments within the relevant market, including via underlying assets collateralised by receivables or loans secured by consumer related assets. Such assets include, but are not limited to, consumer loans, credit card receivables, point-of-sale loans, auto loans and leases, solar residential loans, property assessed clean energy ('PACE') financing, home improvement loans and student loans. The Underlying Fund will also invest in mortgage finance investments, such as loan pools, non-agency mortgage loans, non-qualified mortgage loans, home equity lines of credit, secured non-performing/distressed loans and residential transition loans, as well as equity investments in platforms and structures with exposure to the consumer/mortgage.

(ii) Commercial Finance

The Underlying Fund's commercial finance investments are expected to focus on financing facilities or asset classes that have historically been financed by bank lenders, including, but not limited to, equipment leases (e.g., debt obligations secured by leases on equipment, such as office equipment), factoring receivables (e.g., commercial loans where the risk of repayment sits with the underlying customer), trade financing (e.g., short-term lines of credit that facilitate the buying and selling of goods and/or services), small business loans, whole business loans, development loans (e.g., short-term loans to finance building costs), NAV loans and financing other financial assets.

(iii) Hard Assets

Hard assets investments made by the Underlying Fund are expected to focus on deploying capital into investments secured by physical or hard assets with underlying contracted and visible cashflows, which are expected to benefit from embedded downside protection via revenue visibility from strong free cash flow generations, liquidation value and contractual agreements with strong counterparties. The Underlying Fund's hard assets investments will include, but are not limited to, aircraft leasing, infrastructure, fiber, railcars and single-family rentals.

(iv) Contractual Cash Flows

The Underlying Fund's strategy to invest directly or indirectly in contractual cash flows (e.g., from intellectual property, insurance financing, royalties, risk transfer transactions and other customised financial contracts) is expected to drive portfolio diversification on account of the historically low correlation of contractual cash flows with other segments of the economy and corporate balance sheets.

The Underlying Fund's ABF Investments are expected to derive returns from recurring, often contractual cash flows from privately sourced and structured investments and large, diversified pools of underlying hard and financial assets, as well as debt and equity investments in collateralised loan obligations ('**CLOs**'). The Underlying Fund will seek to leverage the Underlying Fund Investment Adviser's understanding of the many structural nuances that drive the underlying cash flows, including liquidation value, credit enhancements, structural protections and security/collateral packages.

The Underlying Fund's ABF Investments generally will include loans, private securitisations or similar privately negotiated instruments, public securitisations, equity investments in platforms and structures with exposure to ABF Investments (including warrants, options, and other instruments), short-term financing facilities, and interests in diversified pools of loans (i.e., equity investments in entities, joint ventures or structured vehicles that originate, aggregate or manage ABF Investments). The Underlying Fund may invest in the first-loss or subordinated tranches of such loans and securities. The Underlying Fund's ABF Investments may also include notes, bills, debentures, bank loans, convertible and preferred securities, and government and municipal obligations and other instruments providing ABF exposure. To a lesser extent, the Underlying Fund may also invest in other traded and private credit investments, insurance-related assets and liabilities, reinsurance arrangements and/or insurance companies. The securities and other obligations in which the Underlying Fund invests may be of any credit quality, duration or maturity, and such investments may be fixed or variable rate instruments without limitation. The Underlying Fund may invest without limitation in below-investment grade debt securities or "junk" debt securities and non-rated debt or equity securities. These investments could constitute a material percentage of the Underlying Fund's holdings at any given point in time.

The Underlying Fund's underlying assets are predominantly denominated in USD.

Diversification guidelines and limits

The Underlying Fund is classified as a diversified, closed-end management investment company under the 1940 Act. The Underlying Fund invests principally in issuers in the United States, Europe and other developed markets but may invest in issuers in any country. Under normal circumstances, the Underlying Fund will invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in ABF Investments, either directly or indirectly through separate investment structures or vehicles that provide the Underlying Fund with exposure to such instruments. Such investment structures or vehicles may include open- or closed-end registered funds, private collective investment vehicles (e.g., hedge funds, private credit funds, private equity funds and other entities that are not regulated or registered under the 1940 Act), operating companies, joint ventures, insurance-related companies and other structures, subject to applicable law.

As a RIC, the Underlying Fund must meet certain asset diversification requirements at the end of each quarter of each taxable year, specifically: (a) at least 50% of the value of the Underlying Fund's total assets must be represented by cash, cash items, US government securities and securities of other RICs, and other securities, with these other securities limited, with respect to any one issuer, to an amount not greater in value than 5% of the value of the Underlying Fund's total assets and to not more than 10% of the outstanding voting securities of such issuer; and (b) not more than 25% of the value of the Underlying Fund's total assets may be represented by the securities (other than US government securities or securities of other RICs) of any one issuer, any two or more issuers that the Underlying Fund controls and that are determined to be engaged in the same or similar trades or businesses or related trades or businesses, or any one or more qualified publicly traded partnerships.

Risk management strategy

The Underlying Fund incorporates KKR's fundamentally driven investment philosophy based on deep credit underwriting and rigorous financial analysis, leveraging KKR's deep experience in both credit and private equity underwriting. The Underlying Fund Investment Adviser employs a top-down approach to investing, with each investment predicated on a clear investment thesis premised on a favourable long-term outlook or macroeconomic views on the sector or addressable market in question. Key criteria considered when evaluating an investment include: (i) the potential for attractive risk-adjusted returns by exploiting mispriced or underserved credit needs; (ii) the ability to deploy capital in suitable scale and to implement financing; (iii) a compelling macroeconomic or secular foundation; (iv) an underwritable management team with a demonstrable track record; and (v) where appropriate, the ability to exert influence over the investment.

Capital preservation is a critical element of the Underlying Fund Investment Adviser's approach to managing the Underlying Fund's assets. The KKR Credit Team stays involved in each portfolio investment throughout its life cycle. The KKR Credit Team is supported by a dedicated Portfolio Monitoring Unit based in Dublin, which undertakes detailed and ongoing monitoring and reporting of credit metrics across portfolios, assisting the KKR Credit Team in reviewing and re-underwriting the credit attractiveness of each investment on an ongoing basis. If an investment shows signs of credit deterioration, the KKR Credit Team has the ability to leverage operational expertise to assist the relevant company in implementing operational improvements and, where necessary, can leverage restructuring expertise within the KKR Credit special situations team to navigate jurisdictional, strategic and corporate issues.

The Underlying Fund Investment Adviser has established a dedicated derivatives and liability management ('**DLM**') team, which operates as a platform-wide driver of value across KKR funds. The DLM team has dual reporting lines to both investment leadership and KKR's Market Risk Committee and is responsible for ongoing liability management at both the fund level and individual asset level.

Key individuals implementing the investment strategies of the Underlying Fund

Please see below the biographies of the key individuals who have primary responsibility for day-to-day management and oversight of the Underlying Fund. They collectively devote a sufficient amount of time to managing the Underlying Fund so that it can carry out its proposed activities. As at the date of this PDS there have been no significant adverse regulatory findings against any of the key individuals implementing the investment strategies for the Underlying Fund.

Daniel Pietrzak joined KKR in 2016 and is a Member of KKR. Mr. Pietrzak is a portfolio manager for KKR's private credit funds and portfolios and a member of the Global Private Credit Investment Committee, Europe Direct Lending Investment Committee and KKR Credit Portfolio Management Committee. Mr. Pietrzak is Chief Investment Officer of the KKR / FS Investments joint venture and of the business development companies managed by the joint venture, including FS KKR Capital Corp., which trades on the NYSE. Prior to joining KKR, Mr. Pietrzak was a managing director and the co-head of Deutsche Bank's structured finance business across the Americas and Europe. Previously, Mr. Pietrzak held various roles in the credit businesses of Societe Generale and CIBC World Markets. Mr. Pietrzak started his career at Price Waterhouse in New York and is a CPA. Mr. Pietrzak holds an M.B.A. in Finance from The Wharton School of the University of Pennsylvania and a B.S. in Accounting from Lehigh University.

Avi Korn joined KKR in 2018 and is a Managing Director of KKR. Mr. Korn focuses on private credit investments in financial institutions and financial assets. Prior to joining KKR, Mr. Korn was a portfolio manager at Blue Mountain Capital Management where he focused on debt and equity investments in financial institutions and financial assets. Previously, Mr. Korn was a vice president of J.P. Morgan's ABF investments proprietary trading group. Mr. Korn started his career at J.P. Morgan, where he held various positions in J.P. Morgan's structured products group. Mr. Korn holds a B.S. in Economics from the Wharton School at the University of Pennsylvania.

Chris Mellia joined KKR in 2021 as a Managing Director and focuses on private credit investments. Prior to joining KKR, Mr. Mellia was head of structured products at Global Atlantic Financial Group, where he focused on residential, consumer, and renewable assets. Previously, Mr. Mellia worked in fixed income research at Credit Suisse and in asset finance at Lehman Brothers. Mr. Mellia holds a B.A. in Mathematics and Statistics from Columbia University.

Varun Khanna joined KKR in 2016 and is a Partner in the firm's Private Credit business. Mr. Khanna co-heads the firm's global Asset Based Finance investment strategy and is a portfolio manager for KKR's ABF funds. Mr. Khanna is a member of the Global Asset Based Finance Investment Committee and the European Direct Lending Investment Committee. He also serves on Boards of Directors of several KKR portfolio companies, including Activate Capital, Pepper, Kilter Finance and Oodle. Prior to joining KKR, Mr. Khanna was a managing director at Deutsche Bank in the structured finance division. Mr. Khanna started his career at Deutsche Bank as an equity research analyst covering technology companies. Mr. Khanna holds a B.A., M.A. in Economics from the University of Cambridge and a B.A. in Economics from St. Stephen's College, University of Delhi.

Valuation

The NAV of the Underlying Fund is computed based upon the value of its assets. NAV per share is determined daily on each day that the NYSE is open for business as of the close of the regular trading session on the NYSE. The Underlying Fund calculates NAV per share by subtracting liabilities from total assets and dividing the result by the total number of outstanding shares.

For purposes of calculating NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value, generally determined on the basis of last reported sales prices or, if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers or pricing services. Short-term investments having a maturity of 60 days or less are generally valued at amortised cost. Securities and other assets for which market quotes are not readily available are valued at fair value as determined in good faith by the Underlying Fund Board or persons acting at their direction. The Underlying Fund Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available and has delegated responsibility for applying those valuation methods to the Underlying Fund Investment Adviser.

Asset-specific valuation methodologies are as follows:

- *Fixed-income instruments and non-exchange traded derivatives:* normally valued on the basis of quotes obtained from brokers, dealers or pricing services using data reflecting the earlier closing of the principal markets for those securities.
- *Bank loans and senior loans:* valued using readily available market quotations or another commercially reasonable method selected by an independent, third-party pricing service approved by the Underlying Fund Board, or broker quotations where independent third-party valuations are not available. Senior secured adjustable, variable or floating rate loans for which an active secondary market exists to a reliable degree will be valued at the mid price in the market for such loans as provided by a loan pricing service.
- *Directly originated loans:* valued on an individual loan level by an independent, third-party pricing service approved by the Underlying Fund Board, using inputs that incorporate borrower-level data, including significant events affecting the issuer or collateral and market developments, updated daily on each NYSE trading day.
- *Exchange traded options, futures and options on futures:* valued at the settlement price determined by the relevant exchange.
- *Swaps (including credit default, total return and interest rate swaps):* valued using at least one dealer quotation (including from counterparties) or valuations from third-party pricing services; where no such quotations or valuations are available or are believed to be unreliable, swaps are fair valued pursuant to procedures adopted by the Board.

If events materially affecting the price of foreign portfolio securities occur between the time their price was last determined and the time the Underlying Fund's NAV was last calculated, such securities may be valued at fair value as determined in good faith in accordance with procedures established by the Underlying Fund Board. All assets and liabilities initially expressed in foreign currencies will be converted into US dollars at prevailing exchange rates as determined in good faith by, or under the supervision of, the Underlying Fund Board.

Fair value pricing may require subjective determinations about the value of a security. The Underlying Fund cannot ensure that fair values determined by the Underlying Fund Board or persons acting at their direction would accurately reflect the price that the Underlying Fund could obtain for a security if it were to dispose of that security as of the time of pricing. The prices used by the Underlying Fund may differ from the value that would be realised if the securities were sold.

Liquidity

For the purposes of Disclosure Principle 5: Liquidity, pursuant to RG 240 and as of the date of this PDS, CIML does not reasonably expect the Underlying Fund to be able to realise at least 80% of its assets at the value ascribed to those assets in calculating the Underlying Fund's net asset value within ten (10) calendar days of the date that a value is ascribed to the asset.

A significant portion of the Underlying Fund's investments are in private, illiquid securities, which are typically subject to restrictions on resale. The Underlying Fund pursues a multi-sector investment approach primarily targeting a range of ABF Investments across four key market sectors: (i) consumer/mortgage finance; (ii) commercial finance; (iii) hard assets; and (iv) contractual cash flows. The Underlying Fund's ABF Investments generally include loans, private securitisations or similar privately negotiated instruments, public securitisations, equity investments in platforms and structures with exposure to ABF Investments, short-term financing facilities, and interests in diversified pools of loans. In some cases, the Underlying Fund may be legally, contractually or otherwise prohibited from selling certain investments for a period of time or otherwise restricted from disposing of them, and illiquidity could also result from the absence of an established market for certain investments. The realisable value of a highly illiquid investment at any given time could be less than its intrinsic value.

Each of the four ABF market sectors described above (i.e., consumer/mortgage finance, commercial finance, hard assets and contractual cash flows) may individually represent more than 10% of the Underlying Fund's net asset value and cannot reasonably be expected to be realised at the value ascribed to those assets in the Underlying Fund's most recent net asset value calculation within ten days.

<u>Liquidity management policy</u>

The Underlying Fund is structured as an interval fund and, in order to provide liquidity to shareholders, conducts quarterly repurchase offers of 5% to 25% of its outstanding shares at NAV, subject to approval of the Board. The Underlying Fund currently conducts quarterly repurchase offers for 5% of its outstanding shares under ordinary circumstances.

From the time that notification is sent to shareholders until the repurchase payment deadline, the Underlying Fund will ensure that a percentage of its net assets equal to at least 100% of the repurchase offer amount consists of assets: (i) that can be sold or disposed of in the ordinary course of business at approximately the price at which the Underlying Fund has valued the investment within the time period between the repurchase request deadline and the repurchase payment deadline; or (ii) that mature by the repurchase payment deadline. The Board has adopted procedures that are reasonably designed to ensure that the Underlying Fund's assets are sufficiently liquid so that the Underlying Fund can comply with the repurchase policy and these liquidity requirements.

The Underlying Fund intends to finance repurchase offers with cash on hand, cash raised through borrowings or the liquidation of portfolio securities. The Underlying Fund will, from time to time, accumulate cash by holding back payments received in connection with its investments and cash from the sale of shares. If at any time cash and other liquid assets held by the Underlying Fund are not sufficient to meet its repurchase obligations, the Underlying Fund intends, if necessary, to sell investments.

The Underlying Fund may suspend or postpone a repurchase offer only: (i) if making or effecting the repurchase offer would cause the Underlying Fund to lose its status as a RIC under the Code; (ii) for any period during which the NYSE or any market in which the securities owned by the Underlying Fund are principally traded is closed, other than customary weekend and holiday closings, or during which trading in such market is restricted; (iii) for any period during which an emergency exists as a result of which disposal by the Underlying Fund of securities owned by it is not reasonably practicable or during which it is not reasonably practicable for the Underlying Fund to fairly determine the value of its net assets; or (iv) for such other periods as the SEC may by order permit for the protection of shareholders.

Leverage

<u>Circumstances and restrictions on use of leverage</u>

The Underlying Fund may use leverage as and to the extent permitted by the 1940 Act. In pursuing the Underlying Fund's investment objectives, the Underlying Fund Investment Adviser seeks to enhance the Underlying Fund's return by the use of leverage. The Underlying Fund will, from time to time, use leverage opportunistically and will choose to increase or decrease its leverage, or use different types or combinations of leveraging instruments, at any time based on the Underlying Fund's assessment of market conditions and the investment environment. There can be no assurance that the Underlying Fund will use leverage or that its leveraging strategy will be successful during any period in which it is employed.

The Underlying Fund's use of leverage is restricted by applicable US law, including the 1940 Act. The Underlying Fund may also, from time to time, be subject to investment restrictions of one or more nationally recognised statistical rating organisations and/or credit facility lenders as a result of its use of financial leverage. These restrictions could impose asset coverage or portfolio composition requirements that are more stringent than those imposed by the 1940 Act.

Sources of leverage

The Underlying Fund is permitted to obtain leverage using any form or combination of financial leverage instruments, including through funds borrowed from banks or other financial institutions (i.e., a credit facility), margin facilities, the issuance of preferred shares or notes, and leverage attributable to dollar rolls or similar transactions. The Underlying Fund intends to utilise leverage for investment purposes and may employ leverage through borrowings (i.e., loans from certain financial institutions and/or the issuance of debt and/or preferred securities) in the future. Leverage providers are expected to be banks and other financial institutions, being prudentially regulated entities.

Collateral and encumbrance

A credit facility used by the Underlying Fund could involve a lien on the Underlying Fund's assets. Similarly, to the extent the Fund issues preferred shares or notes, the Fund currently intends to seek an AAA or equivalent credit rating from one or more ratings agencies registered with the SEC as nationally recognised statistical rating organisations ('**NRSROs**') on any preferred shares or notes it issues and the Fund will, from time to time, be subject to fees, covenants and investment restrictions required by the NRSRO as a result. Such covenants and restrictions imposed by a NRSRO or lender can include asset coverage or portfolio composition requirements that are more stringent than those imposed on the Underlying Fund by the 1940 Act. In addition, the Underlying Fund expects that any notes it issues or credit facility it enters into would contain covenants that, among other things, could impose geographic exposure limitations, credit quality minimums, liquidity minimums, concentration limitations and currency hedging requirements on the Underlying Fund.

Maximum anticipated and allowed level of leverage

With respect to senior securities representing indebtedness (other than temporary borrowings as defined under the 1940 Act), the Underlying Fund is required under US law to have asset coverage of at least 300%, calculated as the ratio of the Underlying Fund's total assets (less all liabilities and indebtedness not represented by senior securities) over the aggregate amount of the Underlying Fund's outstanding senior securities representing indebtedness. With respect to senior securities that are preferred stock, the Underlying Fund is required under current law to have asset coverage of at least 200%, calculated as the ratio of the Underlying Fund's total assets (less all liabilities and indebtedness not represented by senior securities) over the aggregate amount of the Underlying Fund's outstanding senior securities representing indebtedness plus the aggregate liquidation preference of any outstanding shares of preferred stock.

On this basis, the maximum leverage permitted equates to approximately 1.5x the Underlying Fund's net asset value in the case of debt financing (for every $1 of NAV, the Underlying Fund may borrow up to $0.50, resulting in $1.50 of total assets, representing 300% asset coverage and gross leverage of 1.5x NAV), or 2.0x the Underlying Fund's net asset value in the case of preferred stock issuance (for every $1 of NAV, the Underlying Fund may issue $1 of preferred stock, resulting in $2.00 of total assets, representing 200% asset coverage and gross leverage of 2.0x NAV). Leverage is disclosed above as a gross figure in accordance with RG 240.84.

The Underlying Fund uses leverage opportunistically and does not target a fixed level of leverage. The estimated anticipated leverage is expected to be in the range of 0 to 0.5x the Underlying Fund's net asset value.

Worked example of the Underlying Fund's use of leverage

To illustrate the potential impact of leverage on investment returns and losses, consider the following example. Assume the Underlying Fund has US$100 million in net assets and employs leverage at its maximum anticipated level by borrowing US$50 million from banks or other financial institutions. This results in total gross investment exposure of US$150 million, representing 1.5x the Underlying Fund's NAV.

- **Scenario 1 – Positive Market Return:** If the Underlying Fund's assets increase in value by 10%, the total investment gain would be US$15 million (10% of US$150 million). Assuming the cost of borrowings (i.e., interest expense) is US$3 million, the net profit would be US$12 million (US$15 million gain minus US$3 million interest expense), representing a 12% return on the US$100 million of equity capital. In comparison, if no leverage were used, a 10% return on US$100 million would result in a US$10 million gain. Leverage has therefore increased the return on equity from 10% to 12%.

- **Scenario 2 – Negative Market Return:** If the Underlying Fund's assets decline in value by 10%, the total investment loss would be US$15 million. The interest expense on borrowings remains US$3 million, resulting in a total net loss of US$18 million. This equates to an 18% loss on the US$100 million of equity capital. Without leverage, a 10% market decline would result in only a US$10 million loss. Leverage has therefore amplified the loss on equity from 10% to 18%.

These examples demonstrate the magnifying effect of leverage on both returns and losses. While leverage may be used to enhance investment outcomes, it increases the Underlying Fund's exposure to market volatility and downside risk. Investors should be aware that adverse movements in the market or in interest rates may have a disproportionate negative impact on returns when leverage is employed.

Derivatives

The Underlying Fund may enter into interest rate, foreign exchange or other derivative agreements, including swaps, futures, forwards and options, to hedge interest rate and currency risk or for speculative purposes. Any derivative agreements entered into for speculative purposes are not expected to be material to the Underlying Fund's business or results of operations. There can be no assurance that any hedging strategy the Underlying Fund employs will be successful.

<u>Types of derivatives</u>

The types of derivatives that the Underlying Fund may use include swaps (including interest rate and credit default swaps), futures, forwards, options and forward contracts. The Underlying Fund may also enter into reverse repurchase agreements and dollar rolls.

<u>Exchange traded and OTC derivatives</u>

Derivative transactions may be undertaken on an exchange or OTC. The counterparty risk for cleared derivative transactions is generally lower than for uncleared OTC derivatives because generally a clearing organisation becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties' performance under the contract as each party to a trade looks only to the clearing house for performance of financial obligations. Exchange trading will generally increase market transparency and liquidity but could cause the Underlying Fund to incur increased expenses. OTC derivatives generally are more difficult to purchase, sell or value than other investments and are generally less liquid than exchange-traded instruments.

<u>Counterparty criteria</u>

The Underlying Fund does not prescribe specific criteria for the selection of derivative counterparties, however the Underlying Fund's counterparty selection is generally driven by several key considerations, including but not limited to, competitiveness of pricing; broader firm relationship; demonstrated expertise across currency markets; supportive credit terms and alignment with KKR's broader ISDA framework / negotiation standards and are typically GSIB or institution with a strong credit profile and ratings framework. However, the Underlying Fund is exposed to the credit risk of the counterparties with which, or the dealers, brokers and exchanges through which, the Underlying Fund deals, whether in exchange-traded or OTC transactions. Changes in the credit quality of the companies that serve as the Underlying Fund's counterparties with respect to derivatives or other transactions supported by another party's credit will affect the value of those instruments. The Underlying Fund Investment Adviser monitors counterparty exposure as part of its broader risk management framework.

