KKR

KKR Global Private Credit Fund (KIT AUD)

Class C Units

ARSN 677 217 668 I APIR CHN2775AU
Product Disclosure Statement
6 August 2025

Issued By: Responsible Entity Channel Investment Management Limited ABN 22 163 234 240
AFSL 439007

Important Information

This is an important document which should be read in its entirety before making any investment decision in relation to the KKR Global Private Credit Fund (KIT AUD) ARSN 677 217 668. You should obtain independent advice if you have any questions about any of the matters contained in this product disclosure statement.

This document is a product disclosure statement ('**PDS**') for the purposes of Part 7.9 of the Corporations Act. This PDS in respect of the KKR Global Private Credit Fund (KIT AUD) 677 217 668 (the '**Fund**') has been prepared and is issued by Channel Investment Management Limited ACN 163 234 240 ('**CIML**', '**Responsible Entity**', '**we**', '**us**', or '**our**') 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 ('**Apex**' or '**Fund Administrator**').

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

This PDS is dated 6 August 2025.

References to 'you' and 'your' are references to an Investor or prospective Investor in the Fund.

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 Class C units in the Fund ('**Units**') 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**')) or wholesale investors within the meaning of the Financial Markets Conduct Act 2013 (NZ) ('**FMCA**') in New Zealand, and (ii) investors investing through an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ('**IDPS**'); and (iii) to whom CIML or KKR Credit Advisors (Ireland) Unlimited Company (the '**Underlying Fund Investment Manager**' or 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 and New Zealand. Applications from outside Australia and New Zealand, or from applicants whom the 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.

The information in this PDS is general information only and is not a recommendation to invest. It does not take into account your individual objectives, tax and financial situation or particular needs or circumstances.

Prospective 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 us upon request.

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 https://www.kkrkitaud.com.au. A paper copy of any updated information will be provided on request free of charge on request from CIML.

Where Investors have provided us with their email addresses, we will send notices of meetings, other meeting-related documents and annual financial reports electronically unless the Investors elect to receive these in physical form and notify us of this election. As an Investor, you have 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. You also have the right to elect to receive a single specified communication on an ad hoc basis, in an electronic or physical form.

In accordance with its obligations under the Corporations Act, the Responsible Entity 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.

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.

An investment in the Fund is not a deposit with, or liability of, CIML or any other company of the Channel Capital group. It is subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of CIML, KKR, the custodian, the Fund Administrator or their related entities, shareholders, directors or officers guarantees the performance of the Fund, the return of an Investor's capital or any specific rate of return.

No person is authorised by the Responsible Entity 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 the Responsible Entity.

KKR have not been involved, except as otherwise stated in section 13.6, in the preparation of this PDS and do 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.

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 Units in the United States or to any U.S. person, and is not available to persons in the United States or to U.S. persons. The Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ('**U.S. 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 taken to have represented and warranted to the Responsible Entity that such applicant is not a U.S. person and is not acting on account of a U.S. person. Each person applying for 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.

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 i n 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 and 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.

The Responsible Entity 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 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 Investors in the Fund or have the rights of Investors. 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.

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**') unless stated otherwise.

Capitalised terms have the meaning given to those terms in section 16 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 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 for Units on acceptance of the offer;

(b) to a person who is an investment business;

(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; or

(e) to a person who is a government agency.

In subscribing for Units each investor represents and agrees that it is not acquiring those Units 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:

(a) it has not offered or sold, and will not offer or sell, directly or indirectly, any Units; and

(b) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Units, 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 (a) to (e) 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.

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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 (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 advisers.

Fund Features	Summary	Section
Responsible Entity	Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('**CIML**', '**Responsible Entity**', '**we**', '**us**', or '**our**').	4
Fund Name	KKR Global Private Credit Fund (KIT AUD) ARSN: 677 217 668 (the '**Fund**').	
Underlying Fund	KKR-Income Trust I, being a sub-fund of KKR-Income Trust SCA SICAV-RAIF (the '**Underlying Fund**').	6
Underlying Fund General Partner	KKR-Income Trust Associates SCSp (the '**Underlying Fund General Partner**')	
Underlying Fund Investment Manager	KKR Credit Advisors (Ireland) Unlimited Company (the '**Underlying Fund Investment Manager**' or together with its affiliates '**KKR**') KKR Alternative Investment Management Unlimited Company (the '**Underlying Fund AIFM**') who is ultimately responsible for managing the Underlying Fund in accordance with Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011 on alternative investment fund managers and amending directive 2003/41/EC and 2009/65/EC and regulations (EC) No 1060/2009 and (EU) No 1095/2010 (as amended, the '**AIFMD**') has delegated its portfolio management activities in respect of the Underlying Fund to the Underlying Fund Investment Manager, who acts as investment manager of the Underlying Fund.	5
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 primarily by pursuing direct lending and asset-based finance strategies. The Fund is an open-ended fund that seeks to provide investors with access, through the Underlying Fund, to KKR's Private Credit Platform and AUD hedged exposure to a diversified portfolio of private credit securities with a wide variety of collateral types. The Fund seeks to generate a return consistent with that of the Underlying Fund and shares the Underlying Fund's investment objective. For more information about the investment structure, please refer to section 6 of this PDS. The Fund may not be successful in achieving the investment objective.	3 and 6

Fund Features	Summary	Section
Underlying Fund investment program	The Underlying Fund is an open-ended, commingled sub-fund of KKR-Income Trust SCA SICAV-RAIF established with the objective of generating current income and, to a lesser extent, long-term capital appreciation through private credit investments in direct lending and asset-based finance strategies, as described in section 6. KKR believes that the Underlying Fund offers an innovative fund structure that can provide access for investors to KKR's industry-leading private credit platform and a diversified portfolio of private credit securities with a wide variety of collateral types. The Underlying Fund will seek to achieve its investment objective through direct investments and indirectly through certain other KKR-managed funds, including initially KKR FS Income Trust ('**K-FIT**'), a regulated business development company (a '**BDC**') under the U.S. Investment Company Act of 1940, as amended (the '**US 1940 Act**'). All investments by the Underlying Fund, including direct investments and investments in K-FIT, will be made through an Ontario limited partnership (the '**Underlying Fund Aggregator**').	3 and 6
Authorised investments	**Authorised Investments** The Fund intends to invest in the following: • Shares in the Underlying Fund; and • Cash and Cash Equivalents (for short-term Fund operations). Authorised investments of the Underlying Fund include, but are not limited to: • senior secured direct lending investments (e.g., first lien and unitranches); • second lien and subordinated debt (e.g., mezzanine or PIK instruments); • common stock, preferred stock, warrants and other equity securities issued in connection with debt investments; • broadly syndicated corporate debt acquired through the secondary market; • private asset-based financing investments across a range of sectors, such as consumer/mortgage finance (e.g., auto loans), contractual cash flows (e.g., royalties), hard assets (e.g., aircraft leasing) and commercial finance (e.g., receivables financing, equipment leasing); • non-ABF debt investments, such as traded asset-backed securities and other corporate debt; • syndicated loans and high yield bonds; • corporate bonds, structured products, other debt securities and derivatives, including total return swaps and credit default swaps; • KKR-managed funds, including initially K-FIT or any investment funds or vehicles managed or advised by any third party; and • cash and cash-like equivalents. For more information about these authorised investments, please refer to section 6 of this PDS.	3 and 6

Fund Features	Summary	Section
	Borrowing/Leverage, Derivatives and Short Selling *Fund* At the Fund level, no borrowing/leverage, use of derivatives or short selling will be undertaken. *Underlying Fund* The Underlying Fund may employ borrowing and leverage for investments and other related purposes, including to fund all or a portion of the capital necessary for an investment. The Underlying Fund may engage in hedging transactions, including for the purpose of hedging in connection with the acquisition, holding, financing, refinancing or disposition of investments and to hedge foreign currency risk. The Underlying Fund may engage in derivatives and short selling for hedging purposes and, while it is permitted to enter into derivatives and short selling for speculative purposes, such transactions are not expected to be material to the Underlying Fund's business or results of operations. See Section 3 of this PDS below for more details regarding the Fund's and the Underlying Fund's use of borrowing/leverage, derivatives and short selling.	
Fund Base Currency	Australian dollars ('**AUD**').	
Underlying Fund Base Currency	The reference currency of the Underlying Fund is U.S. dollars ('**USD**'). However, the sub-funds or individual classes of the Underlying Fund may be denominated in different currencies, including for example the AUD class of shares in the Underlying Fund that the Fund intends to invest into, which is denominated in AUD.	
Currency Hedging	The Fund intends to invest in shares in AUD denominated share classes of the Underlying Fund, which may be (but are not required to be) hedged back against the Underlying Fund's reference currency, USD, at the discretion of the Underlying Fund Investment Manager.	
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.	
Minimum initial investment[1]	$100,000	
Minimum additional investment[1]	Nil	
Minimum investment balance[1]	$100,000	
Minimum redemption amount[1]	Nil	

Fund Features	Summary	Section
Management fees and costs	The management fees and costs of the Fund are estimated to be 2.04675% p.a. of the net asset value ('NAV') of the Fund referable to the Units which comprises of the following components: • a management fee of 0.00% p.a. of the NAV of the Fund referable to the Units; • an administration fee of 0.15675% p.a. of the NAV of the Fund referable to the Units; • estimated indirect costs of 1.88% p.a. of the NAV of the Fund referable to the Units; and • estimated expense recoveries of 0.01% p.a. of the NAV of the Fund referable to the Units. KKR has agreed to waive 60% of the Underlying Fund management fee through 30 September 2025, or such later date as may be determined by the Underlying Fund General Partner and notified to the Underlying Fund's shareholders.	9
Performance fees	**Fund** Although entitled to do so, the Fund does not currently charge a performance fee. **Underlying Fund** The Underlying Fund Investment Manager is entitled to an incentive fee (the '**Underlying Fund Incentive Fee**'), which consists of two separate components: (i) the Underlying Fund's income (the '**Underlying Fund Incentive Fee on Income**'); and (ii) the Underlying Fund's capital gains ('**Underlying Fund Incentive Fee on Capital Gains**'). Each component of the Underlying Fund's incentive fee functions independently, allowing for the payment of one component even if the other does not qualify for payment. The Underlying Fund Incentive Fee on Income accrues monthly and is paid quarterly in arrears. This fee is calculated from the "Underlying Fund Look-Through Pre-Incentive Fee Net Investment Income", which includes all income earned by the Underlying Fund, such as interest and dividends, minus operating expenses and excluding any realised or unrealised capital gains or losses. No Underlying Fund Incentive Fee on Income is payable if this net income does not exceed the quarterly hurdle rate of 1.25% (5.0% annualised). Above this threshold, the fee structure includes a catch-up phase equal to 100% of this net income that exceeds the hurdle rate but is less than or equal to 1.43% (5.72% annualised), and beyond this, 12.5% of any excess is payable to the Underlying Fund Investment Manager. The Underlying Fund Incentive Fee on Capital Gains is calculated as 12.5% of the Underlying Fund's net capital gains (after losses and depreciation), accrued monthly but payable annually or upon the termination of the management agreement between the Underlying Fund AIFM and Underlying Fund. This fee calculation includes unrealised gains, assuming the portfolio is liquidated at fair value, with actual payment contingent on the realisation of these gains.	10

Fund Features	Summary	Section
	Adjustments for taxes and other governmental charges on payments to the Underlying Fund are accounted for in the calculation of the Underlying Fund Incentive Fees. Importantly, 60% of the Underlying Fund Incentive Fee on Income has been waived through 30 September 2025, or such later date as may be determined by the Underlying Fund General Partner and notified to the Underlying Fund's shareholders." The investment by the Underlying Fund in K-FIT is subject to incentive fees similar to the Underlying Fund Incentive Fee that are payable to an affiliate of the Underlying Fund Investment Manager. The Underlying Fund Incentive Fee will be reduced by the amount of any K-FIT incentive fees but depending on the performance of the Underlying Fund's direct investments, there could be periods in which the Underlying Fund's interest in K-FIT is subject to incentive fees, but the aggregate performance of the Underlying Fund is not sufficient for the Underlying Fund Investment Manager to earn an Underlying Fund Incentive Fee.	
Applications	Monthly on the last Calendar Day of each month or more frequently as determined by CIML. The application form, together with the application monies, must be received by 12 noon (Sydney, New South Wales time), ten (10) Business Days prior.	12
Redemptions	It is expected that, while the Fund is liquid as defined under the Corporations Act, requests for redemption of Units will generally be processed monthly on the last Calendar Day of each month ('**Redemption Date**'). Note that an Investor's ability to redeem will be subject to various factors including available cash in the Fund and the Fund's ability to redeem from the Underlying Fund. Notwithstanding the intention that requests for redemption of Units will be processed on a monthly basis, under the terms of the Constitution CIML may accept or reject redemption requests at its discretion. Investors do not have a right to withdraw from the Fund. Instead, CIML has the right, but not the obligation, to provide Investors with the opportunity to redeem their Units in the Fund. Under the terms of the Constitution, CIML, as Responsible Entity for the Fund, also has the right to suspend the redemption of Units in whole or in part, though Investors who have had their Units redeemed are still entitled to the payment of the redemption amount for those redeemed Units. Redemption requests must be received by 12 noon (Sydney, New South Wales, time), ten (10) Business Days prior to the Redemption Date and will be processed using the Redemption Date as at the end of the following month, subject to the redemption process described below. The redemption cut off is therefore approximately 44 Calendar Days prior to the Redemption Date. CIML, at its sole discretion, has the right to waive notice periods and as a result, Investors' redemption requests may be processed using an earlier Redemption Date.	12

Fund Features	Summary	Section
	Whilst it is anticipated that redemption proceeds will be paid on a monthly basis, under the Constitution CIML may redeem Units within 585 days following acceptance of the redemption request where the Fund is liquid. The relevant redemption proceeds must be paid to a redeeming Investor within 35 Calendar Days following the redemption of the Investor's Units in the Fund. If the Fund is not liquid, withdrawals from the Fund will only be permitted under a regulated withdrawal offer under the Corporations Act. Where the Fund is not liquid, CIML is not required to make a withdrawal offer.	
Distributions	It is expected that the Fund will not make distributions on a regular basis. All income (if any) must be distributed each financial year. You can elect to have any such distribution from the Fund reinvested as additional Units in the Fund or credited to your nominated financial institution account.	9.3
Liquidity of assets	The assets of the Underlying Fund are generally expected to be illiquid. This 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 in the Fund) and Investors should take this into consideration when deciding whether or not to invest in the Fund.	3 and 12

[1] CIML has discretion to accept lower amounts.

2. RG240 Disclosure 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 is a fund of hedge funds for the purposes of RG 240, as more than 35% of the Fund's assets are invested into the Underlying Fund and the Underlying Fund being considered a 'hedge fund' for the purposes of RG 240. This is because the Underlying Fund exhibits two or more characteristics of being a hedge fund as set out in RG 240, being the charging of a performance fee, the use of leverage and the possibility of being considered to follow complex investment strategy. The following table provides a summary of the benchmark and disclosure principles required under RG 240 and where further detail can be found within this PDS.

As the Fund is a fund of hedge funds, the benchmarks and disclosure principles in this PDS will apply to the Fund and the Underlying Fund on a 'look-through' basis.

Benchmark	Summary	Section (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 shares in the Underlying Fund, which is not an exchange traded asset. All assets of the Fund (including any that are not exchange traded), are valued by the Fund Administrator. The Fund Administrator will source the Underlying Fund's value from an independent fund administrator being the Underlying Fund's administrator. The Fund Administrator is not related to either CIML or KKR. CIML requires that the Underlying Fund Investment Manager employs the services of an independent fund administrator to ensure that valuation of the Fund's investments in the Underlying Fund is conducted impartially and in line with best practices. CIML maintains regular communication with the Underlying Fund Investment Manager or its affiliates to facilitate a comprehensive understanding of the administration and valuation processes adopted by the Underlying Fund. Thus, allowing CIML to monitor the Underlying Fund's compliance with the Fund's policy on the use of independent fund administrators by the Underlying Fund Investment Manager. **Underlying Fund:** The Underlying Fund complies with this Benchmark. The Underlying Fund values its investments and assets based on market availability and appropriateness of data. Assets with available market quotes are valued at market value, typically using the mid-point between the last bid and offer prices. If no market quotes exist, the Underlying Fund utilises quotations from a quotation reporting system, established market makers or pricing services. Short-term investments, with maturities of 60 days or less, are valued on an amortised cost basis. For assets lacking market quotes, valuation is conducted at fair value as determined by the Underlying Fund AIFM in good faith, in consultation with the Underlying Fund Investment Manager. Valuation methods vary depending on the asset type: • *Fixed-Income and Derivatives and non-Exchange Traded Derivatives:* Valued using broker or dealer quotes, or pricing services, with adjustments for market closures reflecting the major markets. Bank loans are assessed using market quotations or other commercially reasonable methods selected by independent pricing services approved by the Underlying Fund AIFM or, if such independent, third-party valuations are not available, using broker quotations. Directly originated loans are valued by an independent, third-party pricing service approved by the Underlying Fund AIFM incorporating market and borrower-specific data.	Section 6 and 9

Benchmark	Summary	Section (for further information)
	• *Exchange-Traded Derivatives:* Valued at settlement prices from relevant exchanges, or via dealer quotes and third-party services when necessary. • *Other Funds:* Valuations for funds like K-FIT or those managed by third parties are sourced from the respective fund administrators, adhering to their specific valuation policies. Please refer to section 6 for further information pertaining to the Underlying Fund's valuation policy.	
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. **Underlying Fund:** The Underlying Fund complies with this benchmark. The following information in relation to the Fund and (where relevant) the Underlying Fund, will be made available to Investors on a monthly basis: • current total NAV and the withdrawal value of a Unit; • net return after fees, costs and taxes; • 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 and (where relevant) the Underlying Fund will be made available to 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 https://www.kkrkitaud.com.au.	Section 13

3. RG240 Disclosure Principles

ASIC has created nine principles for funds categorised as 'hedge funds' under RG 240. Issuers of such products are expected to include information about these principles in their product disclosure statements. The table below outlines these 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 CIML's website while material changes will result in an updated PDS. Since the Fund invests in the Underlying Fund, the disclosure principles in this PDS are applied to the Underlying Fund on a 'look-through' basis.

Disclosure Principle	Summary	Section (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's investment objective and strategy** The Fund aims to generate current income and, to a lesser extent, long-term capital appreciation primarily by pursuing direct lending and asset-based finance strategies. The Fund seeks to generate income by making investments into shares of the Underlying Fund. The Fund will hold cash for short-term operational purposes only. The Fund may not be successful in achieving the investment objective. The Fund has no specific diversification guidelines or limits, nor are there any significant dependencies or assumptions underpinning its investment strategy. **The Underlying Fund's investment objective and strategy** The Underlying Fund aims to generate current income and, to a lesser extent, long-term capital appreciation primarily by pursuing direct lending and asset-based finance strategies and seeking to establish a diversified portfolio of global private credit securities and a wide variety of collateral types. The Underlying Fund will seek to achieve its investment objective through direct investments and indirectly through certain other KKR-managed funds, including initially K-FIT. The Underlying Fund may also hold cash, cash equivalents, syndicated loans and high yield bonds, other liquid credit investments and derivatives instruments used to hedge transactions in connection with the acquisition, holding, financing, refinancing or disposition of investments, and foreign currency risk. The Underlying Fund may not be successful in achieving the investment objective. The Underlying Fund has a broad and opportunistic credit investment mandate and while the Underlying Fund may observe internal liquidity guidelines that may be established by the Underlying Fund Investment Manager from time to time, the Underlying Fund has not adopted any specific investment restrictions, limits or guidelines, with the exception that Underlying Fund will generally not make investments where the 'country of risk' of the relevant issuer is an emerging market jurisdiction, nor are there any significant dependencies or assumptions underpinning its investment strategy.	Sections 6 and 8