<u>Key risks associated with collateral requirements of derivative counterparties</u>

The use of derivatives exposes the Underlying Fund to a range of risks. Derivatives may give rise to a form of leverage, which magnifies the potential for gain and the risk of loss. Amounts paid by the Underlying Fund as premiums and cash or other assets held in margin accounts with respect to the Underlying Fund's derivative investments would not be available to the Underlying Fund for other investment purposes, which could result in lost opportunities for gain.

If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Underlying Fund could experience significant delays in obtaining any recovery under the derivative contract in a bankruptcy or other reorganisation proceeding or may not recover at all. In the event of the insolvency of a counterparty to a derivative transaction, the derivative contract would typically be terminated at its fair market value. If the Underlying Fund is owed this fair market value in the termination of the derivative contract and its claim is unsecured, the Underlying Fund will be treated as a general creditor of such counterparty and will not have any claim with respect to the underlying security.

In addition, depending on the size of the Underlying Fund and other factors, the margin required under the rules of a clearing house and by a clearing member could be in excess of the collateral required to be posted by the Underlying Fund to support its obligations under a similar OTC derivative transaction. Regulators have adopted rules imposing certain margin requirements, including minimums, on uncleared OTC derivative transactions, which could result in the Underlying Fund and its counterparties posting higher margin amounts for uncleared OTC derivative transactions.

Derivatives transactions are also subject to operational risk, including from documentation issues, settlement issues, system failures, inadequate controls and human error, and legal risk, including risk of insufficient documentation, insufficient capacity or authority of a counterparty, or legality or enforceability of a contract.

There can be no assurance that any derivative strategy employed by the Underlying Fund will achieve its intended purpose or otherwise be successful.

Short selling

The Underlying Fund is permitted to engage in short selling as part of its investment strategy. Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. The Underlying Fund will incur transaction costs, including interest and borrowing expenses, in connection with opening, maintaining and closing short sales.

Purpose and rationale

Short selling allows the Underlying Fund to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. By investing the proceeds received from selling securities short, the Underlying Fund could be deemed to be employing a form of leverage, which creates special risks.

Risks associated with short selling

Short selling involves a number of risks. If a security sold short increases in price, the Underlying Fund could have to cover its short position at a higher price than the short sale price, resulting in a loss. The Underlying Fund might not be able to successfully implement its short sale strategy due to limited availability of desired securities or for other reasons. There is also the risk that the counterparty to a short sale could fail to honour its contractual terms, causing a loss to the Underlying Fund.

Until the Underlying Fund replaces a security borrowed in connection with a short sale, it could be required to post cash or liquid assets with a broker. Generally, securities posted with a broker cannot be sold. The Underlying Fund's ability to access the pledged collateral might also be impaired in the event the broker becomes bankrupt, insolvent or otherwise fails to comply with the terms of the contract. In such instances, the Underlying Fund will not be able to substitute or sell the pledged collateral and could experience significant delays in obtaining any recovery in a bankruptcy or other reorganisation proceeding. It is likely that the Underlying Fund could obtain only a limited recovery or could obtain no recovery in these circumstances.

Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited. By contrast, a loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot decrease below zero. In addition, engaging in short selling could limit the Underlying Fund's ability to fully benefit from increases in the fixed-income markets.

The use of leverage arising from short selling would increase the Underlying Fund's exposure to long securities positions and make any change in the Underlying Fund's NAV greater than it would be without the use of leverage, resulting in increased volatility of returns. In times of unusual or adverse market, economic, regulatory or political conditions, the Underlying Fund might not be able, fully or partially, to implement its short selling strategy. In addition, the practice of short selling has been the subject of numerous temporary restrictions, and similar restrictions could be promulgated at any time, which could adversely affect the returns of the Underlying Fund.

Risk management

The Underlying Fund Investment Adviser monitors and manages the risks associated with short selling as part of its broader risk management framework, including monitoring exposures on an ongoing basis and ensuring compliance with applicable regulatory requirements and collateral and margin obligations. There can be no assurance that any short selling strategy employed by the Underlying Fund will be successful.

Illustrative example

To illustrate the potential gains and losses from short selling, consider the following example. Suppose the Underlying Fund takes a short position in USD 10 million face value of Company A's five-year senior unsecured bonds, which are currently trading at 100 cents in the dollar. The Underlying Fund borrows the bonds and sells them into the market, receiving USD 10,000,000 in sale proceeds.

Scenario 1 – Gain: If the market price of the bonds subsequently falls to 95 cents in the dollar, the cost to repurchase USD 10 million face value to close out the short position would be USD 9,500,000. The notional gain would be:

- Initial sale proceeds: USD 10,000,000 x 100% = USD 10,000,000
- Repurchase cost: USD 10,000,000 x 95% = USD 9,500,000
- Notional gain: USD 10,000,000 – USD 9,500,000 = USD 500,000

In this scenario, the Underlying Fund would realise a gain of USD 500,000 on the short sale because the bond price fell as anticipated.

Scenario 2 - Loss: Conversely, if the bond price rises to 105 cents in the dollar, the cost to repurchase USD 10 million face value would be USD 10,500,000. The notional loss would be:

- Initial sale proceeds: USD 10,000,000 x 100% = USD 10,000,000
- Repurchase cost: USD 10,000,000 x 105% = USD 10,500,000
- Notional loss: USD 10,500,000 – USD 10,000,000 = USD 500,000

In this case, the Underlying Fund would incur a loss of USD 500,000 on the short sale because the bond price rose instead of falling.

These types of short positions are implemented by borrowing and selling securities, and are undertaken either to manage credit and interest rate risk, to maintain investment flexibility, or to express tactical market views, in accordance with the Underlying Fund's investment strategy, risk management framework and regulatory requirements.

Key service providers

Underlying Fund Investment Adviser

Investment advisory services are provided to the Underlying Fund by KKR Credit Advisors (US) LLC ('**Underlying Fund Investment Adviser**') pursuant to an investment advisory agreement. As at the date of this PDS there have been no significant adverse regulatory findings against the Underlying Fund Investment Adviser.

Under the terms of the investment advisory agreement, the Underlying Fund Investment Adviser allocates the Underlying Fund's assets in accordance with the Underlying Fund's investment objective, subject to the ultimate oversight of, and any policies established by, the Underlying Fund Board.

Underlying Fund Administrator

U.S. Bank Global Fund Services serves as administrator to the Underlying Fund ('**Underlying Fund Administrator**') pursuant to an administration agreement. The Underlying Fund Administrator is responsible for generally managing the administrative affairs of the Underlying Fund.

Underlying Fund Custodian and Transfer Agent

U.S. Bank, N.A. serves as custodian of the Underlying Fund ('**Underlying Fund Custodian**'). The Underlying Fund Custodian holds cash, securities and other assets of the Underlying Fund as required by the 1940 Act.

SS&C GIDS, Inc. acts as the Underlying Fund's dividend paying agent, transfer agent and registrar for the shares of the Underlying Fund.

Underlying Fund Distributor

KKR Capital Markets LLC ('**Underlying Fund Distributor**') is the principal underwriter and distributor of the shares of the Underlying Fund and serves in that capacity on a best-efforts basis, subject to various conditions. The Underlying Fund Distributor is a broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority, Inc ('**FINRA**'). The Underlying Fund Distributor has entered into a sub-distribution agreement with Foreside Fund Services, LLC.

Underlying Fund Auditor

Deloitte & Touche LLP serves as the independent registered public accounting firm of the Underlying Fund and audits the financial statements of the Underlying Fund.

Related party relationships and material arrangements

The Underlying Fund Investment Adviser, KKR Credit Advisors (US) LLC, is a subsidiary of KKR & Co. Inc. and is therefore a related party of KKR. The Underlying Fund Investment Adviser provides investment advisory services to the Underlying Fund pursuant to the investment advisory agreement, and also manages other funds, investment vehicles and accounts on behalf of KKR and its affiliates. The members, officers and other personnel of the Underlying Fund Investment Adviser allocate their time, resources and other services between the Underlying Fund and other investment and business activities in which they are involved, including other funds, investment vehicles and accounts managed by KKR.

The Underlying Fund Distributor, KKR Capital Markets LLC, is a broker-dealer registered with the SEC and a member of FINRA, and serves as the principal underwriter and distributor of the shares of the Underlying Fund. The Underlying Fund Administrator, U.S. Bank Global Fund Services, the Underlying Fund Custodian, U.S. Bank, N.A., the transfer agent, SS&C GIDS, Inc., and the Underlying Fund Auditor, Deloitte & Touche LLP, are each independent of KKR and the Underlying Fund Investment Adviser.

The Underlying Fund relies on an exemptive order from the SEC that permits it to, among other things, co-invest with certain other persons, including certain affiliates of the Underlying Fund Investment Adviser, and certain public or private funds managed by the Underlying Fund Investment Adviser and its affiliates, subject to certain terms and conditions.

Global Atlantic Financial Group Limited ('**Global Atlantic**'), a retirement and life insurance company, is wholly-owned by KKR and operates as a KKR subsidiary and standalone business. KKR, including the Underlying Fund Investment Adviser, serves as Global Atlantic's investment manager. Certain Global Atlantic accounts may co-invest alongside the Underlying Fund in some or all investments in the Underlying Fund's private credit strategy. Due to the limited nature of many private credit investment opportunities, the Underlying Fund Investment Adviser expects that participation by Global Atlantic accounts in co-investment transactions will generally reduce the allocations otherwise available to other co-investing accounts, including the Underlying Fund.

The Underlying Fund Investment Adviser and its affiliates will, at times, provide a broad range of financial services to companies in which the Underlying Fund invests, in compliance with applicable law, and will generally be paid fees for such services. In addition, affiliates of the Underlying Fund Investment Adviser could act as an underwriter or placement agent in connection with an offering of securities by one of the companies in the Underlying Fund's portfolio. Any compensation received by the Underlying Fund Investment Adviser and its affiliates for providing these services will not be shared with the Underlying Fund.

Material arrangements not on arm's length terms

The Underlying Fund does not have any material arrangements that are not on arm's length terms. However, investors should be aware that the Underlying Fund Investment Adviser and its affiliates will, at times, compete with certain of their affiliates, including other entities they manage, for investments for the Underlying Fund. The Underlying Fund Investment Adviser will receive advisory and other fees from the other entities it manages, and due to fee-offset provisions contained in the management agreements for such entities, the fees will, at times, not be proportionate to such entities' investment accounts for any given transaction. The compensation payable by the Underlying Fund to the Underlying Fund Investment Adviser is approved by the Board and is payable regardless of the quality of the assets acquired, the services provided to the Underlying Fund, or whether the Underlying Fund makes distributions to shareholders.

6.4 Fund and Underlying Fund – key dependencies and assumptions

The ability of the Fund and the Underlying Fund to achieve their investment objectives depends on the continued effectiveness of the investment strategies employed across the structure. The key dependencies and assumptions underpinning these strategies include, but are not limited to:

Assumptions shared by the Fund and the Underlying Fund

- *Availability of attractive ABF investment opportunities.* The Underlying Fund's investment strategy is premised on a favourable long-term outlook and compelling macroeconomic or secular foundation across its four key ABF market sectors. The strategy depends on the continued availability of mispriced or underserved credit opportunities across consumer/mortgage finance, commercial finance, hard assets and contractual cash flows. A reduction in the supply of such opportunities, whether due to increased competition from other lenders, changes in bank lending behaviour, regulatory developments or broader macroeconomic conditions, could adversely affect the Underlying Fund's ability to deploy capital at targeted return levels.
- *Credit performance of underlying borrowers and obligors.* The Underlying Fund's returns are dependent on the ability of borrowers, obligors and counterparties to meet their payment obligations. Adverse economic conditions, rising unemployment, declining asset values or sector-specific stress could impair the credit performance of the Underlying Fund's portfolio and reduce investment returns.
- *Interest rates and yield environment.* The Underlying Fund's investment returns are sensitive to prevailing interest rates and the shape of the yield curve. The Underlying Fund Investment Adviser's assessment of interest rate trends and market conditions is a key factor in determining the extent to which leverage is employed and the mix of fixed and floating rate instruments held. A material and sustained decline in interest rates could compress spreads and reduce income returns, while a rapid increase in rates could adversely affect asset valuations and borrower credit quality.
- *Originator performance.* For investments involving receivables, consumer credit and other asset classes originated through third-party platforms, the Underlying Fund is reliant on the ability of originators to source suitable deals, assess borrower creditworthiness, detect fraud and manage operational and financial risk. Deterioration in originator quality or platform stability could adversely affect the performance of those investments.
- *Continued access to leverage on acceptable terms.* Where leverage is employed by the Underlying Fund, its returns depend on the cost of borrowings remaining below the yield generated on the leveraged assets. The Underlying Fund's willingness to use leverage, and the amount of leverage it will assume, will depend on many factors, the most important of which are market conditions and interest rates. If the cost of leverage increases materially or leverage becomes unavailable, returns may be adversely affected.

- *KKR platform and sourcing capabilities.* The Underlying Fund's strategy depends on the Underlying Fund Investment Adviser's continued access to KKR's global network of resources, deal flow, industry relationships and investment professionals. Any material reduction in the depth or quality of those resources could affect the Underlying Fund's ability to identify, underwrite and manage investments.

Assumptions specific to the Fund

- *Continued operation and performance of the Underlying Fund.* As a feeder fund, the Fund's returns are entirely dependent on the performance of the Underlying Fund. The Fund has no independent investment activities and does not make direct investments in ABF assets, obtaining exposure to such assets solely through its investment in Class I shares of the Underlying Fund. Any change to the Underlying Fund's investment strategy, key personnel, regulatory status or fee structure could materially affect the Fund's returns.
- *Availability of the Class I share class.* The Fund is generally expected to invest between 95% and 100% of its assets in Class I shares of the Underlying Fund. The continued availability of that share class on the terms currently applicable is an assumption underpinning the Fund's structure. Any change to the terms of the Class I share class could affect the Fund's costs and net returns to investors.
- *Currency hedging effectiveness.* The Underlying Fund is denominated in USD and the Fund is an AUD-denominated vehicle. The Fund uses foreign exchange forward contracts, managed through Record Currency Management Limited, to hedge the Fund's USD exposure back to AUD. The Fund's returns assume that this hedging program operates effectively in managing currency risk. Where the Fund engages in historical rate rollovers (which involve extending maturing foreign exchange forward contracts at the original rate) the effectiveness of the hedging strategy depends on the availability of counterparties willing to enter into such arrangements and on prevailing foreign exchange market conditions. Adverse movements in the AUD/USD exchange rate during periods where hedging is incomplete or unavailable could adversely affect returns to Australian investors.
- *Availability and creditworthiness of derivative counterparties.* The Fund's hedging strategy depends on Record being able to transact OTC foreign exchange forward contracts with counterparties that satisfy CIML's creditworthiness criteria. These counterparties are expected to be major financial institutions with established reputations in the market. If suitable counterparties are unavailable or their creditworthiness deteriorates, the Fund's ability to implement its hedging strategy may be impaired.
- *CIML's ongoing oversight and monitoring capability.* The Fund's investment strategy is implemented and monitored by CIML as responsible entity. The Fund's performance assumes that CIML continues to effectively monitor the Underlying Fund Investment Adviser, the liquidity profile of the Underlying Fund and the Fund's key service providers, and that CIML is able to respond proactively to any changes in the Underlying Fund's investment parameters or operational profile.

7. Benefits of investing in the Fund and, indirectly, the Underlying Fund

A summary of the potential benefits of investing in the Fund is set out below. Please note that past performance is not indicative of future performance.

Income-focused global asset-based finance exposure

The Fund (via its investment in the Underlying Fund) aims to deliver regular income through diversified exposure to global asset-based finance markets. The strategy seeks to generate value across core asset pillars, including physical assets such as aircraft and equipment leasing, small and medium-sized business loans backed by receivables and inventory, as well as financial assets like residential mortgages and consumer loans. These investments are supported by contractual cash flows, broad diversification and the downside protection of collateral-backed lending.

Access to KKR's Private Credit Platform

The Fund provides Investors with the opportunity to gain immediate exposure to KKR Credit's asset-based finance private credit strategies through an open-ended Australian domiciled fund. The Underlying Fund provides an innovative access tool for Investors to gain exposure primarily to KKR's industry leading institutional private credit platform, benefiting from its scale, established origination networks and expertise across key markets.

Management expertise and research capabilities

Via the Underlying Fund, the Fund provides Investors with a single-entry point to an extensive suite of credit and credit related investment strategies managed by KKR, a top-tier private markets investment firm. KKR has extensive experience managing private credit portfolios, including a strong track record in asset-based finance since 2016.

Diversification

By pooling investor capital, the Underlying Fund is able to invest across a wider range of assets, helping to reduce concentration risk. In addition, KKR believes that traditional bond markets have become increasingly correlated with public equities, meaning bonds may no longer provide the same diversification benefits they once did within a 60/40 portfolio. KKR believes that private credit investments have the potential to provide material portfolio diversification benefits, including exposure to predominantly floating rate loans, which KKR believes are well placed in an uncertain or rising rate environment.

The Underlying Fund generally expects to primarily target asset-based finance investments in the United States, Canada and Europe and, to a lesser extent, Asia Pacific. It has a global investment mandate and can invest opportunistically across developed markets. This results in a portfolio that is diversified across both geographies and underlying collateral types, helping to spread risk within a credit-focused allocation.

Potential Market Opportunity

KKR believes significant investment opportunities will continue to present themselves in asset-based finance, as regulatory changes and market dynamics have reduced bank lending in certain areas, allowing private credit providers to step in and capture attractive risk-adjusted returns. KKR estimates that the asset-based finance market opportunity is over US$6 trillion and is expected to grow to US$9 trillion by 2029, creating significant opportunities for active managers with experience and deep origination capabilities.

Strategic Fit in a Balanced Portfolio

The primary focus of the Underlying Fund's strategy will be to invest in attractive, directly originated, non-corporate lending opportunities within asset-based finance. The well-documented retreat by traditional banks from lending activity following the 2008 Global Financial Crisis has had a major impact on non-corporate lending activity, a segment that today comprises a far larger portion of the global debt capital markets and the real (i.e. non-financial services) economy than corporate lending. By pursuing new, underserved and/or mispriced lending opportunities, the issuers of asset-based finance investments seek to generate uncorrelated risk-adjusted returns designed to consistently outperform traditional private and public credit benchmarks.

8. Risks of investing in the Fund and, indirectly, in the Underlying Fund

8.1 Overview

Investors need to understand the investment risks involved before investing in the Fund.

All investments carry risk. Different strategies can carry different levels of risk, depending on the assets that make up that strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The value of investments and the level of returns will vary. Future returns may differ from past returns and past performance, of both the Fund and the Underlying Fund, is not indicative of future performance.

Neither CIML, nor KKR, the custodian of the Fund, the Fund Administrator or their directors, associates nor any of their related bodies guarantee the success or performance of the Fund or the Underlying Fund, the return of an Investor's capital, the payment of distributions or any specific rate of capital or income return. The target return on any investment may be affected by assumptions or by unknown risks. The results of any investment may differ materially from the results anticipated. Neither CIML nor any of its affiliates are obliged to provide any liquidity or secondary market support for dealing in the Units. Investments in the Fund are not guaranteed or underwritten by CIML or KKR or any other person or party and you may lose some or all of your investment.

Some of the key risks that may impact the value of your investment in the Fund are outlined below.

You need to consider the level of risk that you are comfortable with, taking into account factors such as your age, your investment time frame, other assets and investments you have and your overall tolerance for risk.

Section 8.2, "General risks of investing into the Fund" describes some of the risks associated with an investment in the Fund. Section 8.3, "General risks of indirectly investing into the Underlying Fund" describes some of the risks attached to an investment in the Underlying Fund, including through the Fund.

There is no guarantee that any risk mitigation measures described below will be effective and the risks below are not the only risks. Additional risks and uncertainties not presently known to CIML or not presently deemed material by it may also impair the Fund's operations and performance. For the avoidance of doubt, the below is not intended to be an exhaustive description of the risks involved in an investment in the Fund and, indirectly, in the Underlying Fund.

Investments in the Fund should be regarded as high risk and speculative in nature. Due to the Fund's indirect exposure to ABF assets through the Underlying Fund, there is a risk that Investors may incur significant losses, including the potential loss of their entire capital. The Fund does not offer capital protection, guaranteed returns, or assured liquidity. Accordingly, this Fund is suitable only for Investors who understand and accept the likelihood of volatility and capital loss.

8.2 General risks of investing into the Fund

Withdrawal Risk

Investors should be aware that while the Fund intends to process redemption requests on a monthly basis on the last calendar day of each month, the Fund does not provide investors with a right to redemption, and the discretion to accept or decline redemption requests lies with CIML. CIML may determine in its discretion whether to make a periodic redemption period available to investors, and no assurance is given that monthly redemption periods will be made available on a continuous basis.

Where a periodic redemption period is made available, investors must submit a redemption request 10 Business Days before the relevant Redemption Date. Any redemption request submitted without sufficient notice will be carried forward to the next periodic redemption period. There may be circumstances where the Fund is unable to meet redemption requests, including where CIML cannot accurately determine the unit price due to factors such as market closures, valuation uncertainty, or a suspension of pricing by the Underlying Fund.

Redemptions may be partially fulfilled on a pro-rata basis where the aggregate amount of redemption requests exceeds the amount CIML has determined will be available in respect of a periodic redemption period. Any unsatisfied redemption request, or any unsatisfied portion of a redemption request, will be rejected and will not be automatically carried forward to the next periodic redemption period. A new redemption request must be submitted for consideration on a subsequent Redemption Date.

Where a redemption request exceeds 5% of the value of the Fund's assets (or such other amount as determined by CIML), CIML may, under the Constitution, satisfy the request in stages over a period of up to 12 months from the date the request is lodged, with units redeemed progressively at the applicable redemption price on each Redemption Date. Redemption proceeds will be paid to investors within 30 calendar days following the redemption of their units.

Redemptions may be suspended in whole or in part for a period of up to 265 days where CIML reasonably believes, among other things, that: the Underlying Fund has suspended, delayed or restricted redemptions or is unable to provide a withdrawal price; meeting redemption requests may be to the disadvantage of remaining investors including by materially diminishing the value of the Fund's assets; CIML cannot accurately determine the unit price; or CIML considers that suspension is in the best interests of investors as a whole or is otherwise legally permitted. The maximum period for redeeming units subject to a redemption request is 395 days, comprising the 130-day redemption period and the 265-day maximum suspension period under the Constitution.