Disclosure Principle	Summary	Section (for further information)
	The Underlying Fund Investment Manager will take an opportunistic approach to the Underlying Fund's investments, taking into account its liquidity requirements, and Underlying Fund can pursue any credit investment strategies that the Underlying Fund Investment Manage determines are appropriate. For further information, refer to section 6 of the PDS.	
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 will act as Responsible Entity and investment manager of the Fund. **The Underlying Fund** The management of the Underlying Fund is the ultimate responsibility of the Underlying Fund General Partner and its duties, among others, includes the appointment of KKR Alternative Investment Management Unlimited Company (the '**Underlying Fund AIFM**'), an Irish unlimited company, as the alternative investment fund manager ('**AIFM**') of the Underlying Fund. The Underlying Fund AIFM is responsible for a number of functions, including the portfolio management, risk management, oversight, valuation and certain other function of the Underlying Fund, in accordance with the AIFMD. The Underlying Fund AIFM has delegated the portfolio management activities of the Underlying Fund to KKR Credit Advisors (Ireland) Unlimited Company (the '**Underlying Fund Investment Manager**'), an Irish unlimited company.	Section 6
Disclosure Principle 3: Fund structure *Whether the issuer explains the investment structures involved, the relationships between 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 is an unlisted Australian unit trust registered as a managed investment scheme. This PDS relates to Class C units of the Fund, which is a separate class of units within the Fund. The Fund primarily obtains its investment exposure by investing in the AUD share class of the Underlying Fund. The Underlying Fund is a sub-fund of KKR-Income Trust SCA SICAV-RAIF, a Luxembourg company in the form of a partnership limited by shares (*société en commandite par actions*) qualifying as an umbrella investment company with variable capital – reserved alternative investment fund (*société d'investissement à capital variable – fonds d'investissement alternatif réservé à compartiments multiples*). KKR-Income Trust SCA SICAV-RAIF is an umbrella fund with segregated liability between its sub-funds and, accordingly, as a matter of Luxembourg law, any liability incurred on behalf of or attributable to any sub-fund will be discharged solely out of the assets of that sub-fund. The assets of each sub-fund will be invested separately on behalf of each sub-fund in accordance with the investment objective and policies of each sub-fund.	Section 6

Disclosure Principle	Summary	Section (for further information)
	The general partner of KKR-Income Trust SCA SICAV-RAIF is KKR-Income Trust Associates SCSp, (the '**Underlying Fund General Partner**') a Luxembourg special limited partnership (*société en commandite spéciale*) incorporated and governed by Luxembourg law. The general partner of the Underlying Fund General partner is KKR-Income Trust GP S.à r.l., a Luxembourg limited liability company (*société à responsabilité limitée*) incorporated and governed by Luxembourg law, and is controlled by a board of managers appointed by its sole shareholder, KKR-Income Holdings LLC, a Delaware limited liability company and an affiliate of Kohlberg Kravis Roberts & Co. L.P. In this PDS, when referring to the Fund's investments, CIML generally does so on a 'look-through' basis, meaning that CIML refers to the assets of the Underlying Fund to which the Fund is exposed through its investment in the Underlying Fund. For further information, refer to section 6 of the PDS.	
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 is generally valued monthly by the Fund Administrator in accordance with the Constitution. The Fund Administrator values the Fund in accordance with standard market practice. Market prices are generally sourced electronically from third party vendors. In general, the value of the Fund's assets will reflect the value of the shares in the Underlying Fund as set out in the financial statements for the Underlying Fund from time to time. The financial statements of the Underlying Fund will be established in accordance with Luxembourg generally accepted accounting principles. Citibank, N.A., Hong Kong Branch (the '**Fund Custodian**') has been appointed to provide custodial services to the Fund. From time to time, CIML under its AFSL may self-custody the non-cash assets of the Fund. 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 by ASIC Corporations (Asset Holding Standards for Responsible Entities) Instrument 2024/16. Fund will invest 95-100% of its capital into the Underlying Fund and between 0-5% in cash and cash equivalents. **The Underlying Fund** The Underlying Fund's assets are valued monthly by the Underlying Fund Administrator (as defined below), in accordance with valuation principles established by the Underlying Fund AIFM and advised by KKR, ensuring compliance with Luxembourg law. The Underlying Fund AIFM oversees independent asset valuation, supported by KKR, and maintains separation from the Underlying Fund Investment Manager to ensure impartiality.	Sections 6 and 9

Disclosure Principle	Summary	Section (for further information)
	Assets with available market quotes are valued at market value, typically using the mid-point between the last bid and offer prices. If no market quotes exist, the Underlying Fund utilises quotations from a quotation reporting system, established market makers or pricing services. Short-term investments, with maturities of 60 days or less, are valued on an amortised cost basis. For assets without readily available market quotes, the Underlying Fund AIFM, with KKR's consultation, independently values these at fair value using specific methods. This includes valuation of fixed-income instruments, derivatives, bank loans, and directly originated loans based on broker quotes, market prices, or third-party pricing services, as appropriate. Additionally, exchange-traded derivatives are valued at relevant exchange settlement prices, and non-exchange traded swaps are assessed through dealer quotes or third-party services. Valuations of investments in other funds are derived from their administrators based on established policies. The Bank of New York Mellon SA/NV, Luxembourg Branch is the depositary of the Underlying Fund.	
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: Liquidity, pursuant to RG 240 and as of the date of this PDS, CIML as the issuer of units in the Fund, does not reasonably expect to realise at least 80% of the Fund's assets at the value ascribed to those assets in the calculation of the Fund's most recent NAV, within a 10-day timeframe. In accordance with the Fund's risk management policies, regular monitoring of the liquidity of both 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, in its capacity as Responsible Entity of the Fund, engages in regular dialogue with the Underlying Fund Investment Manager to assess and anticipate any potential liquidity constraints in the Underlying Fund. This ongoing communication 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.	Section 12

Disclosure Principle	Summary	Section (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** At the Fund level, no borrowing or leverage will be undertaken. 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 Manager in respect of acceptable types of leverage and limits on leverage that can be engaged by the Underlying Fund. The Underlying Fund AIFM is charged with developing financial risk management policies for the Underlying Fund and overseeing the implementation of such policies. CIML actively monitors the acceptable types of leverage employed by the Underlying Fund, ensuring these practices do not exceed predetermined thresholds that align with the Fund's strategic investment objectives. **The Underlying Fund** The Underlying Fund employs leverage mainly for investment purposes, aligned with its hedging strategy. The leverage is structured through mechanisms such as revolving credit facilities and may include the establishment of special purpose vehicles like collateralised loan obligation issuers. These facilities are provided by entities such as KKR and the affiliates of the Underlying Fund Investment Manager. Leverage is regulated via a 'Leverage Ratio' defined as the quotient of 'Aggregate Net Leverage' over 'Total Assets'. Aggregate Net Leverage includes the total borrowed funds minus cash holdings, unsettled trades, and any cash used for upcoming investment closures or working capital needs. Total Assets comprise the month-end values of investments plus other assets, minus certain liabilities, as per the Underlying Fund's valuation policy. The Underlying Fund maintains a leverage limit (the '**Leverage Limit**') of 90%, ensuring borrowings or guarantees do not usually exceed this percentage of total assets. From time to time, the Leverage Limit may be exceeded, including to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations. There is also a leverage cap of 250:1 relative to the NAV, with quarterly reviews. If leverage surpasses this cap, the Underlying Fund AIFM is committed to rectifying the situation promptly, ensuring compliance without it being considered a breach of investment restrictions. The Underlying Fund AIFM is permitted to increase this cap from time to time.	Section 6 and 8
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 will not trade derivatives of any kind. 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 Manager in respect of acceptable types of derivatives that can be engaged by the Underlying Fund. The Underlying Fund AIFM is charged with developing financial risk management policies for the Underlying Fund and overseeing the implementation of such policies.	Section 6 and 8

Disclosure Principle	Summary	Section (for further information)
	The Underlying Fund The Underlying Fund is permitted (but is not required) to use OTC or exchange traded derivatives to engage in hedging transactions in connection with the acquisition, holding, financing, refinancing or disposition of investments, including investments in exchange-traded funds, currency futures, forwards and other currency hedging transactions, swaps (including credit default swaps), contracts for difference and other derivative contracts, instruments or arrangements. Any derivative transactions entered into for speculative purposes are not expected to be material to the Underlying Fund's business or results of operations. The Underlying Fund will generally seek to use derivatives to hedge its exposure to currencies other than the U.S. dollar subject to the Underlying Fund offering classes of shares denominated in a currency other than the USD (for example, the AUD share class that the Fund invests into). The Underlying Fund intends as far as it determines is reasonably practicable, to enter into derivative contracts to hedge and manage currency risk exposure relative to the USD. The objective of the Underlying Fund's hedging transactions is to seek to maintain a close similarity in any given period between the gross return of the Underlying Fund's U.S. dollar share classes, as expressed as a percentage increase in U.S. dollar value, and the gross return of such hedged share classes, as expressed as a percentage increase in the applicable non-U.S. currency value. The Underlying Fund's hedging strategies, including its currency hedging strategies, may not be successful. Further, the Underlying Fund is also permitted to use derivative instruments to approximate or achieve the economic equivalent or exposure of an otherwise permitted investment or if such instruments are related to an otherwise permitted investment, however such transactions are not expected to be material to the Underlying Fund's business or results of operations. From and after December 31 2025, the Underlying Fund's exposure to the same counterparty of a derivative transaction ,combined with the exposure resulting from such counterparty being an issuer of the asset underlying a derivative transaction, may not exceed 30% of the Underlying Fund's gross asset value. *Criteria for engaging derivative counterparties* The Underlying Fund does not engage in exchange traded derivatives as part of its investment strategy. However, the Underlying Fund is permitted to engage in OTC derivative transactions with counterparties so long as these transactions are conducted in compliance with the European Market Infrastructure Regulation ('**EMIR**'), as amended, along with any delegated or implementing regulations associated with it. The EMIR sets out specific requirements for counterparties in OTC derivatives contracts. These requirements include, but are not limited to, mandatory reporting obligations, bilateral risk management prerequisites, and under certain conditions, compulsory clearing obligations for specific classes of OTC derivatives, as well as a requirement to post margins for OTC derivatives contracts that are not subject to clearing.	