If the Fund becomes not liquid for the purposes of the Corporations Act, withdrawals will only be possible if CIML makes a regulated withdrawal offer in accordance with Part 5C.6 of the Corporations Act.

Investors are encouraged to carefully consider these risks and should not rely on the Fund for immediate liquidity. Access to capital may be delayed, reduced or unavailable for extended periods. CIML will endeavour to communicate any material changes to withdrawal rights promptly.

PROSPECTIVE AND CURRENT INVESTORS MUST BE AWARE OF THE POTENTIAL LIMITATIONS ON THEIR ABILITY TO WITHDRAW FROM THE FUND. NEITHER CIML, NOR KKR, THEIR DIRECTORS, ASSOCIATES, NOR ANY OF THEIR RELATED BODIES PROVIDE ANY GUARANTEE CONCERNING THE LIQUIDITY OF THE FUND OR THE ABILITY OF AN INVESTOR TO WITHDRAW ITS INVESTMENT.

Reliance on the Underlying Fund

The success of the Fund is intrinsically linked to the performance and management of the Underlying Fund. The Fund's ability to achieve its investment objectives is dependent on the Underlying Fund's effective management of its investments. The Fund has no independent investment activities and obtains exposure to ABF investments solely through its investment in Class I shares of the Underlying Fund. Risks associated with the Underlying Fund include, but are not limited to, the potential loss of key staff from the Underlying Fund Investment Adviser, or the Underlying Fund failing to perform as expected. These factors may negatively impact the returns, risks and/or liquidity of the Fund.

The returns, risks and liquidity of the Underlying Fund may also be adversely affected by the specific nature of the investment assets it holds. Each asset within the Underlying Fund comes with its own unique risk factors, return drivers, and economic sensitivities, which can collectively influence the overall performance of the Fund.

Moreover, because the Underlying Fund operates overseas, investment in the Fund introduces additional risks, including but not limited to political and economic instability, differing regulatory and legal environments, and potential difficulties in enforcing legal rights in foreign jurisdictions. Such risks can result in increased volatility and potential loss for investors.

Non-Compliance with Section 12(d)(1)(E) of the 1940 Act

Section 12(d)(1)(A)(i) of the 1940 Act imposes certain limitations on investments made by funds, including the Fund, into closed-end funds registered under the 1940 Act, such as the Underlying Fund. Section 12(d)(1)(E) provides an exemption from these limitations, which would permit the Fund to invest in the Underlying Fund without limitation of amount so long as certain requirements are satisfied. The Fund intends to be operated in a manner consistent with section 12(d)(1)(E) of the 1940 Act. As a result, among other things, the Fund will (i) exercise voting rights with respect to its investment in the Underlying Fund in the same proportion as the vote of all other Underlying Fund investors, as applicable, and (ii) refrain from substituting its investment in the Underlying Fund unless the SEC shall have approved such substitution. These regulations are complex and may affect the Fund's ability to invest in the Underlying Fund as intended. Further, there is a risk that the Fund may inadvertently fail to meet the requirements of section 12(d)(1)(E), including due to factors beyond its control, such as changes in U.S. laws or regulatory interpretations.

Non-compliance with section 12(d)(1)(E) of the 1940 Act could have adverse consequences for the Fund, including the potential requirement to dispose of its investment in the Underlying Fund, limitations on the ability to make additional investments, or exposure to regulatory penalties. Such outcomes may negatively impact the Fund's performance and the value of your investment.

Section 12(d)(1)(E) Compliance Risk – Voting Restrictions

As a consequence of the Fund's reliance on the section 12(d)(1)(E) exemption under the 1940 Act, the Fund is required to exercise its voting rights in respect of the Underlying Fund in the same proportion as the vote of all other Underlying Fund investors. This means that the Fund cannot exercise independent voting judgment in respect of its investment in the Underlying Fund, and CIML has no ability to influence the governance or management of the Underlying Fund through the exercise of voting rights. This limits CIML's ability to protect investors' interests in circumstances where a vote of Underlying Fund investors is called on a matter that may affect the Fund.

Liquidity Risk and Liquidity Management Risk

The Fund is generally expected to maintain a minimal cash balance (0% to 5% of the Fund's NAV) for operational purposes, and the Fund invests substantially all or all of its assets in the Underlying Fund. Its capacity to satisfy redemptions or manage short-term cash needs may depend on its ability to redeem from the Underlying Fund. The Underlying Fund as a whole invests in highly illiquid investments such as the ABF instruments which will ultimately limit the ability of the Fund to redeem its holdings in the Underlying Fund (and by extension, limit CIML's ability to accept redemptions from the Fund).

Liquidity risk may mean that an asset of the Underlying Fund is unable to be sold or the Underlying Fund's exposure is unable to be rebalanced within a timely period and at a fair price. Moreover, securities in which the Underlying Fund invests are generally private in nature and they may be less liquid than publicly traded securities. In addition, certain types of investments made by the Underlying Fund are likely to require a substantial length of time to liquidate. As a result, the Fund may be required to suspend redemptions to protect remaining Investors and preserve value, with Investors often having no control over the timing or price at which the Underlying Fund realises assets.

The Underlying Fund may also in limited circumstances, subject to the 1940 Act, suspend or modify its share repurchase program. In stressed market conditions or if large repurchase requests are submitted simultaneously, the Fund may experience a mismatch between liquidity expectations and available repurchase proceeds. Although investments by the Underlying Fund generate income, the return of capital and the realisation 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. CIML employs liquidity monitoring tools and conducts periodic liquidity assessments on the Underlying Fund and its underlying investments. Despite these measures, there remains a risk that Investor withdrawals may be suspended or not satisfied.

Currency Hedging Risk

The Fund employs foreign exchange forward contracts, managed through Record, to hedge its USD exposure back to AUD. While this hedging strategy is intended to reduce the impact of currency fluctuations on returns to Australian investors, there is no guarantee that the hedging will be fully effective. Basis risk, timing mismatches between the Fund's AUD-denominated liabilities and its USD-denominated assets, and imperfect correlation between the hedge and the underlying exposure may result in residual currency risk remaining even after hedging. The costs associated with hedging transactions, including bid-offer spreads and rollover costs, will reduce the Fund's net returns. Where the Fund engages in historical rate rollovers (extending maturing foreign exchange forward contracts at the original rate) this may give rise to additional costs and risks, including the risk that the rollover is construed as a form of leverage.

Historical Rate Rollover Risk

The Fund may engage in historical rate rollovers in circumstances where insufficient cash is available to meet losses arising from maturing foreign exchange forward contracts. Historical rate rollovers involve extending maturing contracts at the original contracted rate rather than the prevailing market rate, which may result in the deferral rather than elimination of foreign exchange losses. This practice may involve the use of a credit facility provided by derivative counterparties and could be construed as a form of leverage. If counterparties are unwilling to agree to historical rate rollovers, or if regulators determine that such arrangements are not permissible, the Fund may be required to realise losses that it had otherwise intended to defer, which could adversely affect the Fund's liquidity and performance.

Record Counterparty and Operational Risk

The Fund has engaged Record Currency Management Limited to manage its currency hedging program. Record acts as agent for the Fund in transacting OTC foreign exchange forward contracts with counterparties. The Fund is therefore exposed to operational risk arising from Record's systems, processes and personnel, as well as to the credit risk of the counterparties with whom Record transacts on the Fund's behalf. If Record fails to perform its obligations, or transacts with counterparties that default on their obligations, the Fund may suffer losses. The Fund does not post collateral in respect of its derivative positions and accordingly will be treated as an unsecured creditor of any defaulting counterparty, which may limit its ability to recover amounts owed.

Trustee Service Agreement Risk

CIML has entered into an agreement with a KKR entity under which CIML provides responsible entity services and access to the Underlying Fund. If this agreement is terminated, whether by KKR or CIML, the Fund may lose its ability to access the Underlying Fund on current terms, and investors may be unable to obtain the investment exposure contemplated by the Fund's investment strategy. In such circumstances, the Fund's investment in the Underlying Fund may be compulsorily redeemed, other fund managers may establish competing vehicles, or CIML may be required to wind up the Fund. Any of these outcomes could be disruptive and may adversely affect the value of investors' investments and their ability to redeem.

Concentration Risk

The Fund is generally expected to invest between 95% and 100% of its assets in a single investment, Class I shares of the Underlying Fund. The Fund therefore has no independent diversification at the Fund level and is entirely exposed to the performance, liquidity and operational risks of a single underlying vehicle. Any adverse event affecting the Underlying Fund, whether arising from investment losses, operational failure, regulatory action or changes to the Underlying Fund's terms, will directly and fully impact the value of investors' interests in the Fund.

Unit Pricing Risk

The Fund's unit prices are determined by reference to the NAV of the Fund's interest in the Underlying Fund, which is itself determined daily by the Underlying Fund based on valuations of its underlying portfolio. The Fund's unit prices are therefore dependent on the accuracy, timeliness and completeness of NAV information provided by the Underlying Fund. Where the Underlying Fund's NAV calculation is delayed, suspended or revised, the Fund's unit prices may be inaccurate or unavailable. Investors who subscribe or redeem based on inaccurate unit prices may be disadvantaged relative to other investors in the Fund.

Minimum Unitholding and Redemption Amount Risk

The Constitution provides for minimum redemption amounts and minimum unitholding levels, as disclosed in this PDS. Where a redemption request would result in an investor's holding falling below the minimum unitholding level, CIML may compulsorily redeem the investor's remaining units. Minimum redemption amounts may also restrict investors' ability to partially redeem their investment in the amounts they desire. These restrictions may limit investors' flexibility in managing their investment in the Fund.

Investment Environment Risk

The Fund is generally expected to invest between 95% and 100% of its assets in the Underlying Fund which has a specialised focus on alterative credit assets, and significant exposure to ABF investments. Such investment largely depends on an ecosystem of regulatory support, consistent availability of securitisation opportunities, and stable or growing end markets. Changes in central bank policies, inflationary pressures, or disruptions in capital markets can materially reduce the flow and attractiveness of new opportunities. In some cases, government interventions or a slowing economy might curtail consumer or business activities that underlie certain asset. If the environment shifts abruptly, the Underlying Fund could experience difficulty in structuring or exiting transactions, higher costs of capital, or unexpected changes in anticipated cash flows. These factors can ultimately result in lower returns in the Fund investments.

Valuation Risk

Unit prices for the Fund are determined based on the net asset value of its interest in the Underlying Fund. Valuation of the Underlying Fund is subject to its own pricing policies and processes, which may involve subjective judgment, modelling assumptions, third-party inputs or delayed data feeds. Valuation uncertainty can be exacerbated in respect of illiquid, complex or privately held investments. During periods of market volatility, asset price dislocation or disruptions in pricing infrastructure, the net asset value provided by the Underlying Fund may not accurately reflect the realisable value of the Fund's investment. Investors who redeem based on outdated or inaccurate net asset values of the Fund may receive proceeds that are not representative of true underlying value, and remaining Investors may be disadvantaged. CIML does not independently verify valuations provided by the Underlying Fund but undertakes periodic reviews of valuation methodologies as part of its risk monitoring framework.

Derivatives Risk

The Fund is expected to utilise derivatives, specifically foreign exchange forward contracts, as part of its strategy to hedge currency risk associated with its investment in an Underlying Fund whose shares are denominated in USD. While derivatives can be an effective tool for managing and mitigating certain risks, their use also introduces risks that Investors should carefully consider.

Derivative instruments, by their nature, can be complex and may involve leverage, which can amplify both gains and losses. Any errors in judgement or unforeseen market events can result in the hedging strategy being less effective, potentially leading to losses that could adversely affect the Fund's performance. Additionally, derivatives can be subject to liquidity risk, where the Fund may be unable to close out a derivative position at a favourable price or at the desired time, which could lead to further financial losses.

While the Fund's use of derivatives, specifically foreign exchange forward contracts, is primarily intended to mitigate currency risk, Investors should recognise that these instruments introduce their own set of risks. The Fund's strategy involving derivatives should be viewed within the context of these risks, which could result in unexpected losses or increased volatility in the Fund's performance.

Leverage

The Fund may incur leverage primarily in connection with hedging its USD exposure back to AUD. This leveraging strategy involves the use of historical rate rollovers, where maturing foreign exchange forward contracts are extended at the original rate. In addition to its hedging activities, the Underlying Fund may engage in leverage through borrowing or other credit arrangements.

While the use of leverage can enhance returns in favourable market conditions, it also introduces significant risks. If the investments made using borrowed funds do not generate returns sufficient to cover the cost of borrowing, the overall performance of the Fund or the Underlying Fund could be adversely affected. Additionally, the inability to meet repayment obligations under these credit facilities could result in enforcement actions by lenders, including the sale of pledged assets, which could further negatively impact the value of the Fund's investments.

Investors should be aware that while leverage may be employed as a tool for risk management, particularly in relation to currency hedging, it also has the potential to amplify both gains and losses. Consequently, the use of leverage by the Fund introduces an additional layer of risk, which should be carefully considered in the context of the Fund's overall investment strategy and risk profile.

Bonus Share Clawback Risk

The Underlying Fund Investment Adviser has sole discretion to require the forfeiture of Underlying Fund Bonus Shares and to modify or terminate the Underlying Fund Bonus Share Program at any time, which may affect the Fund's ability to issue Bonus Units to eligible investors. There is no guarantee that the Bonus Share Program will continue for the full Qualifying Period or that eligible investors will receive Bonus Units.

Separately, the Fund may need to redeem some of its Shares in the Underlying Fund during a "clawback" period for reasons not driven by investor withdrawals (for example, to raise cash for operations or cover losses from currency hedging). If this happens, the Fund will generally be required to forfeit any Underlying Fund Bonus Shares it would have received from the Underlying Fund (in proportion to the amount redeemed). Forfeiture of such Underlying Fund Bonus Shares would reduce the Fund's overall performance.

Additionally, Investors who redeem their Class D Units during the Clawback Period may be subject to one or more Clawback Mechanisms. In particular, CIML may, at its sole discretion, apply a sell spread and/or a withdrawal fee to such redemptions, each of which may be greater than the value of the Bonus Units forfeited, proportional to the amount of Class D Units redeemed. To the extent that neither the sell spread nor the withdrawal fee is sufficient to effect an appropriate clawback of Bonus Units, CIML may also cause the forfeiture or cancellation of Bonus Units for no consideration.

Foreign Investment Risk

The Fund's exposure to foreign markets arises indirectly through its investment in the Underlying Fund. Investments in foreign jurisdictions may be subject to risks including currency controls, political instability, expropriation, capital repatriation restrictions, tax uncertainty, legal system limitations and regulatory unpredictability. Although these risks are managed at the Underlying Fund level, they may affect the performance, valuation or liquidity of the Fund's investment. Sudden changes in foreign regulatory regimes may also impact redemption rights, valuation practices or fund operations.

Foreign Currency Risk

Investors should be aware that the Fund is exposed to foreign currency risk due to its investments in the Underlying Fund being denominated in USD, while the Fund itself is denominated in AUD. Foreign currency risk arises from the potential for fluctuations in the exchange rate between the AUD and USD, which can impact the value of the Fund's investments and, consequently, its performance. Such fluctuations may result in either gains or losses, depending on the direction of the currency movements.

To mitigate this risk, the Fund employs currency hedging strategies aimed at reducing the impact of adverse currency fluctuations on its returns. While these hedging activities are intended to limit the potential negative effects of exchange rate movements, they may not fully eliminate foreign currency risk. There may be instances where the hedging strategy is imperfect or where market conditions result in the Fund incurring losses despite the hedging efforts. Furthermore, the costs associated with hedging transactions may affect the overall return of the Fund.

Investors should consider the implications of foreign currency risk and the Fund's hedging strategy as part of their overall decision to invest in the Fund, bearing in mind that currency movements can introduce additional volatility into the Fund's performance. While the Fund's hedging strategy seeks to manage currency risk, it cannot guarantee against losses that may arise from adverse currency movements.

Inflation Risk

There is a risk that the rate of inflation may exceed the net after-tax return from your investment. Thus, the purchasing power of an investment may not keep pace with inflation.

Interest Rate Risk

Changes in official interest rates can have a positive or negative impact directly and indirectly on investment values or returns.

Distribution Risk

Distributions from the Fund are not guaranteed and are dependent on the receipt of income or realised gains from the Underlying Fund. Because many ABF assets involve long-term payoffs, there may be extended intervals with low or no distributions if deals remain unliquidated or interest income falls short of expectations. The Underlying Fund may also reinvest earnings, retain income for operational or capital purposes, or experience timing mismatches in the realisation of returns. In some periods, the Fund may not receive any distributions, or the responsible entity may determine to retain distributions rather than pass them through to Investors. Currency movements, tax withholdings or Fund-level expenses may further reduce the amount available for distribution. As a result, there can be no guarantee that any distributions will be made, and the Investors should not rely on the Fund for predictable or regular income.

Operational Risk

Operational risk is the risk of loss or damage resulting from inadequate or failed internal processes, people and systems or from external events. CIML and the Fund or KKR and the Underlying Fund may experience losses, adverse regulatory consequences or reputational damage due to a variety of operational risks, including inadequate or failed internal or external processes, people or systems, internal or external fraud, cyber security attacks or cyber incidents including deliberate or unintentional events, errors by counterparties under outsourcing arrangements and inadequate business continuity planning, and key person risk. The extent of exposure to losses from the operational risks of parties not under, as applicable, CIML's or the Fund's control may be determined, in part, by applicable law and/or contractual provisions that allocate or limit liability.

CIML manages operational risk at the Fund level through the oversight arrangements, systems, procedures and policies which each has established as part of its governance oversight, risk management framework and compliance management system.

Limited Operating History Risk

The Fund is very recently established and has only recently commenced operations. Accordingly, they have limited operating and performance histories upon which prospective Investors can base an investment decision. No reliance should be placed on the prior experience of CIML, the Underlying Fund Investment Adviser, or the performance of any other investment entities associated with CIML or KKR, as these are not indicative of the future performance of the Fund or the Underlying Fund. There is no assurance that the Fund or the Underlying Fund will achieve their investment objectives or generate positive returns, and Investors may lose some or all of the capital they invest.

Underlying Fund Investment Adviser Risk

The success of the Fund depends upon the ability of the Underlying Fund Investment Adviser to implement investment processes and identify investment opportunities that achieve the investment objectives of the Underlying Fund. Matters such as the loss of key staff, the replacement Underlying Fund Investment Adviser as the investment adviser of the Underlying Fund, or the failure of the Underlying Fund Investment Adviser to perform as expected may negatively impact returns, risks and/or liquidity of the Fund.

Regulatory Risk

The value of some investments may be adversely affected by changes in government policies, regulations and laws, including tax laws and laws affecting managed investment schemes.

Structural Risk

Structural risks include the potential termination of the Fund or the Underlying Fund, or the risk of error in administration of the Fund or the Underlying Fund. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of applications and redemptions by other Investors. CIML aims to manage this risk by monitoring the Fund and acting in your best interests. In addition, there is the risk that there are changes to the fees and expenses of the Underlying Fund or the Underlying Fund compulsorily redeems the units held by the Fund.

Market Risk

Movements in financial markets due to economic, environmental or political conditions, or from general market sentiment, will result in the value of the Fund's underlying assets, and hence the value of your investment, moving up or down.

Force Majeure Event Risk

Events such as natural disasters, pandemics, cyberattacks, armed conflict or systemic market disruptions could adversely impact CIML, KKR, the Underlying Fund and its investments. These events may result in delays in processing transactions, calculating unit prices, or satisfying withdrawal requests. They may also impair market liquidity, pricing accuracy and access to underlying investment data from the Underlying Fund. These events would also have a significant negative impact on the value of the Fund's and the Underlying Fund's investments, increase the Fund's and the Underlying Fund's volatility, negatively impact the Fund's and the Underlying Fund's pricing, magnify pre-existing risks to the Fund and the Underlying Fund, lead to temporary suspensions or deferrals on the calculation of NAVs and interrupt the Fund's and the Underlying Fund's operations. The duration and potential impacts of such events can be highly unpredictable. Although business continuity frameworks are maintained by CIML and its service providers, there is no guarantee that all such events can be effectively mitigated or that Investor outcomes will not be adversely affected.

Responsible Entity Risk

CIML, as responsible entity of the Fund, has operational control and fiduciary responsibility for managing the Fund in accordance with its Constitution and legal obligations. The Fund is dependent on CIML's financial position, governance, personnel and systems. If CIML becomes insolvent, experiences key person loss or is subject to regulatory sanction, the operation of the Fund may be disrupted. Further, any failure by CIML to properly discharge its duties (including risk oversight, compliance, service provider management and investor reporting) may adversely impact Investors. While alternative responsible entity arrangements can be implemented under the Corporations Act, such transitions may be delayed and subject to Investor approval.

Trustee Service Agreement Risk

CIML as the responsible entity of the Fund has entered into an agreement with a KKR entity to provide responsible entity services to the Fund in Australia. The agreement also sets out the fee arrangements between the parties. If the access agreement is terminated, other fund managers may establish funds to offer investment in the Underlying Fund or the Fund's investment in the Underlying Fund may be compulsorily redeemed. Any of these circumstances may adversely affect the continued operation of the Fund.

Class Risk

The Fund may have different unit classes and there is a risk that the Fund's Investors of different classes may be exposed to liabilities of another class of Units and they could lose some or all of their investment in the Fund. There is also a risk that, where there is an insolvency, the assets referable to a class could be made available to creditors of another class.

Counterparty and Service Provider Risk

Default by any of the Fund's or Underlying Fund's counterparties or key service providers may cause losses to the Fund. Counterparties and service providers may also hold security over the Fund's or the Underlying Fund's assets so that they rank ahead of Investors in recovering the assets.

Contract Risk

The Fund is generally expected to invest between 95% and 100% of its assets into the Underlying Fund to generate current income through its indirect exposure to the ABF investments. ABF instruments, such as the ABF transactions often involve intricate legal documentation covering collateral rights, securitisation terms, and performance obligations. If any of these contracts prove unenforceable (including due to legal deficiencies, contradictory provisions, or jurisdictional incompatibilities), the Underlying Fund and by extension, the Fund, could be exposed to potential loss of collateral, delayed recoveries, or costly litigation. These outcomes could adversely affect the Fund's investment returns.

Fraud and Misrepresentation Risk

Despite extensive due diligence and controls, the Fund remains vulnerable to fraudulent activities by third parties, counterparties, or external managers. Fraud, embezzlement, or misrepresentation at the Underlying Fund level can lead to a loss of capital or costly legal entanglements. Additionally, inaccurate data or misleading financial statements provided by asset originators or servicers may cause the Underlying Fund to overpay for certain investments or fail to detect hidden liabilities. While KKR and CIML strive to mitigate this risk, it cannot be completely eradicated, particularly where large or complex transactions span multiple jurisdictions.