Disclosure Principle	Summary	Section (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.*	**Fund** The Fund does not intend, nor is it likely, to 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 AIFM in respect of acceptable types of short selling for the Underlying Fund. **The Underlying Fund** As part of the Underlying Fund's investment strategy, the Underlying Fund is permitted (but is not required) to engage in hedging transactions in connection with the acquisition, holding, financing, refinancing or disposition of investments, including investments in short sales that are designed to reduce one or more risks associated with its investments. Further, whilst the Underlying Fund is permitted to enter into short selling for speculative purposes, such transactions are not expected to be material to the Underlying Fund's business or results of operations. The purpose and rationale for undertaking short selling, when it is utilised by the Underlying Fund, is to reduce one or more risks associated with its investments by offsetting potential losses with gains in another similar investment. To create a short position, the Underlying Fund will borrow a security from a prime broker and sell it with the intention of repurchasing the security when the price of the security falls. By way of example, the Underlying Fund may own an investment ('**Investment A**') that it believes is likely to decline in value. It owns 100 shares of Investment A at a current price of $40 per share. To hedge the risk of potential loss, the Underlying Fund may choose to short sell 400 shares in '**Investment B**' at $10 per share. Both investments are similar with the expectation that both will decline together. The prime broker will arrange for stock to be borrowed and the Underlying Fund will arrange for collateral to be held by the prime broker as security. If shares in Investment A decline to $30 per share and conversely Investment B was to also decline to $7.5 per share, then it will cost $3,000 to repurchase the shorted shares in Investment B resulting in a profit of $1,000 on this leg of the trade, effectively offsetting the Underlying Fund's $1,000 loss from the decline in Investment A. However, if shares in Investment B were to instead rise to $15 per share, then it will cost $6,000 to repurchase the Investment B shares and the Underlying Fund will incur a loss of $2,000 on this leg of the trade. Combined with the $1,000 loss from Investment A, the Underlying Fund would have lost $3,000 on this long/short trade.	Section 6 and 8

Disclosure Principle	Summary	Section (for further information)
	An inherent risk in short selling is that when a security is borrowed and sold short, a loss is incurred if the price of the security rises. This loss is magnified (and can be greater than the initial purchase price) if the price of the security continues to rise. Short selling is subject to unlimited risk of loss because there is no limit on how much the price of a stock may appreciate before the short position is closed out. This type of risk is primarily managed through portfolio diversification. Subject to the Underlying Fund's investment in K-FIT, the Underlying Fund shall not invest more than 30% of its gross asset value in (i) securities (whether equity, debt, hybrid or any other kind) of the same type issued by the same issuer; (ii) a single loan extended by the Underlying Fund to the same borrower; or (iii) a single securitisation or other collateralised asset. Short positions in securities of the same type issued by the same issuer resulting from short sales shall not exceed 30% of the Underlying Fund's gross asset value. A further risk to short selling is that the prime broker may recall a security that the Underlying Fund has borrowed on short notice. This will mean that the Underlying Fund may have to repurchase the security and may incur a loss as a result of having to buy the security to meet its obligations to the prime broker. The prime broker will generally hold a buffer of stock in reserve to minimise the risk of recalls and will communicate when the stock borrow pool is tightening. Tightness is also visible through higher stock borrowing fees. A stock recall is a rare occurrence and risk is mitigated by maintaining a high level of portfolio diversification to minimise single stock risk and by maintaining a strong focus on liquidity to minimise market impact cost when trading.	
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.*	Withdrawal requests are generally processed monthly on the last Calendar Day of each month, where liquidity is available. Notwithstanding this intention and expectation, under the terms of the Constitution Investors do not have a right to redeem their Units. CIML, as the Responsible Entity, has discretion to accept or not accept redemption requests for any reason. Withdrawal requests must be received by 12 Noon (Sydney, New South Wales, Commonwealth of Australia time) ten (10) Business Days prior to the last Calendar Day of the month and will be processed using the Redemption Date as at the end of the following month, subject to the redemption process described below. The redemption cut off is therefore approximately 44 Calendar Days prior to the Redemption Date. CIML, at its sole discretion, has the right to waive notice periods and as a result an Investor's withdrawal requests may be processed using an earlier Redemption Date. This will generally be the case when the Fund has enough available cash to satisfy all withdrawal requests for the period without needing to redeem shares from the Underlying Fund. You can obtain a redemption form by contacting Channel Client Services. Any redemptions rejected in either whole or in part on a Redemption Date will not be carried over to the next Redemption Date for processing and will be considered cancelled in either whole or part. A new withdrawal request will need to be submitted for the next Redemption Date.	Section 8 and 12

Disclosure Principle	Summary	Section (for further information)
	The Underlying Fund will have limited liquidity and shareholders of the Underlying Fund, including the Fund, can apply for redemptions quarterly on the last Calendar Day of each calendar quarter. The aggregate net asset value of total permitted redemptions by the Underlying Fund (on an aggregate basis across the Underlying Fund) is generally limited to 5% of the Underlying Fund's net asset value per calendar quarter (measured using the average of such aggregate net asset value as of the end of the immediately preceding three months). Furthermore, the Underlying Fund may also charge an Early Redemption Deduction (as defined below) fee of 2% for disinvestment within the first year of an investment into the Underlying Fund. Where the Fund is unable to withdraw its interests in the Underlying Fund, is restricted in the amount it may withdraw, or does not have sufficient reserves, it is likely that CIML will not accept redemption requests (or will not accept redemption requests in full) and accordingly this will limit the ability of Investors to withdraw from the Fund. Refer to the risks in section 8 related to withdrawals and liquidity and section 12 for further information on redemptions.	

4. About CIML

Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('**CIML**' or '**Responsible Entity**', '**we**', '**us**', or '**our**') is a trustee/responsible entity and manager of a number of managed investment schemes and is the issuer of the 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 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. The nature of the Fund's investment strategy is such that substantially all of the assets of the Fund are invested into the Underlying Fund. Accordingly, the execution of the Fund's investment strategy does not rely on any particular key individuals.

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 the date of this PDS, KKR manages over US$200 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 Manager or any of its key officers or employees.

6. The Fund and the Underlying Fund

The Fund

The Fund aims to generate current income and, to a lesser extent, long-term capital appreciation primarily by pursuing direct lending and asset-based finance strategies. The Fund seeks to provide investors with access to KKR's Private Credit platform though a global portfolio of credit and credit-related investments with a wide variety of collateral types.

In seeking to achieve its investment objective, the Fund will invest substantially all of its assets in shares of the Underlying Fund. The Fund will hold cash for short-term operational purposes only.

In selecting the Underlying Fund as the fund that the Fund will invest into, CIML adopted a comprehensive, multi-step due diligence strategy that comprises of an evaluation on the level of experience of the Underlying Fund's management team, risk management capabilities, investment philosophy and strategy aligns with the strategy of the Fund and operational infrastructure. Further, the due diligence process in the selection of the Underlying Fund also includes a comprehensive review of the Underlying Fund's offering documents and investment guidelines to ensure compliance with the regulatory requirements and the 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 that provides investors with the benefits of generating current income and, to a lesser extent, long-term capital appreciation primarily by pursuing direct lending and asset-based finance strategies.

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; (iii) no policies to be applied in relation to the custodial arrangements of underlying funds; and (iv) no significant dependencies or assumptions underpinning its investment strategy.

The Fund will not engage in the use of leverage, enter into derivative contract or partake in short selling.

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 whether the financial statements of the Underlying Fund fairly present the financial position of the Underlying Fund, along with its results of operations, changes in unitholders' capital and cash flows.

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, 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 Funds and its Investors.

CIML performs comprehensive due diligence on the key service providers of the Fund, including but not limited to, the Fund Custodian and the Fund Administrator, 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 entity's financial position, industry reputation and historical performance. 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. Further, CIML will assess each of the Fund's service providers' operational framework, 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 KKR, CIML has assessed and will seek to rely on KKR'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. By implementing these due diligence measures, CIML aims to ensure that the Fund is managed transparently, effectively and in compliance with all applicable laws and regulations, which consequently enables the protection of the interest of the Fund and its Investors.

There are no related party relationships between CIML, the Underlying Fund, and the Fund's or the Underlying Fund's service providers. All material arrangements in connection with the Fund are entered into on arm's length terms.

The Fund may not be successful in achieving the investment objective.

Underlying Fund

About the Underlying Fund

The Underlying Fund has a number of share classes in issue. As at the date of this PDS, CIML intends to invest in AUD denominated share classes of the Underlying Fund to pursue the Fund's investment objective.

The Underlying Fund is one of the primary vehicles for shareholders to access KKR's industry leading private credit platforms.

The Underlying Fund is a sub-fund of KKR-Income Trust SCA SICAV-RAIF, a Luxembourg company in the form of a partnership limited by shares (*société en commandite par actions*) qualifying as an umbrella investment company with variable capital – reserved alternative investment fund (*société d'investissement à capital variable – fonds d'investissement alternatif réservé à compartiments multiples*). KKR-Income Trust SCA SICAV-RAIF is an umbrella fund with segregated liability between its sub-funds and, accordingly, as a matter of Luxembourg law, any liability incurred on behalf of or attributable to any sub-fund will be discharged solely out of the assets of that sub-fund. The assets of each sub-fund will be invested separately on behalf of each sub-fund in accordance with the investment objective and policies of each sub-fund.

The general partner of KKR-Income Trust SCA SICAV-RAIF is KKR-Income Trust Associates SCSp, (the '**Underlying Fund General Partner**') a Luxembourg special limited partnership (*société en commandite spéciale*) incorporated and governed by Luxembourg law. The general partner of the Underlying Fund General partner is KKR-Income Trust GP S.à r.l., a Luxembourg limited liability company (*société à responsabilité limitée*) incorporated and governed by Luxembourg law, and is controlled by a board of managers appointed by its sole shareholder, KKR-Income Holdings LLC, a Delaware limited liability company and an affiliate of Kohlberg Kravis Roberts & Co. L.P.

The management of the Underlying Fund is the ultimate responsibility of the Underlying Fund General Partner and its duties, among others, includes the appointment of KKR Alternative Investment Management Unlimited Company (the '**Underlying Fund AIFM**'), an Irish unlimited company, as the alternative investment fund manager ('**AIFM**') of the Underlying Fund. The Underlying Fund AIFM is responsible for a number of functions, including the portfolio management, risk management, oversight, valuation and certain other function of the Underlying Fund, in accordance with the AIFMD. The Underlying Fund AIFM has delegated the portfolio management activities of the Underlying Fund to KKR Credit Advisors (Ireland) Unlimited Company ('**Underlying Fund Investment Manager**'), an Irish unlimited company.

The Underlying Fund Investment Manager performs its services to the Underlying Fund AIFM pursuant to a delegate management agreement (as amended and/or restated, the '**Underlying Fund Delegate Management Agreement**') entered into with KKR-Income Trust SCA SICAV-RAIF and the Underlying Fund AIFM. The Underlying Fund Delegate Management Agreement is entered into for an undetermined duration and may be terminated at any time by agreement of the parties thereto or by the Underlying Fund AIFM if, in its reasonable good faith opinion, such action is in the best interests of the shareholders of KKR-Income Trust SCA SICAV-RAIF. In the event that the Underlying Fund Delegate Management Agreement terminates as of a date that is not the last day of a calendar month, quarter or year, management fees and incentive fees pertaining to KKR-Income Trust SCA SICAV-RAIF will be payable as if such termination date were the last day of a calendar month, quarter or year, as applicable.

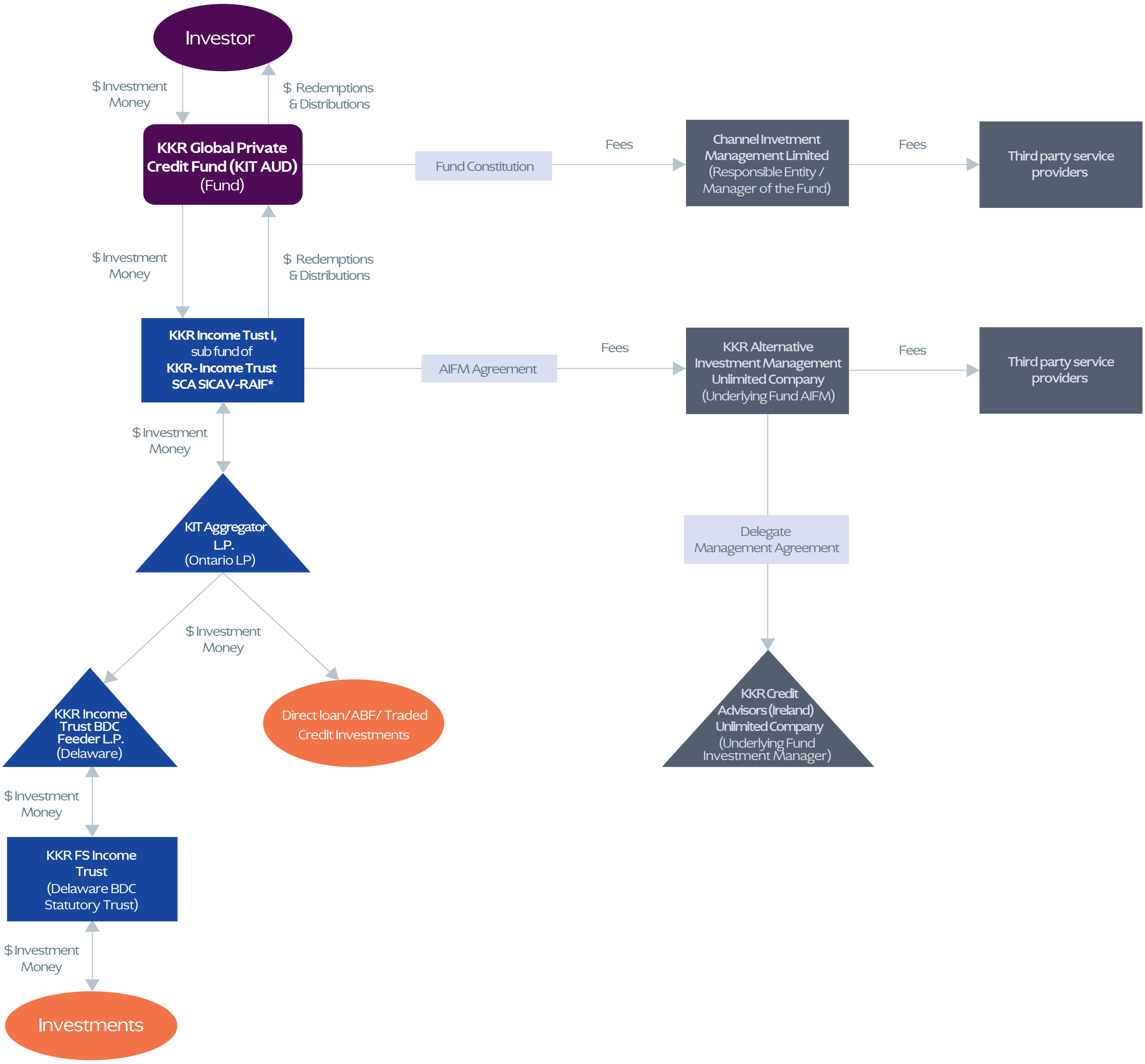
All investments by the Underlying Fund, including direct investments and investments in KKR FS Income Trust ('**K-FIT**'), will be made through the Underlying Fund Aggregator. Therefore, where this PDS discusses investments or allocations by the Underlying Fund, it should be read to include investments made by the Underlying Fund through the Underlying Fund Aggregator.

The Bank of New York Mellon SA/NV, Luxembourg Branch ('**BNYM**') is both the central administration agent and depository of the Underlying Fund. In BNYM's capacity as central administration agent of the Underlying Fund ('**Underlying Fund Administrator**'), it is responsible for, the calculation of the NAV per share of the Underlying Fund, the keeping and maintenance of the books and records of the Underlying Fund and other administrative functions. As registrar and transfer agent of the Underlying Fund, the Underlying Fund Administrator is responsible for processing the issue, redemption, transfer and conversion of shares in the Underlying Fund, for the settlement arrangements, as well as for keeping official records of the shareholder's register of the Underlying Fund. Moreover, the Underlying Fund Administrator will be responsible for the administration of allocations and distributions in respect of classes and/or series (if any) issued by the Underlying Fund and certain investor communications. Any fees paid by the Underlying Fund to the Underlying Fund Administrator will be on an arm's-length basis in line with market practices. In BNYM's capacity as depositary (i.e., custodian) of the Underlying Fund ('**Underlying Fund Custodian**'), it is responsible for: (i) safekeeping of the Underlying Fund's assets (i.e., custody of all financial instruments and verification of ownership of all the other assets of the Underlying Fund); (ii) oversight duties; (iii) cash flow monitoring; and (iv) paying agent functions.

Deloitte Audit (*société à responsabilité limitée*) ('**Underlying Fund Auditor**') will serve as the independent auditor of the Underlying Fund. The role of the Underlying Fund Auditor in respect of the Underlying Fund is to provide an opinion whether the financial statements of the Underlying Fund fairly present the financial position of the Underlying Fund, along with its results of operations, changes in shareholders' capital and cash flows.

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

Structure Chart



Notes

(*) Treated as a corporation for Luxembourg tax purposes. Sub-funds are compartments of the SCA RAIF and it is expected that each sub-fund will be treated as a separate entity for U.S. federal income tax purposes

Underlying Fund Investment Strategy

The Underlying Fund's investment strategy will be implemented, directly and indirectly, through two primary private credit strategies as follows:

- **Direct Lending Strategy:**

  Direct lending investments typically represent investments in the most senior tranches of a corporate or other issuer's capital structure. Generally, these investments take the form of privately negotiated first or second lien senior loans established through bespoke financing agreements entered into with corporate or other borrowers. In the markets generally targeted by the Underlying Fund, corporate borrowers typically are not large enough to warrant the focus of the capital markets desks of large national or investment banks or require flexible capital that is not currently being provided by their existing banking relationships.

  The corporate borrowers and other issuers targeted by the Underlying Fund will often be privately owned although the Underlying Fund could also seek to lend to public companies as well. Given the highly negotiated and bilateral nature of these direct lending investments, lenders typically retain significant structuring power and are often able to negotiate attractive deal terms including seniority, specified collateralisation, preventative or restrictive covenants, early repayment and non-payment penalties and board representation.

  In addition to senior secured direct lending investments, the Underlying Fund can also invest as part of this strategy in second lien and subordinated debt (e.g. mezzanine or payment-in-kind instruments) or in common stock, preferred stock, warrants and other equity securities issued in connection with debt investments.

  The Underlying Fund is also permitted, on an opportunistic basis, to invest as part of its direct lending strategy in broadly syndicated corporate debt acquired through the secondary market where the risk profile of such investments is, in the view of the KKR Credit[2] team, comparable to that of the direct lending investments targeted by the Underlying Fund.

  - o *U.S. and European Direct Lending*: Notwithstanding the Underlying Fund's global investment mandate, investments within its Direct Lending strategy are currently expected to focus primarily on originated, directly negotiated private senior secured corporate debt transactions involving U.S. and European businesses, which in turn will be focused on upper middle market borrowers (generally with EBITDA of $50 million and above) where the Underlying Fund will seek scaled, proven businesses, with strong fundamentals, high revenue visibility and high cash flow.
  - o *Asia-Pacific Direct Lending:* Another focus of the Underlying Fund's Direct Lending strategy over time will be originated, directly negotiated private senior secured corporate debt transactions involving businesses in developed countries within the Asia-Pacific region. The Asia-Pacific region, which KKR believes is a less competitive market for the provision of flexible direct lending capital, remains interesting in KKR's view and could provide a further attractive backdrop for investment opportunities for the Underlying Fund. KKR Credit currently expects to increase its level of engagement in the region with a focus on areas where KKR's legacy relationships can help drive proprietary potential investment flow.

- **Asset-Based Finance Strategy:**

  The Underlying Fund's asset-based finance strategy will focus on private credit investments that provide the opportunity for income and capital-appreciation while mitigating the probability and severity of capital-loss through a focus on downside protection and other structural solutions. These investments will be comprised primarily of private ABF investments, which derive returns from recurring, often contractual cash flows of large, diversified pools of underlying hard and financial assets.

  The Underlying Fund's asset-based finance strategy will take a multi-sector investment approach that seeks the most attractive relative value and risk-adjusted returns (a measure of the excess return per unit of risk in an investment strategy) from investments across a range of sectors, such as Consumer/Mortgage Finance (e.g. auto loans), Contractual Cash Flows (e.g. royalties), Hard Assets (e.g. aircraft leasing) and Commercial Finance (e.g. receivables financing and equipment leasing).

  A majority of the Underlying Fund's asset-based finance investments are expected to be directly originated and proprietary, including through newly formed and/or existing lending and servicing platform businesses established by KKR Credit to access specific lending or servicing market opportunities that are otherwise difficult to access. In addition to the senior secured lending opportunities primarily targeted by the Underlying Fund, these investments can include the provision of more junior debt financing in addition to the provision of equity capital. Where the Underlying Fund invests in operators or managers of platforms formed to pursue direct lending investments, the Underlying Fund also

[2] '**KKR Credit**' means any or all of KKR Credit Advisors (US) LLC, KKR Credit Advisors (Ireland) Unlimited Company, KKR Credit Advisors (EMEA) LLP, KKR Credit Advisors (Singapore) Pte Ltd. and their respective successors and assigns and any other Person through which KKR & Co. Inc. and its subsidiaries conduct their credit investment business.

could at times pursue opportunities that offer the potential for an equity-like upside.

A majority of Underlying Fund's asset-based finance investments are expected to be illiquid and otherwise not actively traded on an established market. Within this strategy however, the Underlying Fund could also from time to time depending on market conditions, invest on an opportunistic basis in non-ABF debt investments, such as traded asset-backed securities ('ABS') and other corporate debt to exploit periods of credit market dislocation and volatility, and ABF investments acquired through the secondary market where the risk profile of such investments is, in the view of the KKR Credit team, comparable to that of the direct lending investments targeted by Underlying Fund.