Conflicts of Interests Risk

CIML and third-party service providers of the Fund may, in the course of their business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Fund and its Investors.

Additionally, certain activities of KKR and its affiliates will give rise to, and contain embedded, conflicts of interest that are relevant to the Underlying Fund (for example, but without limitation, conflicts of interest relating to inducements, fees and costs, related party transactions, cross-transactions. competing interests, allocations of investment opportunities and subsequent dispositions).

KKR and CIML have implemented policies and procedures to seek to identify and appropriately manage conflicts of interest. There is no guarantee however that any such conflicts will be resolved in a manner that will not have an adverse effect on the Fund, the Underlying Fund or their respective Investors.

Resourcing and Capacity risk

CIML, KKR, and affiliated entities may manage multiple funds, portfolios, or mandates concurrently, leading to resource constraints. If, for instance, KKR's origination teams become stretched across various credit investments and assets, or if CIML oversees a range of products with competing deadlines, both organisations' ability to dedicate sufficient time and expertise to the Fund could be affected. This strain on capacity might compromise portfolio monitoring, deal negotiation, or timely deployment of capital, all of which can hamper returns or increase the likelihood of operational oversights.

Taxation Risk

Tax legislation and regulations can change unpredictably, both in Australia and in the overseas jurisdictions where the Underlying Fund invests. Such changes may affect the deductibility of expenses, introduce new withholding taxes on cross-border payments, or alter corporate and personal tax rates. If the Fund or Underlying Fund must pay higher taxes, or if Investors themselves become subject to additional tax obligations, the net returns received by the Fund and its Investors could be significantly diminished.

Additionally, the Fund's structure assumes the continued availability of the current Australian tax and regulatory treatment applicable to the Fund and its investors. Changes to Australian tax law, ASIC regulatory requirements or the US tax treatment of the Underlying Fund as a RIC could affect the Fund's after-tax returns to investors.

Legal and Compliance Risk

Both the Fund and Underlying Fund operate under multiple regulatory regimes. In Australia, the Fund must comply with the Corporations Act and regulations on managed investment schemes, while the Underlying Fund may fall under different jurisdictions' laws depending on the assets held. Regulatory or policy changes, or an inability to adhere to existing requirements, can lead to fines, operational constraints, or adverse publicity. In certain cases, regulatory requirements or developments may force investment restructurings, increase the costs associated with certain investments of the Underlying Fund, impose new capital adequacy requirements, or create limitations on securities offerings or the investments of the Underlying Fund, all of which can directly or indirectly affect the Fund's returns.

8.3 General risks of indirectly investing into the Underlying Fund

The investments that the Underlying Fund makes may result in a higher amount of risk than alternative investment options, including volatility or loss of principal. The Underlying Fund's investments may be highly speculative and aggressive. Certain risks relating to the Underlying Fund's investments are set forth below, but are disclosed in more detail in the Underlying Fund's offering materials and annual reports which can be found on the United States Securities and Exchange Commission's website at www.sec.gov.

Liquidity Risk

The Underlying Fund intends to invest without limit in securities that, at the time of investment, are illiquid. The Underlying Fund, from time to time, also invests in restricted securities. Investments in restricted securities could have the effect of increasing the amount of the Underlying Fund's assets invested in illiquid securities if qualified institutional buyers are unwilling to purchase these securities.

Illiquid and restricted securities can be difficult to dispose of at a fair price at the times when the Underlying Fund believes it is desirable to do so. The market price of illiquid and restricted securities generally is more volatile than that of more liquid securities, which could adversely affect the price that the Underlying Fund pays for or recovers upon the sale of such securities. Illiquid and restricted securities are also more difficult to value, especially in challenging markets, and the Underlying Fund Investment Adviser's judgment will play a greater role in the valuation process. Investment of the Underlying Fund's assets in illiquid and restricted securities could restrict the Underlying Fund's ability to take advantage of market opportunities. In order to dispose of an unregistered security, the Underlying Fund, where it has contractual rights to do so, could have to cause such security to be registered. A considerable period could elapse between the time the decision is made to sell the security and the time the security is registered, thereby enabling the Underlying Fund to sell it. Contractual restrictions on the resale of securities vary in length and scope and are generally the result of a negotiation between the issuer and acquiror of the securities. In either case, the Underlying Fund would bear market risks during that period.

Some loans and fixed-income instruments are not readily marketable and could be subject to restrictions on resale. Loans and fixed-income instruments might not be listed on any national securities exchange and no active trading market might exist for certain of the loans and fixed-income instruments in which the Underlying Fund invests. Where a secondary market exists, the market for some loans and fixed-income instruments could be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. In addition, events occurring subsequent to an investment by the Underlying Fund, including, for example, withdrawals, changes in market, political or other relevant circumstances, could cause some loans and fixed-income instruments that were liquid at the time of acquisition to become illiquid or otherwise cause the Underlying Fund's concentration in illiquid investments to increase.

Credit Risk

The Underlying Fund's debt investments are subject to the risk of non-payment of scheduled interest or principal by the borrowers with respect to such investments. Such non-payment would likely result in a reduction of income to the Underlying Fund and a reduction in the value of the debt investments experiencing non-payment.

The Underlying Fund will, from time to time, invest in investments that the Underlying Fund Investment Adviser believes are secured by specific collateral, the value of which exceeds the principal amount of the investments at the time of initial investment. There can be no assurance, though, 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 investment or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the Underlying Fund could experience delays or limitations with respect to its ability to realise the benefits of the collateral securing an investment. Under certain circumstances, collateral securing an investment will be released without the consent of the Underlying Fund. The Underlying Fund, from time to time, also invests in high yield instruments and other unsecured investments, each of which involves a higher degree of risk than senior loans. The Underlying Fund's right to payment and its security interest, if any, could be subordinated to the payment rights and security interests of more senior creditors. Certain of these investments will have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In this case, a portfolio company's ability to repay the principal of an investment could be dependent upon a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

Companies in which the Underlying Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or an economic downturn. As a result, companies that the Underlying Fund expected to be stable could operate, or expect to operate, at a loss or have significant variations in operating results, could require substantial additional capital to support their operations or maintain their competitive position or could otherwise have a weak financial condition or be experiencing financial distress.

Leverage Risk

The Underlying Fund is permitted to obtain leverage using any form or combination of financial leverage instruments, including through funds borrowed from banks or other financial institutions (i.e., a credit facility), margin facilities, the issuance of preferred shares or notes and leverage attributable to dollar rolls or similar transactions. The Underlying Fund will, from time to time, use leverage opportunistically and will choose to increase or decrease its leverage, or use different types or combinations of leveraging instruments, at any time based on the Underlying Fund's assessment of market conditions and the investment environment.

Use of leverage creates an opportunity for increased income and return for investors but, at the same time, creates risks, including the likelihood of greater volatility in the NAV and market price of, and distributions on, the shares. Increases and decreases in the value of the Underlying Fund's portfolio will be magnified if the Underlying Fund uses leverage. In particular, leverage can magnify interest rate risk, which is the risk that the prices of portfolio securities will fall (or rise) if market interest rates for those types of securities rise (or fall). As a result, leverage can cause greater changes in the Underlying Fund's NAV, which will be borne entirely by the Underlying Fund's investors. There can be no assurance that the Underlying Fund will use leverage or that its leveraging strategy will be successful during any period in which it is employed.

The costs of a financial leverage program (including the costs of offering preferred shares and notes) will be borne entirely by investors and consequently will result in a reduction of the NAV of the shares. The Underlying Fund's use of leverage could create the opportunity for a higher return for investors but would also result in special risks for investors and can magnify the effect of any losses. If the income and gains earned on the securities and investments purchased with leverage proceeds are greater than the cost of the leverage, the return on the shares will be greater than if leverage had not been used. Conversely, if the income and gains from the securities and investments purchased with such proceeds do not cover the cost of leverage, the return on the shares will be less than if leverage had not been used. There is no assurance that a leveraging strategy will be successful.

Valuation Risk

Unlike publicly traded common stock which trades on national exchanges, there is no central place or exchange for loans or fixed-income instruments to trade. Loans and fixed-income instruments generally trade on an OTC market which could be anywhere in the world where the buyer and seller can settle on a price. Due to the lack of centralised information and trading, the valuation of loans or fixed-income instruments generally carries more risk than that of common stock. Uncertainties in the conditions of the financial market, unreliable reference data, lack of transparency and inconsistency of valuation models and processes could lead to inaccurate asset pricing. In addition, other market participants value securities differently than the Underlying Fund. As a result, the Underlying Fund will, from time to time, be subject to the risk that when a loan or fixed-income instrument is sold in the market, the amount received by the Underlying Fund is less than the value of such loans or fixed-income instruments carried on the Underlying Fund's books.

Investment and Market Risk

An investment in the Underlying Fund involves a considerable amount of risk. The value of the loans and fixed-income instruments, short positions and other securities and derivative instruments owned by the Underlying Fund will fluctuate, sometimes rapidly and unpredictably, and such investment is subject to investment risk, including the possible loss of the entire principal amount invested. At any point in time, an investment in the Underlying Fund's shares could be worth less than the original amount invested, even after taking into account distributions paid by the Underlying Fund. The Underlying Fund also uses leverage, which magnifies the Underlying Fund's investment, market and certain other risks.

The Underlying Fund is materially affected by market, economic and political conditions and events, such as natural disasters, epidemics and pandemics, globally and in the jurisdictions and sectors in which it invests or operates, including factors affecting interest rates, the availability of credit, currency exchange rates and trade barriers. Market, economic and political conditions and events are outside the Underlying Fund Investment Adviser's control and could adversely affect the liquidity and value of the Underlying Fund's investments and reduce the ability of the Underlying Fund to make attractive new investments.

Global economic conditions could adversely impact the financial resources and credit quality of corporate and other borrowers in which the Underlying Fund invests 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, the Underlying Fund could suffer a partial or total loss of its investment in such borrowers. Such economic and market events and conditions could also restrict the ability of the Underlying Fund to sell or liquidate investments at favourable times or for favourable prices. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the Underlying Fund Investment Adviser will prove correct, and actual events and circumstances can vary significantly.

Interest Rate Risk

The Underlying Fund's investments expose the Underlying Fund 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 US and non-US financial markets. The Underlying Fund expects that it will periodically experience imbalances in the interest rate sensitivities of its assets and liabilities and the relationships of various interest rates to each other. In a changing interest rate environment, the Underlying Fund Investment Adviser might not be able to manage this risk effectively. If the Underlying Fund Investment Adviser is unable to manage interest rate risk effectively, the Underlying Fund's performance could be adversely affected.

Structured Products Risk

The Underlying Fund invests in structured products, consisting of collateralised debt obligations, collateralised bond obligations and CLOs and credit-linked notes (collectively, '**Structured Products**'). Holders of Structured Products bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk.

Structured Products are subject to the normal interest rate, Default and other risks associated with fixed-income securities and ABF investments. Additionally, the risks of an investment in a Structured Product depend largely on the type of the collateral securities and the class of the Structured Product or other ABF investment in which the Underlying Fund invests. The Underlying Fund generally has the right to receive payments only from the Structured Product, and generally does not have direct rights against the issuer or the entity that sold the underlying collateral assets. Such collateral could be insufficient to meet payment obligations and the quality of the collateral might decline in value or Default. Structured Products issue classes or tranches that offer various maturity, risk and yield characteristics. Losses caused by Defaults on underlying assets are borne first by the holders of subordinate tranches. If there are Defaults or the Structured Product's collateral otherwise underperforms, scheduled payments to more senior tranches take precedence over those of subordinate tranches. Despite the protection from the subordinate tranches, more senior tranches of Structured Products can experience substantial losses due to actual Defaults, downgrades of the underlying collateral by rating agencies, forced liquidation of the collateral pool due to a failure of coverage tests, increased sensitivity to Defaults due to collateral Default and disappearance of protecting tranches, market anticipation of Defaults as well as investor aversion to Structured Product securities as a class. In addition to the general risks associated with debt securities, Structured Products carry additional risks, including, but not limited to, the risk that: (i) distributions from collateral securities might not be adequate to make interest or other payments; (ii) the collateral could Default or decline in value or be downgraded; (iii) the Underlying Fund is likely to invest in tranches of Structured Products that are subordinate to other tranches; (iv) the structure and complexity of the transaction and the legal documents could lead to disputes among investors regarding the characterisation of proceeds; (v) the investment return achieved by the Underlying Fund could be significantly different than those predicted by financial models; (vi) there will be no readily available secondary market for Structured Products; and (vii) technical Defaults, such as coverage test failures, could result in forced liquidation of the collateral pool.

Subordinated and Unsecured or Partially Secured Loans Risk

The Underlying Fund will, from time to time, invest in unsecured loans and secured subordinated loans, including second and lower lien loans. Second lien loans are generally second in line in terms of repayment priority. A second lien loan could have a claim on the same collateral pool as the first lien or it could be secured by a separate set of assets. Second lien loans generally give investors priority over general unsecured creditors in the event of an asset sale. The priority of the collateral claims of third or lower lien loans ranks below holders of second lien loans and so on. Such junior loans are subject to the same general risks inherent to any loan investment, including credit risk, market and liquidity risk and interest rate risk. Due to their lower place in the borrower's capital structure and possible unsecured or partially secured status, such loans involve a higher degree of overall risk than senior loans of the same borrower.

Consumer Loans Risk

The Underlying Fund may invest in consumer loans (or ABF investments backed by consumer loans), including debt consolidation loans, home improvement loans, personal loans, residential real estate investments, credit cards, and automobile loans. The performance of such investments is affected by, among other things, general economic conditions. Changes in economic conditions have adversely affected the performance and market value of such investments. Consumer loans are susceptible to prepayment risks and Default risks. Unsecured consumer loans are not secured by any collateral of the borrowers. The repayment of unsecured consumer loans is dependent upon the ability and willingness of the borrowers to repay. Other consumer loans, like automobile loans, may be secured by collateral, but the value of that collateral is not guaranteed. Increases in unemployment, decreases in home values or the values of other consumer assets or lack of availability of credit may lead to increased Default rates and may also be accompanied by decreased consumer demand for automobiles and declining values of automobiles securing outstanding automobile loan contracts, which weakens collateral coverage and increases the amount of a loss in the event of Default.

Sector Risk

The Underlying Fund seeks to achieve its investment objectives by pursuing a multi-sector investment approach that primarily targets a range of ABF investments across asset sectors and throughout the capital structure of ABF opportunities. The percentage of the Underlying Fund's assets invested in specific sectors will increase or decrease from time to time based on the portfolio management team's perception of investment opportunities.

The Underlying Fund may be overweight in certain sectors at various times. If the Underlying Fund invests a significant portion of its assets in a particular sector, the Underlying Fund is subject to the risk that companies in the same sector are likely to react similarly to legislative or regulatory changes, adverse market conditions, increased competition, or other factors generally affecting that market segment. In such cases, the Underlying Fund would be exposed to an increased risk that the value of its overall portfolio will decrease because of events that disproportionately affect certain sectors.

Counterparty and Prime Brokerage Risk

Certain Underlying Fund investments will be exposed to the credit risk of the counterparties with which, or the dealers, brokers and exchanges through which, the Underlying Fund deals, whether in exchange-traded or OTC transactions. Changes in the credit quality of the companies that serve as the Underlying Fund's prime brokers or counterparties with respect to derivatives or other transactions supported by another party's credit will affect the value of those instruments. By using derivatives, swaps or other transactions, the Underlying Fund assumes the risk that its counterparties could experience significant financial hardships.

The Underlying Fund is subject to the risk of loss of Underlying Fund assets on deposit or being settled or cleared with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Underlying Fund, the bankruptcy of an exchange clearing house or the bankruptcy of any other counterparty. If a prime broker or counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Underlying Fund could experience significant delays in obtaining any recovery under the derivative contract in a bankruptcy or other reorganisation proceeding; if the Underlying Fund's claim is unsecured, the Underlying Fund will be treated as a general creditor of such prime broker or counterparty and will not have any claim with respect to the underlying security.

Derivatives Risk

The Underlying Fund's derivative investments have risks similar to their underlying assets and may have additional risks, including the imperfect correlation between the value of such instruments and the underlying asset, rate or index, which creates the possibility that the loss on such instruments will be greater than the gain in the value of the underlying asset, rate or index in the Underlying Fund's portfolio; the loss of principal, including the potential loss of amounts greater than the initial amount invested in the derivative instrument; the possible default of the other party to the transaction; illiquidity of the derivative investments; risks arising from margin and settlement obligations; and risks arising from mispricing or valuation complexity.

If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Underlying Fund could experience significant delays in obtaining any recovery under the derivative contract in a bankruptcy or other reorganisation proceeding or may not recover at all. Certain derivatives may give rise to a form of leverage, which magnifies the potential for gain and the risk of loss. OTC derivatives generally are more difficult to purchase, sell or value than other investments and are generally less liquid than exchange-traded instruments. Derivatives transactions are also subject to operational risk, including from documentation issues, settlement issues, system failures, inadequate controls and human error, and legal risk, including risk of insufficient documentation, insufficient capacity or authority of a counterparty, or legality or enforceability of a contract.

Non-US Securities Risk

The Underlying Fund invests in securities or other instruments, including secured loans and unsecured loans, of non-US issuers or borrowers. Such investments involve certain factors not typically associated with investing in the United States or other developed countries, including risks relating to: (i) differences between US and non-US securities markets, including potential price volatility in and relative illiquidity of some non-US securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less government supervision and regulation; (ii) other differences in law and regulation, including fewer investor protections, less stringent fiduciary duties, less developed bankruptcy laws and difficulty in enforcing contractual obligations; (iii) certain economic and political risks, including potential economic, political or social instability, exchange control regulations, restrictions on foreign investment and repatriation of capital, expropriation or confiscatory taxation, higher rates of inflation, and reliance on a more limited number of commodity inputs, service providers and distribution mechanisms; and (iv) the possible imposition of foreign taxes on income and gains recognised with respect to securities and other assets. Economic sanctions and other similar governmental actions or developments could, among other things, restrict or eliminate the Underlying Fund's ability to purchase or sell certain non-US securities or other instruments

Investment in Receivables Risk

The Underlying Fund may invest in alternative lending-related securities with exposure to receivables or invoice financing, including loans or advances made to businesses, secured by invoice receivables, originated by specialty finance managers, marketplace lending platforms or other originators. The Underlying Fund will be reliant on the originator's ability to source suitable deals, detect fraud, assess the creditworthiness of both the borrower and the obligor on the invoice, manage operational and financial risk and, in the event of Default, pursue and collect collateral. In the event of Default, the Underlying Fund incurs the risk that it may only rank as an unsecured creditor. The obligor on the invoice may dispute any aspect of its obligation and delay, reduce or withhold payments, which may affect the value of the collateral. The risk of fraud may be greater with corporate trade receivables and there can be no assurance that the debtor will not subsequently dispute the quality or price of the goods or services and withhold payments.

Legal and Regulatory Risk

Legal and regulatory changes could occur that would materially adversely affect the Underlying Fund. The regulation of the US and non-US securities and futures markets and investment funds such as the Underlying Fund has undergone substantial change in recent years, and such change could continue. The effect of regulatory change on the Underlying Fund, while impossible to predict, could be substantial, adverse and potentially limit or completely restrict the ability of the Underlying Fund to implement its investment strategy or increase the costs of using certain instruments or make them less effective.

Dependence on Key Personnel Risk

The Underlying Fund Investment Adviser depends on the efforts, skills, reputations and business contacts of its key personnel, the information and deal flow they and others generate during the normal course of their activities and the synergies among the diverse fields of expertise and knowledge held by the Underlying Fund Investment Adviser's professionals. The loss of the services of any of them could have a material adverse effect on the Underlying Fund and could harm the Underlying Fund Investment Adviser's ability to manage the Underlying Fund. The Underlying Fund Investment Adviser's principals and other key personnel possess substantial experience and expertise and have strong business relationships with members of the business community. The loss of these personnel could jeopardise the Underlying Fund Investment Adviser's relationships with members of the business community and could result in fewer investment opportunities for the Underlying Fund.

Hard Assets Risk

A fund that invests in the securities of hard assets companies or instruments that derive their value from hard assets may be subject to greater risks and market fluctuations than a fund whose portfolio has exposure to a broader range of industries or sectors. The Underlying Fund may be susceptible to financial, economic, political or market events, as well as governmental regulation, impacting the hard assets industries. Securities of issuers in hard assets industries are at times volatile and there may be sharp fluctuations in prices, even during periods of rising prices. Additionally, companies engaged in the production and distribution of hard assets may be adversely affected by changes in world events, political and economic conditions, energy conservation, environmental policies, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

Prepayment Risk

Prepayment risk occurs when a debt investment held by the Underlying Fund can be repaid in whole or in part prior to its maturity. In a period of declining interest rates, borrowers are more likely to prepay investments more quickly than anticipated, reducing the yield to maturity and the average life of the relevant investment. Moreover, when the Underlying Fund reinvests the proceeds of a prepayment in these circumstances, it will likely receive a rate of interest that is lower than the rate on the security that was prepaid. To the extent that the Underlying Fund purchases the relevant investment at a premium, prepayments could result in a loss to the extent of the premium paid. In a period of rising interest rates, prepayments of investments could occur at a slower than expected rate, creating maturity extension risk. Because the value of longer-term investments generally fluctuates more widely in response to changes in interest rates than shorter-term investments, maturity extension risk could increase the volatility of the Underlying Fund.

Conflicts of Interest Risk

The Underlying Fund Investment Adviser will experience conflicts of interest in connection with the management of the Underlying Fund, relating to the allocation of the Underlying Fund Investment Adviser's time and resources between the Underlying Fund and other investment activities; the allocation of investment opportunities by the Underlying Fund Investment Adviser and its affiliates; compensation to the Underlying Fund Investment Adviser; services provided by the Underlying Fund Investment Adviser and its affiliates to issuers in which the Underlying Fund invests; and investments by the Underlying Fund and other clients of the Underlying Fund Investment Adviser. The Incentive Fee payable to the Underlying Fund Investment Adviser may create an incentive for the Underlying Fund Investment Adviser to make investments that are riskier or more speculative than would be the case in the absence of such a compensation arrangement and also to incur leverage, which will tend to enhance returns where the portfolio has positive returns.

Cybersecurity Risk

Increased reliance on internet-based programs and applications to conduct transactions and store data creates growing operational and security risks. Targeted cyber-attacks or accidental events can lead to breaches in computer and data systems security, and subsequent unauthorised access to sensitive transactional and personal information held or maintained by KKR, its affiliates and third-party service providers or counterparties. Any breaches that occur could 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, and could lead to theft, data corruption, or overall disruption in operational systems. These risks have the potential to disrupt KKR's ability to engage in transactions, cause direct financial loss and reputational damage or lead to violations of applicable laws related to data and privacy protection and consumer protection.

9. How the Fund operates

9.1 Fund valuation

The Fund is valued by the Fund Administrator and the Fund's net asset value is calculated in accordance with the Constitution. The net asset value of the Fund is calculated, by deducting the liabilities of the Fund (for example, but not limited to, distributions to the Investors, the Fund's management fee payable to CIML, expenses, provisions and contingent liabilities) from the value of the Fund's assets. Where different classes of units are on issue in the Fund, the net asset value will be determined by reference to the net asset value attributable to that class in the Fund.

Given that the Fund will invest all or substantially all of its assets in Class I shares in the Underlying Fund, which are not exchange traded assets, all assets of the Fund (including any that are not exchange traded), are determined in accordance with standard market practice and market prices are generally electronically sourced from third parties. Consequently, in general, the value of the Fund's assets will reflect the value of the shares which it holds in the Underlying Fund (i.e., the net asset value of the Underlying Fund), which is published from time to time.

Where no independent pricing source is available to value an asset, CIML will liaise with the Fund Administrator to determine the value of the asset in accordance with acceptable industry standards.

CIML has adopted a unit pricing and asset valuation policy that covers the valuation of the Fund's assets including the Underlying Fund. As the Fund will primarily invest in the Underlying Fund, CIML will implement its underlying fund valuation policy by relying on the investment policy of the Underlying Fund. The Underlying Fund Investment Adviser has adopted valuation policies and procedures for the Underlying Fund. The Underlying Fund Investment Adviser exercises risk oversight function over the Underlying Fund.

9.2 Unit pricing

A Unit represents an equal, undivided interest in the Fund's portfolio. A Unit price for each unit class is calculated monthly on the last Calendar Day of each month or more frequently as determined by CIML, and the Fund Administrator typically uses the last available market prices for securities on the relevant Calendar Day (or any other valuation day declared by CIML).

The Class A Unit price is calculated by dividing the net asset value of the Fund (determined by the net market valuation of assets owned, less all liabilities held, including fees, provisions and accrued expenses in accordance with the Constitution) divided by the number of Class A Units on issue. The issue price is calculated by taking the Fund's net asset value per Unit plus any buy spread (if applicable). The redemption Unit price is calculated by taking the Fund's net asset value per Unit less any sell spread (if applicable).

Similarly, the Class D Unit price is calculated by dividing the NAV of the Fund referable to the Class D units (determined by the net market valuation of assets owned, less all liabilities held, including fees, provisions and accrued expenses in accordance with the Constitution) divided by the number of Class D Units on issue. The issue price is calculated by taking the NAV per Class D Unit plus any buy spread (if applicable). The redemption Class D Unit price is calculated by taking the NAV per Class D Unit less any sell spread (if applicable). If an Investor redeems their Class D Units in the Fund during the Clawback Period, CIML may, at its sole discretion apply one or more of Clawback Mechanisms (in the form of a sell spread, withdrawal fee, or via cancellation or forfeiture (at no consideration) of Units) to effect an appropriate clawback of Bonus Units or pass on associated costs.

The buy spread as at the date of this PDS for Class A Units is 0.00% of the application amount on applications. The sell spread as at the date of this PDS for Class A Units is 0.00% of the withdrawal amount on redemptions and for Class D is up to 3.00%, which will be charged at the time of your transaction being applied. The sell spread on a redemption of Class D Units is conditional upon the forfeiture of Bonus Units attributed to a redeeming Investor during the Clawback Period. Where Bonus Units are forfeited, the sell spread will be equal to the value of the forfeited Bonus Units plus any additional costs incurred in the form of the Fund's forfeited Underlying Fund Bonus Shares.

Where different classes of units are on issue in the Fund, the price of a Unit will be determined by reference to the net asset value attributable to that class in the Fund.

Investors in the Fund will be issued a number of Class A Units and/or Class D Units depending on their initial investment (calculated by dividing the amount invested by the applicable issue Unit price, for the relevant Class). When funds are withdrawn from the Fund, they are redeemed at the relevant redemption unit price for the Units.

During the Clawback Period, where an investor holds both Class D Units and Class A Units, Investors are permitted to submit redemption requests for Class A Units with no impact to their Class D Units.

Due to the nature of the underlying assets in which the Underlying Fund invests, Unit prices for the Fund can take more time than usual to calculate. Unit prices are generally finalised and published 7 Business Days following the Redemption Date to which the Unit price relates, but could take longer to finalise and publish. In calculating the net asset value of the Fund, CIML, the Fund Administrator or their affiliates may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including, automatic processing services, brokers, market makers or intermediaries, and any fund administrator or valuations agent of the Underlying Fund or other collective investments into which the Underlying Fund invests.

CIML may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets.

CIML has adopted a unit pricing and asset valuation policy, which sets out how CIML exercises discretions in relation to unit pricing. You can obtain a copy of this policy free of charge by contacting CIML in writing.

9.3 Distributions

When are distributions paid?

Where the Fund is an attribution managed investment trust or AMIT, CIML has a broad discretion regarding when and how much of the income of the Fund is to be distributed each financial year.

The current distribution policy of CIML in relation to the Fund is to distribute the net income of the Fund monthly (when applicable or available from the Underlying Fund), with distributions to Investors made as soon as practicable following the declaration of each distribution.

In relation to Class A Units, you can elect to have your distribution automatically reinvested as additional Units in the Fund or credited to your nominated financial institution account (as applicable, provided that distributions for a given Class of Units may only be reinvested in Units of the same Class). If no election is made, your distributions will be automatically reinvested into the Fund.

In relation to Class D Units, distributions will generally be paid in cash and will be credited to your nominated financial institution account. There is currently no distribution reinvestment option available to holders of Class D Units, however, CIML in its sole discretion may require that distributions are reinvested and applied towards the issue of additional Class D Units.

You can elect to either have your distributions automatically reinvested as additional Units in the Fund or credited to your nominated Australian financial institution account. If no election is made, you will be taken to have elected to have distributions automatically reinvested into the Fund.

CIML may temporarily vary the distribution frequency without providing you with notice.

Distributions from the Fund may comprise income and/or capital as determined by CIML under the Constitution. The Fund's ability to pay a distribution is contingent on the income it receives from its investment in the Underlying Fund and may mean that there is no distribution for a period. The Fund, as a shareholder of the Underlying Fund, is allocated shares of the Underlying Fund, where it is the intention of the Underlying Fund to pay cash distributions with respect to such shares on a monthly basis. There is no guarantee that the Underlying Fund will make distributions, and any distributions will be made at the discretion of the Underlying Fund, taking into consideration such factors as it deems appropriate, including earnings, cash flow, capital needs and general financial condition and the requirements of any applicable laws. As a result, the Underlying Fund's distribution rates and payment frequency are expected to vary from month-to-month.

Where the Fund does not qualify as an AMIT for tax purposes, all income of the Fund must be distributed each financial year.

CIML has the power under the Constitution, where it considers it appropriate to do so, to treat part of the amount paid to a unitholder in the Fund on the redemption of their units in the Fund, as a distribution of the income of the Fund. CIML will notify a redeeming unitholder if this power is to be exercised, but CIML does not currently anticipate utilising this power.

How will my distributions be paid?

In relation to Class D Units, distributions will generally be paid in cash and will be credited to your nominated financial institution account. However, CIML may require that distributions are reinvested and applied towards the issue of additional Class D Units.

On the Fund's application form you may nominate to re-invest your income as additional Class A Units in the Fund, or to receive your income by direct credit.

You can alter your distribution method i respect to Class A Units by sending a written request to the Fund Administrator, ten (10) Business Days before the end of a distribution period (i.e. ten (10) Business Days before month end).

All income distributions may be subject to income tax, irrespective of whether they are reinvested. Please consult your tax adviser for further information.

How is the distribution calculated?

CIML may pay distributions from the Fund at certain specified times during the financial year and is expected to pay distributions at least on a monthly basis although this may change from time to time.

You will be entitled to receive a distribution for a particular period if you hold Class A Units or Class D Units (as relevant) on the last day of the relevant period (as applicable, provided that distributions for a given Class of Units may only be reinvested in Units of the same Class). Your entitlement is based on the proportion of the number of Class A Units or Class D Units (as relevant) that you hold in the Fund on the last day of the relevant period. CIML anticipates that the amount distributed for each distribution period will be based on the taxable income of the Fund for the distribution period adjusted for any foreign tax credits.

CIML may determine to offer distribution reinvestment in accordance with the relevant provisions of the Constitution and the procedure for reinvestment of distributions is to be determined by CIML and notified to Investors from time to time.

9.4 Different classes

This PDS applies to Class A Units and Class D Units in the Fund. As at the date of this PDS, the Fund has other classes of units on issue. Where permitted under the Constitution, CIML may issue other classes of units in the Fund under a separate PDS or information memorandum. Different classes of units may have different terms of issue, including in respect of matters such as minimum initial investment amounts, minimum additional investment amounts, fees, distribution payment times and other matters, including but not limited to, the eligibility to participate in the Bonus Share Program. CIML is required by law to treat all Investors within a class equally and all Investors in different classes fairly.

Although CIML seeks to ensure that the liabilities of one class are kept separate from all other classes, there is a risk that Investors of different classes may be exposed to liabilities of another class of units, and they could lose some or all of their investment in the Fund.

9.5 Fund Transfers

You can request a transfer of some or all of your Units to a third party by completing and signing a transfer form and providing CIML with any other documentation required by it or any law. You can obtain a transfer form by contacting CIML's client services team on 1800 940 599 or via email at clientservices@channelcapital.com.au (see section 17). Switching, conversion or transfer of Class D Units during the Clawback Period will generally not be permitted. CIML reserves the right to refuse to register a transfer of Units.

9.6 Custodian

The Fund Custodian has been appointed to hold the assets of the Fund on CIML's behalf. From time to time, CIML under its Australian financial services licence may hold the non-cash assets of the Fund itself. Any fees CIML pays to the Fund Custodian or CIML, as applicable, are paid out of the Management Fee or from other sources external to the Fund, referred to in section 10 and are not an additional charge to you.

9.7 Fund Administrator

The Fund Administrator has been appointed to be the administrator and unit registrar for the Fund. Any fees CIML pays to the Fund Administrator are paid out of the Management Fee or from other sources external to the Fund referred to in section 10 and are not an additional charge to you.

10. Fees and other costs

10.1 Consumer Advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission ('**ASIC**') Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

10.2 Fees and costs table

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document, refer to section 12 for more information.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs summary

KKR Asset-Based Finance Fund (K-ABF)		
Type of fee or cost	**Amount**[1]	**How and when paid**
Ongoing annual fees and costs[2]		

Management fees and costs
 	
The fees and costs for managing your investment
	Class A Units
	Estimated management fees and costs of 1.90% per annum of the Fund's net asset value referable to the Class A Units, comprised of:
	• a management fee of 0.25% per annum of the net asset value of the Fund referable to the Class A Units ('**Management Fee**');
	• estimated indirect costs of 1.64% per annum of the net asset value of the Fund referable to the Units, consisting of:
	  • an Underlying Fund Management Fee of 1.00% per annum; and
	  • an estimated Underlying Fund expenses of 0.64% per annum; and
	• estimated expense recoveries of 0.01% per annum of the net asset value of the Fund referable to the Class A Units, which includes an establishment fee. [4]
	
	Class D Units
	Estimated management fees and costs of 1.90% per annum of the Fund's net asset value referable to the Class D Units, comprised of:
	• a management fee of 0.25% per annum of the net asset value of the Fund referable to the Class D Units ('**Management Fee**');
		The Management Fee is calculated monthly and accrued monthly in the Class A Unit price and is generally paid monthly in arrears, or more frequently as determined by CIML. The Management Fee shall be allocated across all classes of Units in proportion to the net asset value of each such class (as determined at the relevant time of allocation), and is paid from the assets of the Fund referable to the Units. The amount of these fees can be negotiated or rebated for Wholesale Clients.[3]
		
		Indirect costs (which are included in the management fees and costs) will be allocated across all classes of Units in proportion to the net asset value of each such class (as determined at the relevant time of allocation), and are paid from the assets of the Fund referable to the Units, are paid out of the assets of the Fund or an interposed vehicle as and when incurred.
		
		Normal operating expenses of the Fund (other than the abnormal or extraordinary expenses, indirect costs and transaction costs) that would otherwise be recoverable from the Fund are paid by CIML out of the Management Fee or from other sources external to the Fund at no additional charge to you.
		
		CIML will be paid an establishment fee[4]. Please refer to the "Establishment fee" sub-section in section 10.4 for more information.
		
		Abnormal or extraordinary expenses of the Fund (if incurred) are paid from the net asset value of each class (as determined at the relevant time of allocation). These expenses will be borne directly by, and paid from, the assets of each class as they arise.
		
		For the period beginning on 1 April 2026, through 31 December 2026, the Underlying Fund Investment Adviser has agreed to waive the Underlying Fund Management Fee and the Underlying Fund Incentive
		
		Fee to the extent necessary to ensure that the aggregate Underlying Fund Management Fee and the Underlying Fund Incentive Fee payable by the Underlying Fund does not exceed 1.74% of the Underlying Fund's average daily net assets.
		
		Abnormal or extraordinary expense, indirect costs and transaction costs of the Fund (if incurred) will be allocated across all classes of Units in proportion to the net asset value of each such class of Units relative to the aggregate net asset value of all classes of Units (as determined at the relevant time of allocation) and shall be borne directly by, and paid out of the assets of each such class of Units as and when incurred and are reflected in the Unit price.

	• estimated indirect costs of 1.64% per annum of the net asset value of the Fund referable to the Units, consisting of: ◦ an Underlying Fund Management Fee of 1.00% per annum; and ◦ an estimated Underlying Fund expenses of 0.64% per annum; and estimated expense recoveries of 0.01% per annum of the net asset value of the Fund referable to the Class D Units, which includes an establishment fee. [4]	For the period beginning on 1 April 2026, through 31 December 2026, the Underlying Fund Investment Adviser has agreed to waive the Underlying Fund Management Fee and the Underlying Fund Incentive Fee to the extent necessary to ensure that the aggregate Underlying Fund Management Fee and the Underlying Fund Incentive Fee payable by the Underlying Fund does not exceed 1.74% of the Underlying Fund's average daily net assets.
Performance fees[5] Amounts deducted from your investment in relation to the performance of the product	Estimated performance fee of 0.24% per annum of the net asset value of the Fund referable to the Units, comprised of: • a performance fee of 0.00% per annum of the net asset value of the Fund referable to the Units ('**Performance Fee**'); and • estimated interposed vehicle performance fees of 0.24% per annum of net asset value of the Fund referable to the Units.	The Fund will not charge a performance fee. Performance fees charged by interposed vehicles are deducted from the assets of the interposed vehicles as and when incurred and are therefore reflected in the Underlying Fund's net asset value and the value of the Fund's investment in the Underlying Fund. Performance fees are estimated to be the same across Class A Units and Class D Units based on the average performance fee since inception of the Underlying Fund on an annualised basis.
Transaction costs[6] The costs incurred by the scheme when buying or selling assets	Estimated to be 0.23% per annum of the net asset value of the Fund referable to the Units ('**Transaction Costs**').[6]	Transaction costs generally arise as a result of applications and redemptions and the day-to-day trading of the Fund, and are deducted from the assets of the Fund as and when incurred and reflected in the Unit price. Any transaction costs of an interposed vehicle are reflected in the value of the Fund's investment in the Underlying Fund (and therefore reflected in the Unit price). Transaction costs are estimated to be the same across Class A Units and Class D Units.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[2,7]		
Establishment fee The fee to open your investment	Nil.	Not applicable.

Contribution fee The fee on each amount contributed to your investment	Nil.	Although entitled to do so under the Constitution, the Fund does not currently charge a Contribution Fee.
Buy-sell spread[8] An amount deducted from your investment representing costs incurred in transactions by the scheme	**Class A Units** Estimated to be 0.00% of the application amount on application and 0.00% of the withdrawal amount on redemption. **Class D Units** Estimated to be 0.00% of the application amount and up to 3.00% of the withdrawal amount on redemptions.	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and redeeming Investors of the Fund, respectively, at the time of the relevant application or redemption. The sell spread on redemptions of Class D Units is conditional upon the forfeiture of Bonus Units attributed to a redeeming Investor during the Clawback Period. Where Bonus Units are forfeited, the sell spread will be equal to the value of the forfeited Bonus Units plus any additional costs incurred in the form of the Fund's forfeited Underlying Fund Bonus Shares.
Withdrawal fee The fee on each amount you take out of your investment	**Class A Units** Nil. **Class D Units** Up to 3.00% of the aggregate Unit Value of the Class D Units being redeemed.	If an Investor redeems their Class D Units in the Fund during the Clawback Period, CIML may, at its sole discretion apply a withdrawal fee to effect an appropriate clawback of Bonus Units.
Exit fee The fee to close your investment	Nil.	Not applicable.
Switching fee The fee for changing investment options	Nil.	Not applicable.

1 All figures disclosed are inclusive of GST less any RITC, and are shown without any other adjustment in relation to any tax deduction available to CIML.

2 All estimates of fees and costs in this section are based on information available as at the date of this PDS. Subject to footnote 6, all fees reflect CIML's reasonable estimates of the typical fees for the Fund for the current financial year. As the Fund is newly established, the costs reflect CIML's reasonable estimates at the date of this PDS of those costs that will apply for the Fund for the current financial year (adjusted to reflect a 12-month period). Please refer to the "Additional explanation of fees and costs" section below for more information on fees and costs that may be payable. CIML may change fees or introduce fees without your consent if permitted by the Constitution. At least 30 days prior notice will be given to Investors before any such increase.

The estimated Underlying Fund expenses of 0.64% per annum reflects the benefit of the Underlying Fund Expense Limitation and Reimbursement Agreement (as detailed in section 10.4 of this PDS), pursuant to which specified expenses of the Underlying Fund are capped at 0.60% per annum of the average daily value of the Underlying Fund's net assets through 28 February 2027. This arrangement is temporary. Following the expiry of the Underlying Fund Expense Limitation and Reimbursement Agreement, the Underlying Fund's expenses, as at the date of this PDS are estimated to be 0.71%. Accordingly, the estimated indirect costs disclosed in this PDS are likely to be lower than those that investors can expect to bear in subsequent periods once these arrangements have expired. Please refer to the "Additional explanation of fees and costs" section below for further details of these arrangements and their respective expiry dates.

3 The amount of these fees may be negotiated or rebated (for Wholesale Clients). Please refer to the "Differential fees" sub-section in section 10.4 of this PDS for further information.

[4] Please note that CIML incurs various abnormal and extraordinary expenses upon establishment of the Fund (including, but not limited to, legal, taxation, due diligence and other costs). CIML will charge a fund establishment fee equal to an amount up to $348,500 (inclusive of GST less any available RITC), which shall be allocated across all classes of Units in proportion to the net asset value of each such class (as determined at the relevant time of allocation) and which will be paid from the Fund assets over a period of up to ten years starting from the issue of the first Units in the Fund. This fee forms part of the estimated expense recoveries of 0.01% per annum of the net asset value of the Fund referable to the Units. The estimated expense recoveries of 0.01% per annum of the net asset value of the Fund is based on the assumption that the assets of the Fund are equal to $500 million and includes this establishment fee.

[5] The Fund invests in the Underlying Fund, which charges a performance fee in the form of the Underlying Fund Incentive Fee. The estimated Underlying Fund Incentive Fee of 0.24% per annum disclosed above has been calculated as the average Underlying Fund Incentive Fee since inception. Past performance is not a reliable indicator of future performance and the actual Underlying Fund Incentive Fee payable in future years may be higher or lower than the amount stated above, subject to the performance of the Underlying Fund over the relevant period. Please refer to the "Additional explanation of fees and costs" section below for further details of the Underlying Fund Incentive Fee and the Management Fee Waiver Agreements.

The estimated Underlying Fund Incentive Fee disclosed above does not reflect the waived fee rate applicable during the current financial year pursuant to the Management Fee Waiver Agreements. The Underlying Fund Incentive Fee was fully waived pursuant to the 2025 Management Fee Waiver Agreement for the period from 17 December 2025 through 31 March 2026, and is subject to a cap of 1.74% per annum in aggregate with the Underlying Fund Management Fee pursuant to the 2026 Management Fee Waiver Agreement for the period from 1 April 2026 through 31 December 2026. Investors should be aware that the Management Fee Waiver Agreements are temporary arrangements. Following their expiry, the full Underlying Fund Incentive Fee will be payable by the Underlying Fund without limitation.

[6] The Transaction Costs disclosed in this section are shown net of any recovery received by the Fund from the buy-sell spread charged to transacting Investors where applicable. Please refer to the "Additional explanation of fees and costs" section below for further information.

[7] Additional fees and costs may apply, including any additional fees incurred by you if you consult a financial adviser. Please refer to the "Remuneration of financial advisers" sub-section in section 10.4 of this PDS for further information.

In estimating the buy-sell spread for the Fund, CIML has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for CIML to predict) the buy-sell spread may increase significantly and it is not possible to reasonably estimate the buy-sell spread that may be applied in such situations. CIML may vary the buy-sell spreads for the Fund from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing Investors and if permitted by law. CIML will seek to apply a sell spread to redemptions from Class D Units in the Fund, in connection with the Bonus Share Program to pass such costs to Investors who redeem their Class D Units from the Fund during the three-year Clawback Period.

[8] The updated information will be disclosed on the Fund's website at www.channelcapital.com.au/funds. Please refer to the "Additional explanation of fees and costs" section below for further details.from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed on our website. Please refer to the "Additional explanation of fees and costs" section below for further details.

10.3 Example of fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs for the Units in the Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – KKR Asset-Based Finance Fund (K-ABF) – Class D		BALANCE OF $150,000 WITH A CONTRIBUTION OF $5,000 DURING THE YEAR
Contribution fees	Nil.	For every additional $5,000 you put in, you will be charged $0.
PLUS Management fees and costs[1,2,3]	1.90% of the net asset value of the Fund referable to the Units	**And**, for every $150,000 you have in the Fund, you will be charged or have deducted from your investment $2,845 each year.
PLUS Performance fees[4]	0.24% of the net asset value of the Fund referable to the Units	**And**, you will be charged or have deducted from your investment $360 in performance fees each year.
PLUS Transaction costs[1]	0.23% of the net asset value of the Fund referable to the Units	And, you will be charged or have deducted from your investment $338.56 in transaction costs each year.
EQUALS Cost of the KKR Asset-Based Finance Fund (K-ABF) – Class D		If you had an investment of $150,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees and costs in the range of: $3,543.56 [5,6] **What it costs you will depend on the fees you negotiate.**

Additional fees may apply:

For Class D investors, if you leave the managed investment scheme early, you may also be charged withdrawal fees of between 0% and 3% of your total account balance (between $0 and $4,500 for each $150,000 you withdraw).