When identifying prospective Portfolio Companies (as defined below), the Underlying Fund will focus primarily on the attributes set forth below, while these criteria provide general guidelines for investment decisions in respect of the Underlying Fund, investors should note that not all of these criteria necessarily will be met by each prospective Portfolio Company in which the Underlying Fund invests if it otherwise believes the overall benefits of investing in such Portfolio Company are sufficiently strong. A '**Portfolio Company**' is any privately or publicly owned enterprise, issuer or separately identifiable subpart thereof in which the Underlying Fund or any other KKR fund, as applicable, makes a portfolio investment into or to. The Underlying Fund General Partner will determine in its discretion which entities or assets constitute a 'Portfolio Company'. These attributes are:

- **Lending defensible market positions:** The Underlying Fund will seek to invest in companies that have developed strong competitive positions within their respective markets and exhibit the potential to maintain sufficient cash flows and profitability to service the Underlying Fund's credit investments therein in a range of economic environments. The Underlying Fund will target companies that can protect their competitive advantages through scale, scope, customer loyalty, product pricing or product quality relative to their competitors, thereby helping to minimise business risk and protect profitability.
- **Stable companies with positive cash flow:** The Underlying Fund will seek to invest in established, stable companies with strong profitability and cash flows. Such companies, the Underlying Fund believes, are well positioned to maintain consistent cash flow to service and repay the Underlying Fund's loans and maintain growth in their businesses or market share. The Underlying Fund does not intend to invest to any significant degree in start-up companies, turnaround situations or companies with speculative business plans.
- **Proven management teams:** The Underlying Fund will focus on companies that have experienced management teams with an established track record of success. The Underlying Fund typically prefers Portfolio Companies to have proper incentives in place to align management's goals with the Underlying Fund's, which could include non-cash and performance-based compensation.
- **Private asset-based finance markets:** With respect to the Underlying Fund's asset-based finance strategy investments, the Underlying Fund will focus principally on investments in directly originated, private credit investments that provide the opportunity for income and capital-appreciation while mitigating the probability and severity of capital-loss through a focus on downside protection and other structural solutions. These investments are expected to be comprised primarily of private asset-based finance investments, which derive returns from recurring, often contractual cash flows of large, diversified pools of underlying hard and financial assets.
- **Private equity sponsorship:** The Underlying Fund will seek to participate in transactions sponsored by what the Underlying Fund believes to be sophisticated and seasoned private equity firms. By co-investing with experienced private equity firms, which commit significant sums of equity capital ranking junior in priority of payment to the Underlying Fund's credit investments, the Underlying Fund can benefit from the due diligence review performed by the private equity firms, in addition to the Underlying Fund's own due diligence review. Further, strong private equity sponsors with significant investments at risk can have both the ability and incentive to contribute additional capital in difficult economic times should operational or financial issues arise, which could provide additional protections for the Underlying Fund's investments.
- **Allocation among various issuers and industries:** The Underlying Fund will seek to allocate its portfolio broadly among issuers and industries, thereby attempting to reduce the risk of a downturn in any one company or industry having a disproportionate adverse impact on the value of its portfolio.
- **Global Diversification:** The Underlying Fund will pursue a global investment strategy that seeks to minimise downside risks by maximising diversification across geographies. This strategy should provide regional and collateral diversification relative to traditional U.S.-only focused private credit BDCs. The Underlying Fund's approach to diversified portfolio construction is intended to give the Underlying Fund the tools to avoid concentration by sector or geography and to decrease risk of loss in a downturn. The Underlying Fund's wider focus should also provide flexibility through market cycles.

The Underlying Fund may not be successful in achieving its investment strategy. There is no guarantee that the Underlying Fund will achieve its investment objectives. CIML is not able to influence or control the investment management activities of the Underlying Fund Investment Manager nor the Underlying Fund AIFM.

Underlying Fund's investment allocation and restrictions

Notwithstanding the Underlying Fund's global investment mandate, the Underlying Fund is generally expected to invest over time within the allocation ranges[3]:

Asset Type	Allocation range
KKR-managed funds, including initially K-FIT	Targeting 60% – 70%
Other Investments, including but not limited to; • Private senior secured corporate debt transactions involving U.S. and European businesses; • Private senior secured corporate debt transactions involving developed countries within the Asia-Pacific region; • Other Asset types, including but not limited to, corporate bonds, structured products, other debt securities, common stock, preferred stock, warrants and other equity securities issued in connection with debt investments; • any investment funds or vehicles managed or advised by any third party; and • Cash and cash equivalent assets.	Targeting 15% - 30%

While the Underlying Fund currently expects its investment in K-FIT over time to represent between 60% to 70% of its net asset value, subject to applicable law, it has not adopted any specific minimum investment guidelines in respect of such investments. The actual percentage of the Underlying Fund's net asset value that will be invested in K-FIT at any given time will be determined by the Underlying Fund General Partner in its sole discretion and could differ materially depending on applicable law (which among other things restricts the percentage of KIT's assets that may be invested in K-FIT and the percentage of K-FIT that may be owned by the Underlying Fund), market opportunities, the Underlying Fund's liquidity requirements and other variable factors. The Underlying Fund will, however, at any time invest more than 15% of its assets directly outside of its investments in K-FIT.

Subject to Underlying Fund's investment in K-FIT, the Underlying Fund shall not indirectly through the Underlying Fund Aggregator, invest more than 30% of its gross asset value in:

1. Securities (whether equity, debt, hybrid or any other kind) of the same type issued by the same issuer;
2. A single loan extended by Underlying Fund to the same borrower; or
3. A single securitisation or other collateralised asset.

Short positions (if applicable) in securities of the same type issued by the same issuer resulting from short sales shall not exceed 30% of the Underlying Fund's gross asset value. The Underlying Fund is otherwise not limited in respect of taking short positions in securities; however, as noted above, short selling for speculative purposes are not expected to be material to the Underlying Fund's business or results of operations.

With respect to:

1. Derivative Transactions, the Underlying Fund's exposure to the same counterparty (combined with the exposure resulting from such counterparty being an issuer of the asset underlying a derivative transaction) may not exceed 30% of Underlying Fund's gross asset value; and
2. With respect to financial arrangements in which multiple lenders share in providing a portion of a loan and its associated risks and benefits to a borrower (the '**Participated Loans**'), the Underlying Fund's exposure to the same borrower that is the counterparty of a Participated Loans shall not exceed 30%.

The limitations set forth in the previous paragraph shall apply as of 31 December, 2025, which compliance date has been set to correspond to a period of approximately two (2) years following the Underlying Fund's initial subscription day.

[3] Included for illustrative purposes. There is no assurance that the Underlying Fund will be able to source investments or deploy capital in a manner consistent with the allocation ranges indicated below.

The nature of the Fund's investment strategy is such that substantially all of the assets of the Fund are invested into the Underlying Fund. Accordingly, the Fund adopts the investment restrictions, limits and guidelines of the Underlying Fund and has not further restricted the types of derivatives used by Underlying Fund or set any limits on the Underlying Fund's exposure to derivatives or use of short-selling.

Broad, Opportunistic Investment Mandate

Investors should note that the investment strategies described above represent Underlying Fund's initial expectations with respect to its targeted investment strategies. Such description is intended to be general in nature and is subject to change at any time at the discretion of the Underlying Fund General Partner. The Underlying Fund has a broad and opportunistic credit investment mandate and while the Underlying Fund may observe internal liquidity guidelines that may be established by the Underlying Fund General Partner from time to time, the Underlying Fund has not adopted any specific investment restrictions or guidelines with the exception that Underlying Fund will generally not make investments where the 'country of risk' of the relevant issuer is an emerging market jurisdiction as determined by the Underlying Fund Investment Manager at the time of investment based on its internal criteria. There are no limitations on the credit strategies or types of credit or credit-related investments that the Underlying Fund can pursue, or the markets or types of instruments in which the Underlying Fund can invest. In addition, the Underlying Fund has not adopted any specific concentration limitations in respect of its investments. The Underlying Fund Investment Manager will take an opportunistic approach to the Underlying Fund's investments, taking into account its liquidity requirements, and the Underlying Fund can pursue credit investment strategies not described in the Underlying Fund's offer document that the Underlying Fund Investment Manager determines are appropriate.

Underlying Fund – Key individuals implementing the investment strategies of the Underlying Fund

Daniel Pietrzak (New York) joined KKR in 2016 and is a Partner and serves as the Global Head of Private Credit and a portfolio manager for KKR's private credit funds and portfolios. Mr. Pietrzak is Chief Investment Officer of the KKR / FS Investments joint venture and Co-President and Chief Investment Officer for FS KKR Capital Corp. ('**FSK**'), which trades on the NYSE. He also serves of the board of directors of FSK and several KKR Credit portfolio companies, including Oodle Car Finance, Pepper and Toorak Capital Partners. 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. 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. Mr. Pietrzak serves on the Dean's Advisory Council for the Lehigh University College of Business, is a member of the Advisory Board of the Scholars of Finance and serves on the Board of Directors of First Tee – Metropolitan New York. Mr. Pietrzak will devote a substantial amount of his business time to the business of the Underlying Fund Investment Manager, which includes executing the investment objectives of the Underlying Fund.

Michael Small (London) joined KKR in 2021 as a Partner in the firm's Credit & Markets business. Mr. Small is responsible for European private corporate credit and is a portfolio manager for the firm's global junior debt and European direct lending strategies. He is a member of the Global Private Credit Investment Committee, European Direct Lending Investment Committee, Asia Credit Investment Committee and KKR Credit Portfolio Management Committee. Prior to joining KKR, Mr. Small was a partner at Park Square Capital where he served on the investment committee and executive committee from the firm's inception in 2004, helped establish the credit opportunities and direct lending businesses, and latterly led the junior debt funds. Previously, Mr. Small held various roles in the principal finance groups of Dresdner and Babcock & Brown, sourcing and executing private corporate credit, asset backed and structured equity investments. Mr. Small holds a BA and an MA from Cambridge University. Mr. Small will devote a substantial amount of his business time to the business of the Underlying Fund Investment Manager, which includes executing the investment objectives of the Underlying Fund.

Ryan L.G. Wilson (San Francisco) joined KKR Credit in 2006 and is a Managing Director of KKR, Chief Operating Officer of KKR Private Credit, and CO-Chief Operating Officer of FS KKR Capital Corp. Mr. Wilson served as Corporate Capital Trust's Chief Operating Officer prior to its merger with FS KKR Capital Corp and has held various senior roles across KKR Credit. Prior to KKR, Mr Wilson was with PricewaterhouseCoopers, serving a variety of clients across industries. Mr Wilson holds a B.A. in Economics with honors from Wilfrid Laurier University and a MACc in Accounting from the University of Waterloo. He is also a CFA Charterholder, Chartered Professional Accountant, and a Chartered Accountant. Mr. Wilson will devote a substantial amount of his business time to the business of the Underlying Fund Investment Manager, which includes executing the investment objectives of the Underlying Fund.

Ian Anderson (London) joined KKR in 2014 and is a Managing Director in the Credit & Markets business, focusing on both private debt origination and capital solutions for financial sponsors and corporate clients. Mr. Anderson serves as a member of the European Private Credit Investment Committee. Prior to joining KKR, Mr. Anderson was a vice president at Lazard in the corporate finance department, advising a diverse range of European and global corporate clients on M&A transactions and restructurings. Previously, Mr. Anderson worked at Key Capital, an Irish boutique capital markets and asset management firm. Mr. Anderson holds a first-class degree in Engineering from Dublin University, Trinity College and is a CFA Charterholder. Mr. Anderson will devote a substantial amount of his business time to the business of the Underlying Fund Investment Manager, which includes executing the investment objectives of the Underlying Fund.

David Krancenblum (Paris) joined KKR in 2022 and serves as Head of France for Credit & Markets. He is focused on offering senior and junior private debt, structured capital and capital markets solutions to financial sponsors and corporates. Prior to joining KKR, Mr. Krancenblum was on the leveraged and acquisition finance team at Morgan Stanley, focusing on the origination and execution of sub-investment grade financings in France across a wide range of credit profiles and situations. Mr. Krancenblum started his career at Credit Suisse, where he successively worked on the leveraged finance origination and restructuring team and in the leveraged finance and sponsors group. Mr. Krancenblum holds a Master's Degree in Management from HEC Paris. Mr. Krancenblum will devote a substantial amount of his business time to the business of the Underlying Fund Investment Manager, which includes executing the investment objectives of the Underlying Fund.

Jason Phillips (Sydney) joined KKR in 2018 and is a Director on the Asia Credit team, where he leads the Australia and New Zealand Credit business. Prior to relocating to Sydney in early 2023, Mr. Phillips was a member of the U.S. Corporate Private Credit team in New York. Before joining KKR, Mr. Phillips was an associate on Deutsche Bank's direct lending team in both New York and London. Mr. Phillips holds a B.A. in Economics from Harvard University. Mr. Phillips will devote a substantial amount of his business time to the business of the Underlying Fund Investment Manager, which includes executing the investment objectives of the Underlying Fund.

Underlying Fund's valuation policy

The assets of the Underlying Fund are generally valued monthly by the Underlying Fund Administrator in accordance with the valuation principles, policy and procedures established by the Underlying Fund AIFM and KKR. The Underlying Fund AIFM will be responsible for the proper and independent valuation of the assets of the Underlying Fund. The Underlying Fund Investment Manager will provide valuation advice and assist the Underlying Fund AIFM in the valuation of the assets of the Underlying Fund.

The Underlying Fund values its investments and assets based on market availability and appropriateness of data. Assets with available market quotes are valued at market value, typically using the mid-point between the last bid and offer prices. If no market quotes exist, the Underlying Fund utilises quotations from a quotation reporting system, established market makers or pricing services. Short-term investments, with maturities of 60 days or less, are valued on an amortised cost basis.

Investments and other assets for which market quotes are not readily available are independently valued at fair value as determined in good faith by the Underlying Fund AIFM, in consultation with the Underlying Fund Investment Manager. The Underlying Fund AIFM employs specific valuation methods under circumstances where market quotes are unavailable, ensuring these assets are appropriately priced to reflect fair value. These specific valuation methods are summarised as follows:

1. *Fixed-Income and Derivatives Valuation:*
   - o Domestic and foreign fixed-income instruments and non-exchange traded derivatives are normally valued on the basis of quotes obtained from brokers and dealers or pricing services using data reflecting the earlier closing of the principal markets for those securities;
   - o Bank loans, including senior secured floating rate and fixed-rate loans, are valued by using readily available market quotations or another commercially reasonable method selected by an independent, third-party pricing service that has been approved by the Underlying Fund AIFM (or its delegate), or, if such independent, third-party valuations are not available, by using broker quotations;
   - o Senior secured adjustable, variable or floating rate loans for which an active secondary market exists to a reliable degree will be valued at the bid-ask price in the market for such loans, as provided by a loan pricing service; and
   - o Directly originated loans are valued on an individual loan level by an independent, third-party pricing service that has been approved by the Underlying Fund AIFM (or its delegate), and fair valuation of such loans will be performed using inputs that incorporate borrower level data, including significant events affecting the issuer or collateral and market developments.
2. *Exchange-Traded Derivatives:*
   - o Exchange traded options, futures and options on futures are valued at the settlement price determined by the relevant exchange; and
   - o The value of swaps, including credit default swaps, total return swaps and interest rate swaps will be determined by obtaining at least one dealer quotation (including information from counterparties) or valuations from third-party pricing services. If these are unavailable or deemed unreliable, the swaps are fair valued based on procedures adopted by the AIFM.
3. *Other Funds:* KKR-managed funds, including initially K-FIT or any investment funds or vehicles managed or advised by any third party, will be sourced from relevant fund administrator of these funds on the basis of the valuation policies adopted by and otherwise applicable to each fund.

Underlying Fund – Leverage

The Underlying Fund utilises leverage primarily for investment purposes, consistent with its hedging strategy as detailed under section 3 of this PDS. The Underlying Fund's anticipated level of leverage is a range of 90% to 110% This leverage can be applied jointly or cross-collateralised with co-investment vehicles or other funds of KKR, using structures such as revolving credit facilities or other debt facilities provided by lenders including KKR and the affiliates of the Underlying Fund Investment Manager. This may involve the establishment of special purpose vehicles, such as collateralised loan obligation issuers, or entering into revolving credit facilities and other debt facilities provided by entities including KKR and the Underlying Fund Investment Manager, or their respective affiliates.

The Underlying Fund's use of leverage is governed by a defined 'Leverage Ratio' which is the quotient obtained by dividing the 'Aggregate Net Leverage' by 'Total Assets', as specified in the Underlying Fund's valuation policy. 'Aggregate Net Leverage' means the aggregate amount of recourse indebtedness for borrowed money (e.g., bank debt) of the Underlying Fund, minus (i) cash and cash equivalents of the Underlying Fund, (ii) unsettled trades and without duplication, and (iii) cash used in connection with funding a deposit in advance of the closing of an investment or any working capital advances. 'Total Assets' means the month-end values of the Underlying Fund's investments, in addition to the value of any other assets (such as cash on hand) and the deduction of certain liabilities as determined in accordance with the Underlying Fund's valuation policy. The Underlying Fund adheres to a Leverage Limit of 90%.

For purposes of determining Aggregate Net Leverage, the Underlying Fund Investment Manager shall use the principal amount of borrowings, and not the valuations of the Underlying Fund's borrowings, and may, in its sole discretion, determine which securities and other instruments are deemed to be cash equivalents. Any of the Underlying Fund's assets or any part thereof, including any accounts of the Underlying Funds, may be pledged in connection with any credit facilities or borrowings. From time to time, the Leverage Limit may be exceeded, including to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations. For the avoidance of doubt, the Leverage Limit does not apply to indebtedness at the investment level, guarantees of indebtedness or other related liabilities that are not recourse indebtedness for borrowed money of the Underlying Fund.

Additionally, the Underlying Fund AIFM has established a maximum leverage ratio of 250:1 relative to the NAV of the Underlying Fund (determined in accordance with the AIFMD), excluding certain temporary borrowings, with quarterly compliance reviews. Should leverage exceed this ratio, the Underlying Fund AIFM commits to making good faith efforts to rectify the excess without it constituting a breach of investment restrictions. The Underlying Fund AIFM is permitted to increase this cap from time to time.

The 90% Leverage Limit and the 250:1 leverage ratio of the Underlying Fund govern its borrowing capacity in different ways. The 90% limit, which restricts debt to no more than 90% of total assets, tends to be more restrictive than the 250:1 ratio. This is because it ensures at least 10% of the Underlying Fund's assets are always financed by equity, providing a stable financial buffer. In contrast, the 250:1 ratio allows for leveraging up to $250 for every $1 of net asset value of the Underlying Fund, which can vary significantly with market conditions and the Underlying Fund's performance. This makes the 250:1 ratio potentially allow for higher leverage under favourable conditions, thus introducing a higher risk level.

An illustrative example of the impact of leverage on investment returns and losses is as follows (using the 250:1 ratio): In the event of the Underlying Fund reaching its maximum leverage limit of 250:1, for every $1 of capital invested in the Underlying Fund, the Underlying Fund is leveraged to $250. For illustrative purposes, consider an initial investment of $1,000 in the Underlying Fund. With the applied leverage, the total investment exposure increases to $250,000. If the leveraged investments appreciate by 10%, the return on the total investment exposure would be $25,000, significantly enhancing the investor's return relative to the initial capital. Conversely, if the investments were to decline by 10%, the loss would similarly be $25,000, which not only wipes out the initial $1,000 but also creates a substantial deficit of $24,000, demonstrating the high-risk nature of leverage in the Underlying Fund.

In terms of collateral, the Underlying Fund may pledge up to 100% of its assets under the terms of any debt instrument or other financing arrangement it enters into with lenders or other counterparties. The Underlying Fund may grant a security interest in any of its assets under the terms of any such debt instrument or arrangement it enters into with such lenders or counterparties. These arrangements are generally expected to be detailed in a pledge and security agreement, with notices included in the custodian's systems indicating the existence of such security interests in such circumstances. In the event of default, as applicable, the lender or other counterparty has the right to control the disposition of assets securing the debt, which could materially impact the Underlying Fund's operations. Further, while the Underlying Fund pledges assets, these are not encumbered or exposed to set-off rights or other legitimate claims by third parties in the event of the insolvency of the Underlying Fund, a service or credit provider of the Underlying Fund, or a counterparty.

Underlying Fund – related party relationships

The Underlying Fund, the Underlying Fund AIFM, the Underlying Fund Investment Manager and FS/KKR Advisors, LLC, which is the investment manager of K-FIT (the '**K-FIT Manager**'), are each affiliates of Kohlberg Kravis Roberts & Co., L.P. and as such are each part of KKR's global investment management firm and accordingly, the arrangements between such parties and the Underlying Fund and K-FIT, including for example, the Underlying Fund AIFM Agreement and the Underlying Fund Delegate Management Agreement, have not been entered into on an arm's length basis.