1 All estimates of fees and costs in this section are based on information available as at the date of this PDS. Subject to footnote 2, all fees reflect CIML's reasonable estimates of the typical fees for the Fund for the current financial year. As the Fund is newly established, the costs reflect CIML's reasonable estimates at the date of this PDS of those costs that will apply for the Fund for the current financial year (adjusted to reflect a 12-month period). Please refer to the "Additional explanation of fees and costs" section for more information on fees and costs that may be payable. CIML may change fees or introduce fees without your consent if permitted by the Constitution. At least 30 days prior notice will be given to Investors before any such increase

2 The amount of this fee may be negotiated or rebated (for Wholesale Clients). Please refer to the "Differential fees" sub-section in section 10.4 of this PDS for further information.

3 The management fees and costs comprise of the Management Fee, indirect costs and expense recoveries. Please note that CIML incurs various abnormal and extraordinary expenses upon establishment of the Fund (including, but not limited to, legal, taxation, due diligence and other costs). CIML will charge a fund establishment fee equal to an amount up to $348,500 (inclusive of GST less any available RITC), which will be paid from the Fund assets over a period of up to ten years starting from the issue of the first Units in the Fund. The estimated expense recoveries of 0.01% per annum of the net asset value of the Fund is based on the assumption that the assets of the Fund are equal to $500 million and includes this establishment fee.

4 Please refer to footnote 7 of the fees and costs summary table above and the "Additional explanation of fees and costs" in section 10.4 of this PDS for further details.

5 Additional fees and costs may apply, including any additional fees incurred by you if you consult a financial adviser. You should refer to the "Statement of Advice" which details any fees that may be payable for their advice. Please also note a buy-sell spread may apply to investments into and redemptions from the Fund, which is not taken into account in this example. Please refer to the "Additional explanation of fees and costs" in this PDS for further details.

[6] This example is prescribed by the Corporations Act, and each is based on an assumption that the additional $5,000 investment in the Fund occurs on the last Business Day of the year (and therefore, the management fees and costs are calculated using an investment balance of $150,000 only). This example also assumes that the value of your investment in the Fund remains constant at $150,000 throughout the year and that there are no abnormal or extraordinary expenses during the year. Please note that this is just an example for illustrative purposes only. In practice, the amount payable depends on the circumstances of each Investor and will vary.

[7] The withdrawal fee applies only to Class D Unitholders who redeem Units during the Clawback Period where Bonus Units attributed to their investment are forfeited. The withdrawal fee is equal to the value of the forfeited Bonus Units plus any additional costs incurred in the form of the Fund's forfeited Underlying Fund Bonus Shares. The withdrawal fee of 3.00% is based on CIML's reasonable estimate of the maximum withdrawal fee that could apply. The actual withdrawal fee will depend on the number of Bonus Units forfeited and the value of the forfeited Underlying Fund Bonus Shares at the time of redemption. Please refer to "Additional explanation of fees and costs" in section 10.4 of this PDS for full details of the circumstances in which the withdrawal fee applies and the method of its calculation.

Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for all investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product assumes a balance of $150,000 at the beginning of the year with a contribution of $5,000 during the year. (Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary for the relevant option.)

You should use this figure to help compare this product with other products offered by managed investment schemes.

Class A Units	Cost of product $3,543.56
Class D Units	Cost of product $3,543.56

10.4 Additional explanation of fees and costs

Set out below is additional information about management fees and costs of the Fund, performance fees, transaction costs, and other information about fees and other costs in relation to the Fund.

Management fees and costs

Management fees and costs are expressed as a percentage of the Fund's net asset value referable to the Units. The management fees and costs of the Fund include the Management Fee, indirect costs (if any) and expense recoveries. These costs are reflected in the Unit price and are not an additional cost to you. Management fees and costs do not include transaction costs (i.e., costs associated with investing the underlying assets of the Fund, some of which may be recovered through buy-sell spreads).

Management Fee

CIML is entitled to be paid a management fee out of the assets of the Fund ('**Management Fee**'). The Management Fee is 0.25% per annum (inclusive of GST and RITC) of the NAV of the Fund referable to Class A Units and 0.25% per annum (inclusive of GST and RITC) of the NAV of the Fund related to Class D Units. This fee is calculated monthly and is payable monthly, or more frequently as determined by CIML, in arrears out of the assets of the Fund. If we increase the Management Fee, we will provide you with 30 days' written notice in advance.

CIML pays the expenses incurred in administering the Fund (other than the extraordinary expenses, indirect costs, Establishment Fees and transaction costs) from this Management Fee or from other sources external to the Fund. Normal operating expenses of the Fund that CIML may recover through the Management Fee include responsible entity, registry, administration, custodian, accounting, audit and legal costs, and the fee payable to Record for managing the Fund's currency hedging program. CIML may pay certain amounts to KKR out of the Management Fee to reimburse KKR for costs incurred by KKR in relation to the Fund. Where CIML does so, it will not increase the Management Fee charged by CIML or the management fees and costs incurred by an investor.

Indirect costs

Indirect costs of the Fund are costs (excluding the Management Fee, expense recoveries, Transaction Costs and buy-sell spread) incurred in managing the Fund's assets which CIML knows, or reasonably estimate, have or will reduce, directly or indirectly, the return on the Fund or interposed vehicle in which the Fund invests. Indirect costs include management fees and costs that may be incurred by, or payable in respect of, the interposed vehicles in which the Fund invests.

The impact of such costs will typically be reflected in the Underlying Fund's net asset value and by extension in the Unit price of the Fund, and as such are an additional cost to you but are not paid to CIML.

The management fees and costs figure of 1.90% per annum referable to Class A Units, and 1.90% referable to Class D Units disclosed in the fees and costs summary in this PDS include the estimated indirect costs of 1.64% per annum of the net asset value of the Fund, which is the reasonable estimate of CIML at the date of this PDS.

The indirect costs figure comprises of:

- the Underlying Fund's Management Fee of 1.00% per annum; and
- the Underlying Fund's estimated expenses of 0.64% per annum.

The actual indirect costs that the Fund incurs may differ from the estimated indirect costs disclosed in this PDS.

Underlying Fund management fee

Pursuant to the investment advisory agreement between the Underlying Fund and the Underlying Fund Investment Adviser, the Underlying Fund Investment Adviser receives an annual base management fee ('**Underlying Fund Management Fee**'), accrued daily and payable monthly in arrears, in an amount equal to 1.00% per annum of the average daily value of the Underlying Fund's net assets during the preceding month. The Underlying Fund Management Fee is calculated by reference to the Underlying Fund's net assets, which includes assets acquired with leverage.

Underlying Fund's expense limitation agreement

Pursuant to an amended and restated expense limitation and reimbursement agreement, through 28 February 2027, the Underlying Fund Investment Adviser has agreed to waive its fees and/or reimburse expenses of the Underlying Fund so that certain specified expenses of the Underlying Fund (excluding the Underlying Fund Management Fee, the Underlying Fund Incentive Fee, shareholder servicing fees, distribution fees, brokerage costs, dividend and interest payments relating to leverage, taxes and extraordinary expenses) will not exceed 0.60% per annum of the average daily value of the Underlying Fund's net assets. The Underlying Fund has agreed to repay these amounts on a monthly basis, but only if and to the extent that specified expenses are less than 0.60% per annum within the 36-month period after the Underlying Fund Investment Adviser bears the expense. This arrangement cannot be terminated prior to 28 February 2027 without the Underlying Fund Board's consent.

Underlying Fund Administrator fee

U.S. Bank Global Fund Services is entitled to receive a monthly fee based on the average daily value of the Underlying Fund's net assets, subject to a minimum annual fee, plus out-of-pocket expenses. This fee is an indirect cost borne by investors in the Fund as it reduces the NAV of the Underlying Fund. The indirect costs figure of 1.64% per annum disclosed in the fees and costs summary in this PDS includes the Underlying Fund Administrator fee.

Expense recoveries

Establishment fee

CIML incurs various abnormal and extraordinary expenses upon establishment of the Fund (including, but not limited to, legal, taxation, due diligence and other costs). CIML will charge a fund establishment fee equal to an amount up to $348,500 (inclusive of GST less any available RITC), which will be paid from the relevant Class of the Fund assets over a period of up to ten years starting from the issue of the first Units in the Fund. This fee forms part of the estimated expense recoveries of 0.01% per annum of the net asset value of the Fund referable to the Units.

Normal operating expenses

Generally, any expenses that CIML may recover from the Fund is paid out of the Management Fee or from other sources external to the Fund and are not an additional charge to you. However, CIML may, from time to time, determine to recover normal operating expenses out of the assets of the Fund in accordance with the Constitution.

Normal operating expenses of the Fund that CIML may recover through the Management Fee include registry, administration, custodian, accounting, audit, legal costs, and the fee payable to Record for managing the Fund's currency hedging program.

Abnormal or Extraordinary Expenses

Generally, normal operating expenses incurred in managing the Fund will be paid from the Management Fee. However, CIML has the right under the Constitution to recover certain expenses out of the assets of the Fund that are not normal operating expenses absorbed by the Management Fee. These may include (without limitation):

- convening of an Investors' meeting;
- termination of the Fund;
- amending the Constitution;
- defending or bringing of litigation proceedings;
- replacement of CIML as the responsible entity of the Fund; and
- fees, charges, licence costs and other amounts paid to third party service providers for access to, or use of, external platforms, systems or technology used in connection with the management or administration of the Fund.

Performance Fee

The Fund will not charge a Performance Fee.

Performance fees charged by interposed vehicles, specifically the Underlying Fund, are reflected in the net asset values of those vehicles and, as a result, are indirectly reflected in the value of the Fund's investment in the Underlying Fund. These performance fees charged by interposed vehicles are borne at the level of the relevant interposed vehicle and are not charged directly to Investors.

Underlying Fund's performance fee

The Underlying Fund also pays the Underlying Fund Investment Adviser a quarterly incentive fee ('**Underlying Fund Incentive Fee**') based on the Underlying Fund's pre-incentive fee net investment income for the immediately preceding quarter. The Underlying Fund Incentive Fee is subject to a quarterly hurdle rate of 1.25% (5.0% per annum) of the average daily value of the Underlying Fund's net assets for the most recently completed fiscal quarter. The Underlying Fund Incentive Fee operates as follows:

- no Underlying Fund Incentive Fee is payable in any fiscal quarter in which the Underlying Fund's pre-incentive fee net investment income does not exceed the hurdle rate;
- 100% of the pre-incentive fee net investment income that exceeds the hurdle rate but is less than or equal to 1.39% per quarter (5.56% per annum) is payable to the Underlying Fund Investment Adviser (the '**Catch-Up**'), intended to provide the Underlying Fund Investment Adviser with an incentive fee of 10% on all pre-incentive fee net investment income once the Catch-Up threshold is reached; and
- 10% of the pre-incentive fee net investment income that exceeds 1.39% per quarter (5.56% per annum) is payable to the Underlying Fund Investment Adviser once the hurdle rate and Catch-Up have been achieved.

Investors should be aware that because of the structure of the Underlying Fund Incentive Fee, it is possible that the Underlying Fund may pay an Underlying Fund Incentive Fee in a fiscal quarter in which the Underlying Fund incurs an overall loss taking into account capital account losses. For example, if the Underlying Fund receives pre-incentive fee net investment income in excess of the quarterly hurdle rate, the Underlying Fund will pay the applicable Underlying Fund Incentive Fee even if the Underlying Fund has incurred a loss in that fiscal quarter due to realised and unrealised capital losses.

Quartely Incentive Fee

Pre-Incentive Fee Net Investment Income
(expressed as a percentage of the value of average net assets per quarter)

0% | **1.25%** | **1.39%**

0%
(no Incentive Fee paid)

100%
(100% of Pre-Incentive Fee Net Investment Income between hurdle rate and catch up paid)

10%
(10% of Pre-Incentive Fee Net Investment Income

Percentage of each class' pre-incentive fee net investment income allocated to quarterly Underlying Fund Incentive Fee.

These calculations will be appropriately prorated for any period of less than three months.

Example – Underlying Fund Incentive Fee on pre-incentive fee net investment income for each fiscal quarter

Scenarios expressed as a percentage of average Net Assets - Class I	Scenario 1	Scenario 2	Scenario 3
Pre-incentive fee net investment income	1.24%	1.34%	1.50%
Catch up incentive fee (maximum of 0.14%)	0%	0.09%	0.14%
Split incentive fee (10% above 1.39%)	0%	0%	0.01%
Net Investment income	1.24%	1.25%	1.35%

Illustrative Scenarios

Scenario 1: Pre-incentive fee net investment income does not exceed the 1.25% hurdle rate; therefore there is no Catch-Up or split Underlying Fund Incentive Fee on pre-incentive fee net investment income.

Scenario 2: Pre-incentive fee net investment income falls between the 1.25% hurdle rate and the Catch-Up of 1.39%; therefore, the Underlying Fund Incentive Fee on pre-incentive fee net investment income is 100% of the pre-incentive fee above the 1.25% hurdle return.

Scenario 3: Pre-incentive fee net investment income exceeds the 1.25% hurdle rate and the 1.39% Catch-Up provision. Therefore, the Catch-Up provision is fully satisfied by the 0.14% of pre-incentive fee net investment income above the 1.25% hurdle rate and there is a 10% incentive fee on pre-incentive fee net investment income above the 1.39% Catch-Up. This provides a 0.15% Underlying Fund Incentive Fee, which represents 10% of pre-incentive fee net investment income.

Underlying Fund Fee Waiver Agreements

The Underlying Fund Investment Adviser has agreed to temporarily waive fees payable under the investment advisory agreement as follows:

- for the period beginning on 17 December 2025 through 31 March 2026, the Underlying Fund Investment Adviser has waived the Underlying Fund Management Fee and the Underlying Fund Incentive Fee in their entirety ('**2025 Management Fee Waiver Agreement**'); and
- for the period beginning on 1 April 2026 through 31 December 2026, the Underlying Fund Investment Adviser will waive the Underlying Fund Management Fee and the Underlying Fund Incentive Fee to the extent necessary to ensure that the aggregate Underlying Fund Management Fee and Underlying Fund Incentive Fee payable by the Underlying Fund does not exceed 1.74% per annum of the Underlying Fund's average daily net assets ('**2026 Management Fee Waiver Agreemen**t', and together with the 2025 Management Fee Waiver Agreement, the '**Management Fee Waiver Agreements**').

Transaction Costs

In managing the assets of the Fund, the Fund may incur Transaction Costs which may include, but are not limited to, buy-sell spread, forfeited shares under the Underlying Fund's Bonus Share Program, brokerage costs, settlement costs, clearing costs, and stamp duty custody transaction costs on investment transactions.

Transaction Costs also include transaction costs of the interposed vehicles in which the Fund invests, including the Underlying Fund and derivative financial products that are acquired or disposed for hedging purposes.

Transaction Costs may vary as the turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of Transaction Costs not covered by the buy-sell spread. Transaction Costs which are incurred, where it has not already been recovered by the buy-sell spread charged by CIML (if any), are reflected in the Unit price. As these costs are factored into the asset value of the Fund and reflected in the net asset value of the Fund referable to the Units, they are an additional cost to you and are not a fee paid to CIML.

Transaction Costs are not included in the Fund's management fees and costs. Instead, they are recovered from the assets of the Fund or interposed vehicles in which the Fund invests, as and when they are incurred and therefore are an additional cost to you.

The Fund's estimated gross transaction costs are 0.23% per annum of the net asset value of the Fund referable to the Units.

The Transaction Costs as set out in the "Fees and costs summary" are shown net of any amount recovered by the way of the buy-sell spread charged by the Fund, and as a percentage of the net asset value of the Fund referable to the Units. The Fund's estimated net Transaction Costs are 0.23% per annum of the net asset value of the Fund referable to the Units

Please note, the Fund's estimated Transaction Costs may not provide an accurate indicator of the actual Transaction Costs that you may incur in the future.

Buy-sell spreads

A buy-sell spread is an amount deducted from the value of an Investor's application money or withdrawal proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application or redemption.

The Constitution permits CIML to impose a buy-sell transaction cost to cover the expenses relating to the purchase or sale of Fund assets associated with an application or redemption.

The buy spread as at the date of this PDS for Class A Units is 0.00% of the application amount on applications, and for Class D is 0.00%.

The sell spread as at the date of this PDS for Class A Units is 0.00% of the withdrawal amount on redemptions and for Class D Units is up to 3.00%, which may be charged at the time of your transaction being applied. The sell spread on redemption of Class D Units is conditional upon the forfeiture of Bonus Units attributed to a redeeming Investor during the Clawback Period. Where Bonus Units are forfeited, the sell spread will be equal to the value of the forfeited Bonus Units plus any additional costs incurred in the form of the Fund's forfeited Underlying Fund Bonus Shares.

If the Underlying Fund commences applying a buy-sell spread to applications and redemptions, CIML would seek to apply a corresponding buy-sell spread to applications and redemptions from the Fund to pass such costs to the Fund's investors entering or exiting the Fund. To the extent that any buy-sell spread applied by the Underlying Fund cannot be passed through to transacting investors in the Fund, it will be reflected in the Fund's NAV and therefore indirectly borne by all investors in the Fund at the time, including non-transacting investors.

Bonus Unit Clawback

If an Investor redeems their Class D Units in the Fund during the Clawback Period, CIML may, at its sole discretion apply one or more of Clawback Mechanisms (in the form of a sell spread, withdrawal fee, or via cancellation or forfeiture (at no consideration) of Units) to effect an appropriate clawback of Bonus Units and to pass on associated costs For further details on the Bonus Share Program, please refer to section 6.2 of this PDS.

Changes to fees

The Constitution sets out the fees and expenses payable by the Fund. All fees in this PDS can change without the consent of the Investors. Reasons for a change may include changing economic conditions and changes in regulation. Fees may also change due to an increase in GST payable or a change to RITCs entitled to be claimed by the Fund. You will be given notice of any variation of fees or charges charged by the Fund in accordance with the Corporations Act (for example, where CIML decides to start charging an administration fee or performance fee), 30 days before the increase takes effect. Changes to expenses, indirect costs, performance fees of interposed vehicles, transaction costs and the buy-sell spread do not require prior written notice to you.

Any fees and costs stated in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time.

The Constitution sets the maximum amount CIML can charge for all fees. If CIML wishes to raise fees above the amounts allowed for in the Constitution, CIML will need to amend the Constitution in accordance with the Corporations Act and the relevant provisions in the Constitution.

CIML may in its absolute discretion waive, reduce, refund or defer any part of the fees and expenses that CIML is entitled to receive under the Constitution.

The Underlying Fund Investment Adviser has the authority to adjust the Underlying Fund Management Fee and Underlying Fund Incentive Fee in accordance with the terms of the Underlying Fund's investment advisory agreement. Any changes to these fees are required to be communicated to the Underlying Fund's shareholders in advance of taking effect, and will be reflected in the Underlying Fund's NAV in the relevant calculation period. Investors should be aware that CIML is not in a position to provide advance notice to investors in the Fund of changes to the Underlying Fund's fees, and investors may only become aware of such changes when CIML itself becomes aware of them. Any material changes to the indirect costs arising from changes to the Underlying Fund's fees will be disclosed in accordance with CIML's obligations under the Corporations Act.

Maximum fees

Please note that the fees set out below represent the maximum amounts payable under the Constitution and are not the actual amounts charged. The Constitution provides that the following fees may be payable to CIML:

- *Management Fee* - the Constitution permits CIML to charge a Management Fee of 3.3% per annum (inclusive of GST) of the gross asset value of the Fund;
- *Administration fee* – the Constitution allows for an administration fee of up to 1.65% (inclusive of GST) of the gross asset value of the Fund. CIML does not currently charge an administration fee and does not intend to charge an administration fee in the foreseeable future;
- *Entry fee* – the Constitution permits CIML to charge an entry fee of up to 3.3% (inclusive of GST) on applications into the Fund;
- *Withdrawal fee* – the Constitution permits CIML to charge an withdrawal fee of up to 3.3% (inclusive of GST) on redemptions from the Fund;
- *Establishment Fee* – the Constitution permits CIML to charge an establishment fee of $348,500 (inclusive of GST less any available RITC) for work performed by CIML in the establishment of the Fund. This fee is accrued in the NAV and payable from commencement of the Fund;
- *Class Establishment Fee* – the Constitution permits CIML to charge a class establishment fee of up to $76,875 (inclusive of GST less any available RITC) per additional class of Units created after the initial establishment of the Fund. This fee is accrued in the net class value of the relevant class and is payable from the date on which that class is created.
- *Performance fee* – the Constitution permits CIML to charge a performance fee calculated by reference to the return of the Fund against a designated benchmark at the end of each financial year. CIML does not currently charge a performance fee.
- *Removal Fee* – the Constitution provides that if CIML is removed as responsible entity of the Fund (other than as a result of a determination

by ASIC or an Australian court, or an acknowledgment by CIML, of its gross negligence in the management of the Fund or for a material fiduciary breach), CIML is entitled to a fee equal to 5% of the gross asset value of the Fund, payable immediately prior to its replacement. This fee is in addition to any other fees CIML has received or is entitled to receive.

- CIML is also entitled under the Constitution to be paid fees of up to $1,000 per hour (adjusted quarterly to reflect any increase in CPI) in relation to time spent that is not in the nature of the ordinary day to day management of the Fund.

Remuneration of financial advisers

Your financial adviser (if you use one) may receive fees for services they provide to you. These fees and benefits will be directly paid by you and, depending on your adviser, may be deducted from your initial investment in the Fund by your adviser prior to you being allocated Units. CIML does not pay commissions to financial advisers.

Payment to platforms

Payments may be made to a platform where they include one or more funds operated by CIML on their menu. Any platform payments are deducted from the Fund's Management Fee and are not a separate charge to you.

Differential fees

There may be differing fee arrangements for you in different classes. Rebates of Management Fees or administration fees may be negotiated between KKR and / or CIML and certain Wholesale Clients as defined by the Corporations Act. These arrangements reflect terms privately agreed with each Wholesale Client. Neither KKR nor CIML (contact details for both can be found in section 17 of this PDS) are under any obligation to make arrangements on these terms available to all other Investors (including other Wholesale Clients).

Tax and Duties

In addition to the fees and costs described in this section, you should also consider the government taxes and other duties that may apply to an investment in the Fund.

All fees and expenses referred to in the PDS and this section are quoted on a GST inclusive basis, less any RITC available to the Fund, unless otherwise specified. The benefits of any tax deductions are not passed on to Investors in the form of a reduced fee or cost.

See further information on taxation at section 12 of this PDS.

11. Investing in the Fund

11.1 Applications

The Unit price and net asset value of the Fund are calculated and determined monthly as of the last Calendar Day of each month, or more frequently as determined by CIML. To invest in the Fund, applications must be received, verified and accepted and cleared application monies received in the Fund's application bank account by 5:00 pm (Sydney, New South Wales time) ten (10) Business Days prior to the last Calendar Day of each month. CIML may accept applications in limited circumstances and in its absolute discretion, after this day and time. You can obtain an application form by contacting CIML's client services team (see section 17).

For an application to be valid, it must be correctly completed, and it must comply with the designated minimum investment amounts (as per the Key Fund information in section 1 of this PDS) and be appropriately signed by the applicant(s). CIML may, at its discretion, accept amounts less than the minimum investment amounts.

If, for any reason, CIML is unable to process your application (for example, the application form is incomplete or incorrectly completed or CIML is not satisfied that it has received the necessary proof of identification requirements to comply with the "AML Requirements", as defined in section 14 of this PDS), the application monies will be held by CIML in a trust account for up to 30 days (while CIML endeavours to verify your identification information or obtain any necessary outstanding information) after which CIML will return the application monies to you. Any interest received on application monies, including monies for additional investments, will be retained by the Fund and no interest will be paid to you if for any reason your application cannot be accepted.

CIML reserves the right not to accept (wholly or in part) any application for any reason or without reason. If CIML refuses to accept an application, any monies received from you will be returned to you without interest.

Where there is a misalignment between the closure of the Bonus Share Program and the Fund's application window, CIML may pro rata, in whole or part, an application between a bonus share class (specifically Class D Units) and corresponding non-bonus share class (specifically Class A Units). Investors may therefore apply for Class D Units and instead be given Class A Units.

Investors may also access the Fund indirectly. This PDS has been authorised for use by IDPS Operators. Such Indirect Investors do not acquire the rights of an Investor of the Fund except in relation to CIML's complaints resolution process. Rather, it is the operator or custodian of the IDPS that acquires those rights. Therefore, Indirect Investors do not receive income distributions or reports directly from us, do not have the right to attend meetings of Investors and do not have cooling off rights. Indirect Investors should not complete the Fund's application form. The rights of Indirect Investors are set out in the disclosure document for the IDPS. If you are investing through an IDPS, enquiries should be made directly to the IDPS Operator.

11.2 Additional applications

If you are an existing Investor in the Fund you may apply for additional Units by completing an additional application form. It is not necessary for you to complete another full application form. Please insert your investor number, name and personal details as well as your additional investment amount into the spaces provided on the form.

Additional investments can be made (in accordance with the application process and timings set out in this section), by providing CIML with a completed additional application form. The additional investment amount will be added to your existing investment in the Fund. Additional investments are made on the basis of the PDS current at the time of investment. The latest PDS is available at www.channelcapital.com.au/funds.

11.3 Redemptions

Redemption Process

It is expected that CIML will generally process requests for redemptions on a monthly basis, on the last Calendar Day of each month or more frequently as determined by CIML (each a '**Redemption Date**'), where liquidity is available.

Redemption requests are to be made in writing by completing a redemption form to be received by the Fund Administrator by 5:00 pm (Sydney, New South Wales time) at least ten (10) Business Days prior to the relevant Redemption Date. CIML may, in its sole discretion, choose to waive or shorten this notice period. You can obtain a redemption form by contacting CIML's client services team (see section 17 of this PDS).

Your Units will be redeemed based on the Unit price prevailing at the time less redemption transaction costs and any amounts you owe to CIML.

If your redemption request would result in your investment balance being less than $100,000, CIML may treat your redemption request as being for your entire investment. CIML will provide Investors with advance notice of any compulsory redemptions. The minimum balance does not apply to investments through an IDPS.

If you have invested indirectly in the Fund through an IDPS, you need to provide your redemption request directly to your IDPS Operator. The redemption cut-off times for pricing purposes and the time to process a redemption request is dependent on your IDPS Operator.

No Right to Redeem

Notwithstanding the Fund's intention to process redemption requests on a monthly basis on the last calendar day of each month, under the terms of the Constitution, investors do not have a right to redeem their Units in the Fund. CIML retains absolute discretion to accept or reject redemption requests in whole or in part for any reason. CIML may also determine in its discretion whether to make a periodic redemption period available to investors at all, and no assurance is given that monthly redemption periods will be made available on a continuous basis.

Redemption Restrictions

Redemptions may be restricted under certain conditions.

In particular, your ability to redeem from the Fund may be suspended in circumstances where, for example:

- redemptions would, in CIML's reasonable opinion, require the realisation of a significant amount of the Fund's assets and may be to the disadvantage of remaining investors (for example, by materially diminishing the value of the Fund's assets or imposing a disproportionate tax or transaction cost burden on them);
- if CIML reasonably considers it to be in the best interests of investors to do so, or if it cannot realise all Fund assets for cash;
- the Fund's investments (including the Underlying Fund) suspend, delay or restrict the redemption, issue or payment of redemption proceeds, or it is not practicable for the Underlying Fund to sell investments in the usual timeframe; or
- CIML cannot accurately determine the unit price due to factors such as market closures, valuation uncertainty, currency conversion restrictions or delays in the pricing of underlying investments.

CIML may suspend redemptions for a period of up to 265 calendar days in accordance with the Constitution. The 265-day suspension period may arise from a single suspension event or multiple suspension events which in aggregate do not exceed 395 days.

Where a redemption request exceeds 5% of the Fund's assets (or such other amount as determined by CIML), CIML may, under the Constitution, satisfy the request in stages over a period of up to 12 months, with Units redeemed progressively at the applicable redemption price on each Redemption Date.

Redemptions may be partially fulfilled on a pro-rata basis where the aggregate amount of redemption requests received with sufficient notice exceeds the amount CIML has determined will be available in respect of a periodic redemption period. Any unsatisfied redemption request, or any unsatisfied portion of a redemption request, received with sufficient notice but not satisfied on the relevant Redemption Date will be rejected and will not be automatically carried forward to the next Redemption Date. A new redemption request must be submitted for consideration on a subsequent Redemption Date.

Redemption Funding and Suspensions

The amount available to fund redemption requests is subject to the available cash of the Fund on the relevant Redemption Date. The Fund's cash position may, from time to time, be limited given the Fund is generally expected to invest between 95% and 100% of its assets in the Underlying Fund.

To meet redemption requests for a Redemption Date, CIML may seek to redeem some or all of the Fund's shares in the Underlying Fund. The Fund is entitled to request redemption of its shares in the Underlying Fund quarterly in the months of January, April, July and October generally by the first Friday of the month in which the repurchase occurs, although the Underlying Fund may deviate from the Prospectus-outlined redemption timelines as listed in the publicly available calendar (the '**Underlying Fund Repurchase Request Deadline**'). The repurchase price will be the Underlying Fund's NAV determined on the repurchase pricing date, which will be a date not more than 14 calendar days following the Underlying Fund Repurchase Request Deadline, however under normal circumstances, it is expected that the Underlying Fund Repurchase Request Deadline will be the same date as the Underlying Fund repurchase pricing date.

Payment for all shares repurchased pursuant to these offers will be made not later than 7 calendar days after the repurchase pricing date (the '**Underlying Fund Repurchase Payment Deadline**'). CIML at its sole discretion my determine to delay the acceptance of redemption requests to a later "non-month end" Redemption Date that aligns with the date of the Underlying Fund repurchase pricing date.

The Underlying Fund is structured as an interval fund and has adopted a fundamental policy, which may only be changed with shareholder approval, to provide liquidity to shareholders by conducting quarterly repurchase offers of 5% to 25% of its outstanding shares at NAV. The Underlying Fund Board determines the specific offer amount within that range for each quarterly repurchase offer. The Underlying Fund currently conducts quarterly repurchase offers for 5% of its outstanding shares under ordinary circumstances. The Fund is entitled to request redemption of its shares in the Underlying Fund on each Underlying Fund Redemption Date.

The ability of the Fund to meet redemption requests is therefore directly and materially dependent on the level of repurchase offers conducted by the Underlying Fund at any given time. Given the Underlying Fund currently offers only a minimum 5% quarterly repurchase, the Fund's ability to fund redemptions from the Underlying Fund in any given quarter is inherently limited. Any portion of a redemption request that is not satisfied on an Underlying Fund Redemption Date will not be automatically rolled over to the next Underlying Fund Redemption Date.

The Underlying Fund may also suspend or postpone a repurchase offer only: (i) if making or effecting the repurchase offer would cause the Underlying Fund to lose its status as a RIC under the Code; (ii) for any period during which the NYSE or any market in which the securities owned by the Underlying Fund are principally traded is closed, other than customary weekend and holiday closings, or during which trading in such market is restricted; (iii) for any period during which an emergency exists as a result of which disposal by the Underlying Fund of securities owned by it is not reasonably practicable or during which it is not reasonably practicable for the Underlying Fund to fairly determine the value of its net assets; or (iv) for such other periods as the SEC may by order permit for the protection of shareholders. If the Underlying Fund suspends its repurchase program, the Fund may be unable to fund redemption requests and CIML may be required to suspend redemptions from the Fund accordingly.

Redemption Timing

If CIML accepts a redemption request, CIML must, subject to any suspension, redeem the relevant Units within 130 calendar days after the date the redemption request is accepted. Once CIML has effected the redemption of an investor's Units, the redemption proceeds will be paid to the investor within 30 calendar days following the redemption of their Units.

The maximum period for redeeming Units subject to a redemption request is 395 calendar days, comprising the 130-day redemption period and the 265-day maximum suspension period under the Constitution. Investors should therefore be aware that in the worst case, redemption proceeds may not be received for up to 395 calendar days from the date a redemption request is lodged.

Bonus Units Redemptions

Investors who received Bonus Units pursuant to the Bonus Share Program should note that the three-year Clawback Period commences at the end of the Qualifying Period. Investors should be aware that during the three-year Clawback Period, if an Investor redeems their Class D Units from the Fund, CIML may, at its sole discretion, apply one or more of the Clawback Mechanisms (in the form of a sell spread, withdrawal fee, or via cancellation or forfeiture (at no consideration) of Units) to effect an appropriate clawback of Bonus Units and to pass on any associated costs.

For further details on the Bonus Share Program and the clawback mechanics, please refer to section 6.2 of this PDS.

Illiquidity and Withdrawal Requests

If the Fund is, for the purposes of the Corporations Act, not liquid, investors will only be able to withdraw from the Fund under a regulated withdrawal offer made in accordance with Part 5C.6 of the Corporations Act. CIML is not required to make such a withdrawal offer.

Under the Corporations Act, the Fund is not liquid if it has less than 80% liquid assets, being assets that CIML reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying redemption requests whilst the Fund is liquid. The maximum period specified in the Constitution for this purpose is 395 calendar days, being 130 calendar days to effect a redemption request plus up to 265 calendar days during which redemptions may be suspended.

Investors should note that given the Fund invests substantially all of its assets in the Underlying Fund, and the Underlying Fund conducts quarterly repurchase offers of only 5% of its outstanding shares under ordinary circumstances, the realisability of the Fund's investment in the Underlying Fund within the 395-day period may depend on prevailing market conditions and the Underlying Fund's repurchase program at the relevant time. CIML monitors the Fund's liquidity position on an ongoing basis and will notify investors promptly if the Fund becomes not liquid for the purposes of the Corporations Act.

In the event of any material changes to an investor's withdrawal rights in the Fund (for example, if withdrawal rights are to be suspended), CIML will ensure that such information is made available as soon as practicable on the Fund's website at www.channelcapital.com.au/funds.

For more information about redemption risks, see the risks in section 8 related to withdrawal and liquidity.

Additional information

Under the Corporations Act, redemptions are not permitted if the Fund becomes not liquid (for the purposes of the Corporations Act). If the Fund is not liquid, withdrawals from the Fund will only be possible if CIML makes a regulated withdrawal offer in accordance with the Corporations Act. CIML is not obliged to make such an offer. However, if CIML does, you are only able to redeem your investment in accordance with the terms of a current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy redemption requests, the requests will be satisfied proportionately amongst those Investors wishing to redeem from the Fund.

Redemption requests must be signed by the appropriate authorised signatories. Bank accounts must be in the name(s) of the Fund's Investor(s) as specified in the application form or as otherwise notified to CIML. Proceeds will be paid in AUD.

Investors should be aware that CIML reserves the right to make changes to withdrawal rights, including the suspension of such rights, under certain circumstances as permitted by law and the Constitution. In the event that a material change to withdrawal rights is deemed necessary, CIML will ensure that such information is made available as soon as practicable on the Fund's website at www.channelcapital.com.au/funds. Investors are encouraged to review all communications from CIML carefully, as any material changes to withdrawal rights could impact their ability to access their investment within the expected timeframe. CIML remains committed to acting in the best interests of Investors and will endeavour to provide as much notice as possible regarding any significant changes to withdrawal rights.

11.4 Cooling off period

The offer under this PDS is only available to Wholesale Clients and no cooling off rights apply to Investors.

If you are an Indirect Investor and are investing through an IDPS, you should contact your IDPS Operator to confirm any cooling off rights you may have with your IDPS Operator. If you invest through an IDPS you will not acquire direct rights as an Investor and as such, the terms of the IDPS guide will govern your rights and obligations with respect to your investment.

12. Taxation

12.1 Overview

There are tax implications when investing in, and withdrawing and receiving income from, the Fund. CIML cannot give tax advice and CIML recommends that you consult your professional tax adviser as the tax implications of investing in the Fund can impact Investors differently. Below is a general outline of some key Australian tax considerations for Investors. It is not intended to provide an exhaustive or definitive statement as to all the possible tax outcomes for Investors. Nor does it cover the application of foreign taxation laws. This information is based on CIML's current interpretation of the relevant Australian taxation laws and does not consider an Investor's specific circumstances. As such, Investors should not place reliance on this as a basis for making their decision as to whether to invest.

12.2 Tax treatment of the Fund

CIML, as responsible entity of the Fund, intends to manage the Fund such that it is not subject to Australian tax. To achieve this, CIML proposes to make, if it is eligible to do so, an irrevocable choice for the Fund to become an Attribution Managed Investment Trust ('**AMIT**') from the income year of establishment. CIML, as responsible entity of the Fund, intends to manage the Fund so that it is eligible to be an AMIT. If, however, due to factors outside of CIML's control, the Fund is not able to qualify as an AMIT, CIML will notify Investors of this.

12.3 Taxation of Investors

While the Fund is an AMIT, Australian tax resident Investors will be assessed for tax on their attributed share of the Fund's taxable income. Foreign tax resident Investors may be subject to withholding tax or have tax paid on their behalf by CIML in relation to the attribution of taxable income components to them. However, on the basis that all of the income of the Fund is anticipated to be foreign sourced, it is not expected that significant withholding should apply to distributions from the Fund, unless the Investor has not quoted their tax file number ('**TFN**'), Australian business number ('**ABN**') or exemption from this requirement to CIML.

On the basis that the Fund will be primarily invested in the Underlying Fund, and CIML considers that the Underlying Fund is likely to be treated as a foreign company for Australian income tax purposes, most of the income of the Fund should be in the form of foreign sourced dividends. It is not anticipated that the Fund's level of investment in the Underlying Fund should result in the Fund being subject to taxation on the 'controlled foreign company' rules on its investment in the Underlying Fund. While the Fund is an AMIT, income earned by the Fund that is attributed to you, should form part of an Australian tax resident's assessable income in the year of attribution. This is the case irrespective of whether the Fund pays you a distribution in connection with the attributed income, the Fund pays you the distribution that is attributable to that income after the end of the year of income, or you reinvest the relevant distribution.

While the Fund is an AMIT, CIML is not required to distribute all of the taxable income of the Fund. This means that you may be attributed taxable income that is never distributed. At this stage, CIML expects that it will distribute all of the Fund's taxable income.

At the end of the Fund's tax year, CIML will send to you the details of the assessable income and tax credits attributed to you for that year. This information should assist you in completing your income tax return for that year.

12.4 Capital gains tax ('CGT')

Australian resident Investors may be subject to capital gains tax on the disposal of their Units.

In particular, an Australian resident Investor may make a capital gain or loss on their Units if they redeem their Units.

The amount of the capital gain or loss that arises for an Australian resident Investor on the redemption of their Units should be based on the difference between the capital proceeds they receive on redemption, and the "cost base" or "reduced cost base" of their Units.

The "cost base" or "reduced cost base" of an Investor's Units should be based on the amount paid for the Units, as adjusted for any adjustments that arise during the Investor's holding of Units. While the Fund is an AMIT, the AMIT cost base adjustment regime should apply to Investors such that if, for a year:

- the amount distributed to that Investor exceeds the assessable income components attributed to them for that year (for example, the Fund undertakes a return of capital), Investors should decrease the "cost base" or "reduced cost base" of their Units by the excess; or
- the amount distributed to that Investor is less than the assessable income components attributed to them for that year (for example, CIML determines to accumulate taxable income in the Fund), Investors should increase the "cost base" or "reduced cost base" of their Units by the shortfall.

The amount of any AMIT cost base adjustment will be notified to Investors in the AMIT tax statement that they receive at the end of each tax year.

Australian tax residents must include in their assessable income for each year their net capital gains (i.e. after offsetting any available capital losses). Individuals, trusts and complying superannuation entities may be eligible for CGT concessions in relation to capital gains made with respect to their Units where they have held those Units for at least twelve (12) months.

Foreign tax residents should only be subject to CGT on Australian-sourced capital gains made by the Fund or if the Units they are disposing of are taxable Australian property. However, it is unlikely that the Units should constitute taxable Australian property, unless they are held by the foreign tax resident through a "permanent establishment" in Australia.

The comments noted above are based on the taxation legislation and administrative practice as at the issue date of this PDS. However, it should be noted that the Government foreshadowed in the 2026-27 Federal Budget that, broadly, looked to introduce legislation to replace the current 50% CGT discount from 1 July 2027 with a cost base indexation method. Under the proposed measures, the cost base of a CGT asset will be adjusted upwards in line with the CPI. In addition, a 30% minimum tax on net capital gains would be payable by individuals. Legislation implementing these changes has recently become law. However, the Government anticipates that further legislation will be introduced to clarify the operation of these provisions including the impact on AMITs. The application of these changes on the Fund and Investors will only be clarified when this legislation is finalised.

More broadly, it should be noted that the Australian tax system is in a continuing state of reform. Any reform of a tax system creates uncertainty, whether it be uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process. These reforms may impact on the tax position of the Fund and its unitholders. Accordingly, it will be necessary to closely monitor the progress of these reforms, and it is strongly recommended that Unitholders (and prospective Unitholders) seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

12.5 Goods and services tax ('GST')

Unless otherwise stated, the fees and other costs shown in this PDS include the net effect of Goods and Services Tax ('**GST**'), less any input tax credits ('**ITCs**') or reduced input tax credits ('**RITCs**'). The rate of GST may change if the relevant law changes.

The application for, or withdrawal of, Units by Investors should not be directly subject to GST. However, the Fund may incur GST as part of the expenses of the Fund. The Fund may then be entitled to claim ITCs or RITCs for GST incurred on certain expenses.

12.6 Foreign tax offsets

Australian tax residents are required to include in their assessable income their share of any foreign income which forms part of the Fund's net income. Investors may be entitled to a tax offset (or credit) in respect of foreign taxes paid in respect of the foreign source income of the Fund that is attributed to them.

12.7 Tax file number (TFN) and Australian Business Number (ABN)

It is not compulsory for Investors to provide their TFN or ABN, and it is not an offence if you decline to provide it. However, unless entitled to an exemption, if an Investor does not provide their TFN or ABN, tax will be withheld from income distributions at the highest marginal tax rate plus the Medicare levy (and any other levies required to be withheld from distributions from time to time). The ABN, TFN or details of an appropriate exemption can be provided on the Fund's application form when making an initial investment. The collection of TFNs is authorised and their use is strictly regulated by tax and privacy laws.

12.8 Taxation of financial arrangements ('TOFA')

Generally, TOFA applies to gains and losses from financial arrangements and how they are treated for income tax purposes.

Under the TOFA rules there is a hedging election that allows tax treatment (including timing) of hedging financial arrangements to align with the tax treatment of the hedged asset. CIML intends to make this hedging election in respect of the foreign currency hedging that will be undertaken in the Fund. If the hedging election is applicable, this should mitigate the risk for significant taxable income to arise for the Fund on its hedging arrangements irrespective of a gain on the underlying hedged asset, and mitigate volatility in the attributable income of the Fund.

Generally, the Fund's Investors are not directly subject to TOFA unless they have elected for the TOFA rules to apply. Regardless of this, you should seek your own taxation advice in relation to the applicability of TOFA to your particular circumstances.

12.9 Stamp duty

Investors should not be liable for stamp duty on the acquisition of their Units. The Fund should not be liable for stamp duty on making investments.

13. Additional Fund information

13.1 Continuous disclosure

When the Fund has more than 100 investors it will be considered a "disclosing entity" for the purposes of the Corporations Act. This means the Fund will be subject to regular reporting and disclosure obligations. Copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or can be inspected at, an ASIC office. Investors will have a right to obtain a copy, free of charge, in respect of the Fund, of:

- the most recent annual financial report; and
- any half yearly financial report lodged with ASIC after that most recent annual financial report but before the date of this PDS.

Continuous disclosure obligations will be met by Continuous disclosure obligations will be met by following ASIC's good practice guidance via website notices rather than lodging copies of these notices with ASIC. Accordingly, should CIML as responsible entity of the Fund, become aware of material information that would otherwise be required to be lodged with ASIC as part of any continuous disclosure obligations, it will ensure that such material information will be made available as soon as practicable on the Fund's website at www.channelcapital.com.au/funds. If you would like hard copies of this information, please contact CIML's client services team (please refer to section 17 for more information) and you will be sent the information free of charge.

13.2 Communicating with Investors

Investors will receive the following communications from CIML:

- confirmation of your investments and withdrawals;
- an annual tax statement;
- a periodic statement detailing the transactions during the period and the balance of your investments; and
- a distribution statement, following each distribution.

Annual financial reports will be made available at www.channelcapital.com.au/funds. They will not be sent to Investors unless requested in writing.

If you are an Indirect Investor investing through an IDPS, you should contact your IDPS Operator to confirm any communications you may receive in relation to the Fund from your IDPS Operator.

13.3 Complaints resolutions

CIML has established procedures for dealing with complaints. CIML aims to resolve any concerns or complaints quickly and fairly and will respond within 30 Calendar Days after receiving the complaint. If an Investor has a concern or complaint, they can contact CIML at:

Channel Investment Management Limited
GPO Box 206
Brisbane QLD 4001
Phone: 1800 940 599
Email: clientservices@channelcapital.com.au

CIML is a member of and participates in the Australian Financial Complaints Authority ('AFCA'), an independent complaints resolution authorised. If an Investor is not satisfied with the outcome, the complaint can be referred to an independent external dispute resolution scheme. Complaints should be lodged with AFCA at:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Phone: 1800 931 678
Email: info@afca.org.au
Website: www.afca.org.au

All investors, regardless of whether you hold Units in the Fund directly or hold Units indirectly via an IDPS, can access CIML's complaints resolution process outlined above. If investing via an IDPS and your complaint concerns the operation of the IDPS then you should contact the IDPS Operator directly.

13.4 Constitution

The operation of the Fund is governed by its Constitution, this PDS, the Corporations Act and other laws such as the general law relating to trusts. The Constitution addresses matters, such as unit pricing, applications and redemptions, the issue and transfer of Units, investor meetings, CIML's powers to invest, borrow and generally manage the Fund and fee entitlement and right to be indemnified from the Fund's assets.

You can inspect a copy of the Constitution at ASIC or CIML's head office or request a copy by contacting CIML.

13.5 Compliance plan

The compliance plan outlines the principles and procedures which CIML intends to follow to ensure that it complies with the provisions of its Australian financial services licence, the Corporations Act and the Constitution. Each year the compliance plan is independently audited as required by the Corporations Act and a copy of the auditor's report is lodged with ASIC.

13.6 Consents

Channel, the Fund Administrator, the Fund Auditor, the Fund Custodian, the Underlying Fund, the Underlying Fund Investment Adviser, the Underlying Fund Administrator, the Underlying Fund Custodian and KKR (together, the '**Consenting Parties**') have each given, and have not withdrawn before the date of this PDS, their written consent to be named in this PDS for the Fund in the form and context in which they are named.

It is noted that KKR has contributed information for Section 5 (About KKR) and Section 7 (Benefits) of this PDS, but has not been involved in the preparation of, and accepts no responsibility for, any other sections of this PDS.

The Consenting Parties have not been involved, except as otherwise stated in this section, in the preparation of this PDS and do not accept any responsibility or liability for any information contained in this PDS. In addition, the Consenting Parties are not involved in the investment decision-making process for the Fund, makes no guarantee of the success of a Fund, or the repayment of capital or any particular rate of capital or income return.

13.7 Labour standards and environmental, social and ethical ('ESG') considerations

CIML does not take into account labour standards or environmental, social and ethical considerations for the purpose of selecting, retaining or realising investments of the Fund.

The Fund invests substantially all of its assets in the Underlying Fund. The Underlying Fund Investment Adviser generally integrates sustainability considerations alongside traditional financial factors in the investment decision-making process where it determines, in its sole discretion, that those considerations have (or have the potential to have) a substantial impact on an organisation's ability to create or preserve economic value. The Underlying Fund Investment Adviser applies proprietary criteria to assess potential financial and reputational risks to issuers. An investment's sustainability-related risks and opportunities are assessed, monitored and re-evaluated on an ongoing basis. The identification of a risk related to one or more sustainability-related considerations will not necessarily exclude a particular investment that, in the Underlying Fund Investment Adviser's view, is otherwise suitable and attractively priced for investment.

Investors should note the following important qualifications regarding the Underlying Fund's approach to sustainability considerations:

- the Underlying Fund does not pursue a sustainability-based investment strategy or limit its investments to those that meet specific sustainability criteria or standards;
- sustainability is not a principal investment strategy of the Underlying Fund;
- the Underlying Fund Investment Adviser may utilise data sources provided by third-party vendors and/or engage directly with issuers in assessing sustainability-related risks and opportunities, but does not apply a defined weighting system, screening methodology or exclusionary criteria based on sustainability factors; and
- any reference to sustainability-related considerations in connection with the Underlying Fund is not intended to qualify the Underlying Fund's focus on seeking investments that it believes will generate attractive risk-adjusted returns.

Neither the Fund nor the Underlying Fund is marketed as an ESG, sustainable, responsible, ethical or impact investment product. The Fund and the Underlying Fund are not designed for investors who are seeking a fund that meets specific ESG goals or applies sustainability-based investment criteria. The sustainability-related considerations integrated by the Underlying Fund Investment Adviser are used only as an input to financial risk assessment and do not constitute a separate or overriding investment objective.

Investors should be aware that sustainability-related terminology (including terms such as 'ESG', 'sustainability', 'responsible investing' and related concepts) can mean different things to different people and may vary across products and issuers. The way in which the Underlying Fund Investment Adviser integrates sustainability considerations may differ from the approach taken by other investment managers that describe themselves as incorporating ESG factors, and may not align with an investor's own understanding or expectations of what such integration involves. Investors should read this section carefully and not rely solely on sustainability-related terminology when making their investment decision.

13.8 Conflicts of interest

General conflicts of interest

CIML and third-party service providers of the Fund may, in the course of their business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Fund and its investors. CIML is responsible for overseeing the Fund's operations, including its investment in the Underlying Fund. In some cases, entities related to or associated with CIML may provide services to the Fund (including distribution or marketing) and may receive fees or other benefits from the Fund for doing so. These arrangements are conducted on arm's length or commercial terms, and the financial benefits received are considered by CIML to represent reasonable remuneration for the services provided.

CIML maintains a conflicts of interest policy and has implemented internal procedures designed to identify, manage and monitor conflicts. These include staff training, restricted trading policies, and compliance oversight. Where a conflict of interest cannot be avoided, CIML will seek to ensure it is appropriately managed and disclosed to investors in accordance with its obligations under Australian legislative and regulatory requirements.

Additionally, certain activities of KKR and its affiliates will give rise to, and contain, conflicts of interest that are relevant to the Underlying Fund. The Underlying Fund Investment Adviser is a related party of KKR. The conflicts of interest that the Underlying Fund Investment Adviser will experience in connection with the management of the Underlying Fund include, but are not limited to, the following:

- the members, officers and other personnel of the Underlying Fund Investment Adviser allocate their time, resources and other services between the Underlying Fund and other investment and business activities in which they are involved, including other funds, investment vehicles and accounts managed by KKR;
- the Underlying Fund Investment Adviser will, at times, compete with certain of its affiliates, including other entities it manages, for investments for the Underlying Fund, and will receive advisory and other fees from those other entities. Due to fee-offset provisions in the management agreements for such entities, the fees will, at times, not be proportionate to such entities' investment accounts for any given transaction, and the Underlying Fund Investment Adviser will have an incentive to favour entities from which it receives higher fees;
- the Underlying Fund Investment Adviser and its affiliates will, at times, provide a broad range of financial services to companies in which the Underlying Fund invests, in compliance with applicable law, and will generally be paid fees for such services. Any compensation received by the Underlying Fund Investment Adviser and its affiliates for providing these services will not be shared with the Underlying Fund and could be received before the Underlying Fund realises a return on its investment;
- Global Atlantic Financial Group Limited, a retirement and life insurance company that is wholly-owned by KKR, may co-invest alongside the Underlying Fund in certain investments. Due to the limited nature of many such investment opportunities, participation by Global Atlantic accounts in co-investment transactions is expected to generally reduce the allocations otherwise available to other co-investing accounts, including the Underlying Fund;
- the Underlying Fund Investment Adviser receives the Underlying Fund Management Fee calculated by reference to the Underlying Fund's net assets, which includes assets acquired with leverage. As the Underlying Fund Management Fee increases with the size of the Underlying Fund's net assets, the Underlying Fund Investment Adviser has a financial incentive to use leverage, which creates a conflict of interest between the Underlying Fund Investment Adviser and investors; and
- the Underlying Fund Distributor is a KKR-affiliated entity that serves as the principal underwriter and distributor of the shares of the Underlying Fund. This gives rise to a conflict of interest between KKR's interest in distributing shares of the Underlying Fund and the interests of the Underlying Fund's investors.

KKR and the Underlying Fund Investment Adviser have implemented policies and procedures to seek to identify and appropriately manage these conflicts of interest, including an investment allocation policy designed to fairly and equitably distribute investment opportunities over time among funds and pools of capital managed by the Underlying Fund Investment Adviser. There is no guarantee, however, that any such conflicts will be resolved in a manner that will not have an adverse effect on the Underlying Fund or the Fund.

With respect to the relationship between CIML and KKR, CIML has entered into an agreement with a KKR entity under which CIML provides services to the Fund and KKR provides access to the Underlying Fund. All material arrangements between CIML and KKR in connection with the Fund have been entered into on arm's length terms. Both CIML and KKR have conflicts of interest policies and procedures in place that are designed to appropriately manage conflicts of interest that arise in relation to the Fund. There are no existing agreements or arrangements, and there are no currently proposed transactions, in which CIML was or is to be a participant, and in which any related party of CIML had or will have a direct or indirect material interest, other than as set out in this PDS.

Investors should be aware that while CIML and the Underlying Fund Investment Adviser take reasonable steps to manage conflicts, the existence of conflicts may impact investment decisions, fund performance, or the availability of certain investment opportunities. Dealing with conflicts of interest is complex and difficult, and new and different types of conflicts may subsequently arise.

14. Anti-Money Laundering and Counter-Terrorism Financing and other relevant legislation

14.1 Anti-Money Laundering and Counter-Terrorism Financing

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ('**AML Act**') and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to CIML ('**AML Requirements**'), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The Australian Transaction Reports and Analysis Centre ('**AUSTRAC**') enforces the AML Act. In order to comply with the AML Requirements, CIML is required to, amongst other things:

- collect certain information and documentation about you, and in some instances, verify your identity and source of your application monies before providing services to you. Existing Investors may also be asked to provide certain information as part of ongoing customer due diligence and verification process to comply with the AML Requirements; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for seven (7) years.

CIML and the Fund Administrator as its agent (collectively the '**AML Entities**') reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, the AML Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds, if necessary, to comply with AML Requirements applicable to them. Neither the AML Entities nor their delegates shall be liable to you for any loss suffered by you as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The AML Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring Investors. As a result of the implementation of these measures and controls transactions may be delayed, blocked, frozen or refused where an AML Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements where transactions are delayed, blocked, frozen or refused, the AML Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and the AML Entities may from time to time require additional information from you to assist in this process. The AML Entities have certain reporting obligations under the AML Requirements and may be prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered (which may include the disclosure of your personal information) to regulatory or law enforcement agencies, including AUSTRAC.

The AML Entities are not liable for any loss you may suffer as a result of their compliance with the AML Requirements.

14.2 Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS')

The United States of America has introduced rules (known as FATCA) which are intended to prevent U.S. persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the Australian Taxation Office ('**ATO**'), which may then pass the information on to the U.S. Internal Revenue Service ('**IRS**').

In order to comply with these obligations, CIML will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund. If you do not provide this information, CIML will not be able to process your application.

The Australian Government has implemented the OECD Common Reporting Standard Automatic Exchange of Financial Account Information ('**CRS**'). CRS, like the FATCA regime, requires banks and other financial institutions to collect and report to the ATO.

CRS requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your Units in the Fund) to the ATO. In order for the Fund to comply with its obligations, CIML will request that you provide certain information and certifications to it. If you do not provide this information, CIML will not be able to process your application. CIML will determine whether the Fund is required to report your details to the ATO based on its assessment of the relevant information received.

The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 (Cth) to give effect to the CRS.

15. Privacy

CIML has a board of directors approved privacy policy. CIML collects and manage your personal information in accordance with this policy, the Privacy Act 1998 (Cth) ('**Privacy Act**') and the Australian Privacy Principles ('**APP**').

CIML may collect personal information from you in the Fund's Unit application process and any other relevant forms in order to process your application, administer your investment and for other purpose permitted under the Privacy Act. Further, some of the information to be collected, by CIML, in connection with an application is for the purposes of satisfying tax, company and/or anti-money laundering. In some cases, CIML may also collect personal information from third parties including public sources, its related companies, referrers, brokers, agents, your adviser(s) and CIML's service providers.

If you do not provide CIML with your relevant personal information, it will not be able provide you with products or services (such as issuing you Units in the Fund).

Privacy laws apply to CIML's handling of personal information and CIML will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information it collects and holds;
- how it collects and holds personal information;
- whether collection is required or authorised by law;
- the purposes for which it collects, holds, uses and discloses personal information;
- the entities or persons to which personal information is usually disclosed;
- how you may access personal information that it holds about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the APPs, or a registered APP code (if any) that binds CIML, and how it will deal with such a complaint; and
- whether it is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for CIML to specify those countries.

CIML may also be allowed or obliged to disclose information by law. If a Fund's investor has concerns about the completeness or accuracy of the information CIML has about them or would like to access or amend personal information held by CIML, they can contact CIML's Privacy Officer at:

Attention: Privacy Officer
Channel Investment Management Limited
GPO Box 206
Brisbane QLD 4001
Phone: 1800 940 599

CIML's privacy policy is publicly available at www.channelcapital.com.au or you can obtain a copy free of charge by contacting CIML. If you are investing indirectly through an IDPS, CIML does not collect or hold your personal information in connection with your investment in the Fund. Please contact your IDPS Operator for more information about their privacy policy.

16. Glossary

Unless otherwise defined in other parts of this PDS, capitalised terms used in this PDS shall have the following respective meanings:

1940 Act	means the United States Investment Company Act of 1940, as amended from time to time.
AML Act	means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).
Apex or Fund Administrator	means Apex Fund Services Pty Ltd ABN 81 118 902 891, being the administrator and registrar of the Fund.
Applicant	means a person who submits an Application in accordance with this PDS.
Application	means an application for Units under this PDS.
Application Form	means the application form to be completed by persons wishing to subscribe for Units as described in section 11 of this PDS.
ASIC	means the Australian Securities and Investments Commission.
Asset-Based Finance or ABF	means asset classes across the four key ABF market sectors, being consumer/mortgage finance, commercial finance, hard assets and contractual cash flows.
AMIT	means an attribution managed investment trust within the meaning of the Income Tax Assessment Act 1997 (Cth).
CLOs	means a collateralised loan obligation.
FINRA	means the Financial Industry Regulatory Authority, Inc.
ABF Investments	means investments in asset-based finance opportunities across the four key ABF market sectors (being consumer/mortgage finance, commercial finance, hard assets and contractual cash flows), as further described in section 6.3 of this PDS.
AUD or A$	means Australian dollars.
Auditor	means Ernst & Young, being the auditor of the Fund.
Bonus Rate	means the rate used to calculate the number or value of Bonus Units to be issued to eligible Investors under the Bonus Share Program, as described in section 6.2 of this PDS.
Bonus Share Program	means the Fund-level program under which eligible Investors in Class D Units receive Bonus Units, as described in section 6.2 of this PDS.
Bonus Units	means the additional Class D Units issued by the Fund to eligible Investors under the Bonus Share Program.
Business Day	means a day other than a Saturday, Sunday, bank or public holiday in New South Wales, Australia on which trading banks are open for business in Sydney.
Calendar Day	means any day of the calendar year, including Saturdays, Sundays and public holidays.
CGT	means capital gains tax.
Channel	means Channel Capital Pty Ltd ACN 162 591 568.
CIML	means Channel Investment Management Limited ACN 163 234 240 AFSL 439007.
Citibank	means Citibank N.A. Hong Kong Branch, appointed to provide custodial services to the Fund.

Class A Units	means Class A units in the Fund.
Class D Units	means Class D units in the Fund.
Clawback Period	means the three-year period commencing at the end of the Qualifying Period, during which Underlying Fund Bonus Shares may be forfeited and related consequences may apply for Class D Unit redemptions, as described in section 6.2 of this PDS.
Clawback Mechanism	means one or more mechanisms whereby, in the event of a redemption of Units during the Clawback Period, CIML may utilise one or more methods such that, where the redemption of Class D Units gives rise to the forfeiture of any Bonus Shares held by the Fund (for example, where CIML is required to redeem Shares to fund such a redemption), the economic effect of such forfeiture is borne by the redeeming Investors, as described in section 6.2 of this PDS.
Compliance Plan	means the compliance plan for the Fund lodged with ASIC.
Constitution	means the constitution of the Fund, as amended from time to time.
Corporations Act	means the Corporations Act 2001 (Cth), as amended from time to time.
CRS	means the Common Reporting Standard as described in section 14.2.
Custodian or Fund Custodian	means Citibank N.A. Hong Kong Branch, appointed to provide custodial services to the Fund
Default (or Defaulted)	means any event of default (however described) under the relevant facility documentation, credit agreement, or indenture governing the investment, that has not been remedied or waived within any applicable cure or grace period specified in that documentation.
FATCA	means the Foreign Account Tax Compliance Act, as described in section 14.2.
FMCA	means the Financial Markets Conduct Act 2013 (New Zealand).
Fund	means the KKR Asset-Based Finance Fund (K-ABF) ARSN 698 934 379, being the registered managed investment scheme to which this PDS relates.
Fund Auditor	means Ernst & Young, appointed as auditor of the Fund.
Fund Website	means www.channelcapital.com.au/funds.
GST	means goods and services tax as imposed under A New Tax System (Goods and Services Tax) Act 1999 (Cth).
IDPS	means an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme.
IDPS Guide	means the disclosure document for an IDPS.
IDPS Operator	means the operator of an IDPS.
Indirect Investor	means an investor or prospective investor who invests through an IDPS and who does not become a registered unitholder in the Fund.
Investor	means a registered unitholder in the Fund or, where the context requires, a prospective investor in the Fund
IRS	means the United States Internal Revenue Service, being the U.S. federal agency responsible for tax collection and tax law enforcement.
KKR	means KKR Credit Advisors (US) LLC and its affiliates (as the context requires).
Management Fee	means the management fee described in section 10 of this PDS, being a percentage per annum of the NAV of the Fund referable to the relevant class of Units.

Management Fee Waiver Agreements	means the fee waiver arrangements in respect of the Underlying Fund, as described in section 10.4 of this PDS.
NAV or Net Asset Value	means the net asset value of the Fund or a class of Units (as the context requires), being the value of the assets of the Fund (or that class) less its liabilities, calculated in accordance with the Constitution.
NYSE	means the New York Stock Exchange.
RIC	means a regulated investment company within the meaning of the U.S. Internal Revenue Code of 1986, as amended.
PDS	means this Product Disclosure Statement.
Qualifying Period	means the period commencing on the date of commencement of the Underlying Fund Bonus Share Program and ending on the Termination Date, as described in section 6.2 of this PDS
Qualifying Units	means the Class D Units subscribed for during the Qualifying Period and held through to the relevant eligibility date for Bonus Units, as described in section 6.2 of this PDS.
Record	means Record Currency Management Limited, engaged to provide currency advisory and management services and to implement the Fund's currency hedging program.
Redemption Date	means the last calendar day of each month (or such other more frequent date as determined by CIML in its discretion) on which CIML generally intends to process redemptions, subject to the terms of this PDS and the Constitution.
Redemption Request	means a request by an Investor to redeem Units, as described in section 11 of this PDS.
Responsible Entity	means CIML.
RG 240	means ASIC Regulatory Guide 240 "Hedge Funds: Improving disclosure".
RITC	means reduced input tax credits.
SEC	means the United States Securities and Exchange Commission.
Securities Act	means the United States Securities Act of 1933, as amended from time to time
Shares Threshold	means US$500 million in aggregate purchase orders for shares following commencement of the Underlying Fund Bonus Share Program.
Structured Products	includes but is not limited to collateralised debt obligations, collateralised bond obligations, CLOs and credit-linked notes, as further described in section 8.3 of this PDS.
Termination Date	means the earlier of (i) the date the Shares Threshold is achieved, and (ii) 2 November 2026, or at a later date as determined by the Underlying Fund.
Underlying Fund	means the KKR Asset-Based Finance Fund, being the Delaware statutory trust organised on 5 September 2019, registered with the SEC under the 1940 Act, in which the Fund invests.
Underlying Fund Administrator	means U.S. Bank Global Fund Services, appointed as administrator to the Underlying Fund pursuant to an administration agreement.
Underlying Fund Auditor	means Deloitte & Touche LLP, being the independent registered public accounting firm of the Underlying Fund.
Underlying Fund Board	means the board of trustees of the Underlying Fund.
Underlying Fund Management Fee	means the Underlying Fund's annual base management fee of 1.00% per annum (subject to any applicable waiver arrangements).
Underlying Fund Bonus Share Program	means the bonus share program at the Underlying Fund level pursuant to which eligible investors receive Underlying Fund Bonus Shares at no additional cost in connection with purchases of shares in the Underlying Fund, as described in section 6 of this PDS

Underlying Fund Bonus Shares	means the additional shares of the Underlying Fund issued at no additional cost to eligible investors under the Underlying Fund Bonus Share Program.
Underlying Fund Custodian	means U.S. Bank, N.A., appointed as custodian of the Underlying Fund, responsible for holding cash, securities and other assets of the Underlying Fund as required by the 1940 Act.
Underlying Fund Distributor	means KKR Capital Markets LLC, being the principal underwriter and distributor of the shares of the Underlying Fund, as described in section 6.3 of this PDS.
Underlying Fund Expense Limitation and Reimbursement Agreement	means the amended and restated expense limitation and reimbursement agreement pursuant to which the Underlying Fund Investment Adviser has agreed to waive its fees and/or reimburse certain specified expenses of the Underlying Fund, as described in section 10.4 of this PDS.
Underlying Fund Incentive Fee	means the Underlying Fund's quarterly incentive fee calculated based on the Underlying Fund's pre-incentive fee net investment income for the immediately preceding quarter, as described in section 10.4 of this PDS.
Underlying Fund Investment Adviser	means KKR Credit Advisors (US) LLC.
Underlying Fund Repurchase Payment Deadline	means the date not later than 7 calendar days after the repurchase pricing date by which payment for all shares repurchased pursuant to a quarterly repurchase offer of the Underlying Fund will be made, as described in section 11.3 of this PDS.
Underlying Fund Repurchase Request Deadline	means the deadline by which the Fund must submit a request to redeem its shares in the Underlying Fund in connection with a quarterly repurchase offer, generally the first Friday of the month in which the repurchase occurs (subject to any deviation as published in the Underlying Fund's publicly available repurchase calendar), as described in section 11.3 of this PDS.
Unit	means a unit in the Fund (whether a Class A Unit or a Class D Unit).
U.S. person	means a person as defined for the purposes of the U.S. offer restrictions described in this PDS.
USD or US$	means United States dollars.
Wholesale Client	means a client who is not a retail client under section 761G or 761GA of the Corporations Act.
Wholesale Investor	means a wholesale investor within the meaning of clause 3(2) or 3(3)(a) of Schedule 1 of the FMCA.

17. Contacts

Responsible Entity

Channel Investment Management Limited
ACN 163 234 240 AFSL 439007

Address
GPO Box 206,
Brisbane QLD 4001

Website
www.channelcapital.com.au

Phone
1800 940 599

Email
clientservices@channelcapital.com.au

Underlying Fund Investment Adviser

KKR Credit Advisors (US) LLC

Address
555 California Street 50th Floor
San Francisco, CA 94104
USA

KKR

channelcapital.com.au