KKR's global businesses primarily include its private markets and capital markets businesses, and KKR Credit and its insurance business operated through Global Atlantic. KKR has, and may in the future acquire, interests in other businesses.

As a result of this broad range of KKR activities, the Underlying Fund General Partner, the Underlying Fund AIFM, the Underlying Fund Investment Manager and the K-FIT Manager and their affiliates, personnel and associates may have multiple advisory, transactional, financial or other interests and relationships that conflict with the interests of the Fund, and/or that generate fees and other compensation and economic benefits for KKR. KKR and its affiliates manage a broad range of investment funds, including the Underlying Fund and the KKR managed funds (including K-FIT) in which it invests. Participation of KKR, KKR Credit and KKR Capstone[4] personnel in the investment process is subject to applicable law and inside information barrier policies and procedures, which may limit the involvement of such personnel in certain circumstances where conflicts of interest arise, and KKR Credit's ability to leverage such integration with KKR. Discussions with senior advisors, executive advisors, industry advisors, KKR advisors and accounts and KKR and its affiliates (including its insurance business Global Atlantic) employees of KKR's managed portfolio companies are also make substantial investments for their own account, which may have an adverse impact on the Underlying Fund (and the Fund), for example by reducing the amount of an investment opportunity that is allocated to the Underlying Fund (possibly to zero) or by acquiring a stake in another investment manager that competes with the Underlying Fund for investment opportunities. Investment decisions and actions taken on their behalf may have adverse consequences for the Underlying Fund, including in particular where they invest in the same borrowers as the Underlying Fund and their interests conflict.

[4] '**KKR Capstone**' means any or all of KKR Capstone Americas LLC, KKR Capstone EMEA LLP, KKR Capstone EMEA (International) Partners LLP, KKR Capstone Asia Limited, their affiliates, any entities serving a similar role thereto and their respective subsidiaries.

KKR's capital markets business and other KKR service providers may provide, for example, capital markets, loan servicing, aircraft leasing and other services to the Underlying Fund and borrowers in which the Underlying Fund invest and may provide and/or arrange loans and other financing for these borrowers. These service providers will receive fees, commissions and other payments for these activities. It is also possible that borrowers in which the Underlying Fund invest compete with, or provide services to, portfolio companies of other KKR funds, and vice versa, which may result indirectly in economic benefits to KKR or adverse consequences for the Fund.

The Underlying Fund Investment Manager and its affiliates are subject to a comprehensive compliance program which includes, among others, policies and procedures reasonably designed to address conflicts of interest that arise during the course of KKR's global business. Material conflicts of interest that arise between the Underlying Fund AIFM, the Underlying Fund Investment Manager and their affiliates (including the Underlying Fund and their clients, the KKR managed funds it invests in, including K-FIT), generally will be discussed and resolved on a case-by-case basis by senior management of KKR, including representatives of KKR Credit and the Underlying Fund Investment Manager (or will otherwise be managed in accordance with internal policies and procedures reviewed by senior management that address specific conflicts, including, by way of example, allocation policies that address conflicts of interest arising between multiple KKR funds and accounts investing in the same investments and cross transaction and principal transaction policies that address purchases and sales of investments between KKR funds and accounts and/or between KKR funds and accounts and any proprietary account of the Manager or its affiliates). Any such discussions and policies will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict. To implement best practices in the application and monitoring of conflict resolution, KKR has created a Global Conflicts Committee. KKR's Global Conflicts Committee is responsible for analysing and addressing new or potential conflicts of interest that may arise, from time to time, in KKR's business, including conflicts relating to specific transactions and circumstances, including fees and other compensation earned by KKR entities (other than management or performance fees or similar amounts) in connection with the activities of KKR funds and accounts, as well as those implicit in the overall activities of KKR and its various businesses. In addition, KKR Credit has established policies and procedures for mitigating and managing possible conflicts of interest as they relate to business overseen by KKR Credit , particularly for elevating, evaluating and resolving such conflicts.

While the above considerations are, subject to applicable limitations resulting from K-FIT's status as a BDC, also generally applicable to the activities of K-FIT, FS/KKR Advisors, LLC, the investment manager of K-FIT (the '**K-FIT Manager**'), and its affiliates (including KKR Credit and FSJV Holdco, LLC, an affiliate of Franklin Square Holdings, L.P., which jointly operates the K-FIT Manager with KKR Credit Advisors (US) LLC), and the Underlying Fund's indirect investments through K-FIT in addition to its direct investments, additional considerations not described herein are and may in the future be applicable to K-FIT.

Investors should refer to section 13.8 for more information in relation to the potential conflicts of interest among the Underlying Fund AIFM, the Underlying Fund Investment Manager and their affiliates.

The policies and procedures described in this section 6 may change from time to time.

Underlying Fund's liability and indemnifications

To the fullest extent permitted by law, no liability shall be held against the Underlying Fund General Partner, the Underlying Fund AIFM, the Underlying Fund Investment Manager, their respective affiliates (excluding the Underlying Fund), and other related parties including but not limited to, industry advisors, senior advisors, executive advisors, KKR advisors, technical consultants, and KKR Capstone executives, for any losses or liabilities incurred by the Underlying Fund or the Fund due to actions or omissions undertaken in good faith and believed to be in the best interest of the Underlying Fund. This belief does not automatically constitute wrongdoing even if the outcomes are unfavourable, provided such actions do not involve malfeasance. Final legal judgments against these parties, unless specifically citing exceptions outlined, do not preclude entitlement to this exculpation.

To the maximum extent permitted by law, the Underlying Fund General Partner shall not be liable for actions taken by the Fund or any agent of the Underlying Fund, assuming such agent was appointed with due diligence and in good faith.

The Underlying Fund shall indemnify to the fullest extent permissible under law, the Underlying Fund General Partner, the Underlying Fund AIFM, the Underlying Fund Investment Manager, and all associated advisors and personnel ('Underlying Fund Indemnitees') against any liabilities arising from claims or legal proceedings related to their duties unless the act was not performed in good faith, was outside the interests of the Underlying Fund, or involved malfeasance. Costs incurred in defence of such actions may be advanced by the Underlying Fund, subject to a commitment to repay if it is subsequently determined that the act constituted malfeasance.

Where liabilities pertain to KKR-Income Trust SCA SICAV-RAIF, the Underlying Fund, or involve multiple sub-funds of KKR-Income Trust SCA SICAV-RAIF, these shall be equitably distributed as determined by the Underlying Fund General Partner.

Expenses incurred in defence of any action may be covered in advance by the Underlying Fund, under conditions outlined, except where disputes arise solely among internal parties without involving the Underlying Fund as a named party.

Underlying Fund Indemnitees must endeavour to pursue any third-party insurance or indemnity claims for expenses incurred, although this shall not delay any advance funding provided by the Underlying Fund. Consent from the Underlying Fund General Partner is required for any settlements that may impact the Underlying Fund's obligations.

This indemnification extends only to actions undertaken in good faith and in accordance with legal advice and is intended to protect the Underlying Fund Indemnitees without providing rights to any other person, except as explicitly stated.

7. Benefits of investing in the Fund

A summary of the features and benefits of investing in the Fund is as follows.

Access to KKR's Private Credit Platform

The Fund provides Investors with the opportunity to gain immediate exposure to KKR Credit's direct lending and 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, with the ability to gain access to KKR Credit's local market access and expertise through regional teams based in KKR's numerous offices across multiple continents.

Management expertise and research capabilities

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 proven experience managing private credit portfolios and is also backed by the firm's investment expertise, quality of systems and global resources. **Past performance is not indicative of future performance.**

Diversification

With the pooling of investor money, a managed fund can spread its assets across a wider range of investments.

In KKR's view, the bonds markets have become increasingly correlated to the public equity markets and bonds no longer provide the diversification benefit that has historically been sought by many investors as part of a 60/40 equity-to-bond portfolio. KKR believes that Private Credit investments have the potential to provide a material portfolio diversification benefit, including exposure to predominantly floating rate loans which KKR believes are well placed in an uncertain rate environment.[5]

In credit investments, there is typically limited potential for capital gains, as the key objective for an investor is to receive a return of principal and a yield. The more a credit investor can diversify risk away, the better. While the Underlying Fund generally expects to primarily target investments in the United States, Canada and Europe and, to a lesser extent, the Asia-Pacific, it has a global investment mandate and can invest opportunistically across nonemerging market jurisdictions. It will invest in both corporate debt and ABF investments providing investors with access to a portfolio that is diversified both geographically and in respect of collateral type.

Potential Market Opportunity [6]

KKR believes significant investment opportunities will continue to present themselves in the direct lending and asset-based finance strategies targeted by the Underlying Fund.

Attractive Opportunities in First Lien, Senior Secured Loans

KKR believes the variable rate structure of most first lien, senior secured loans presents significant opportunities. Additionally, KKR believes that the strong defensive characteristics inherent in many securities across this asset class make them compelling investments. Because first lien, senior secured debt has priority in payment among an issuer's security holders (i.e. holders are due to receive payment before junior creditors and equity holders), they carry the least potential risk within the issuer's capital structure. Further, first lien, senior secured debt investments are secured by the issuer's assets, which could be seized in the event of a default. First lien, senior secured loans generally also carry restrictive covenants aimed at ensuring repayment before junior creditors, including unsecured bondholders and other security holders, preserving collateral to protect against credit deterioration.

[5] Historical market trends are not reliable indicators of future market behavior or future performance of any particular investment, which may differ materially and should not be relied upon as such.

[6] The historical market trends discussed in this section, which are based on the views and internal research of KKR Credit, are not reliable indicators of future market behavior or future performance of any particular investment, which may differ materially and should not be relied upon as such.

Lending to Middle Market Private Companies

KKR believes that the market for lending to private companies is underserved and presents a compelling investment opportunity. The following characteristics support this belief:

- **Large Target Market:** There is a large target market in that middle market companies have historically represented a significant portion of the growth segment of the global economy. These companies also often require substantial capital investment to grow their businesses. Historically, significant private equity capital has been available for investment in middle market companies and KKR expects that private equity firms will continue to leverage their investments in middle market companies with senior secured loans; and
- **Limited Investment Competition:** There is limited investment competition, despite the size of the market, regulatory changes and other factors have diminished the role of traditional financial institutions in providing financing to middle market companies in favour of lending to large corporate clients and leading syndication efforts for capital markets transactions. Further, KKR believes a limited number of lenders are willing to hold large amounts of middle market loans. Many investment firms lack the breadth and scale necessary to identify investment opportunities. Middle market companies also can require more active monitoring and participation on the lender's part. KKR believes that many large financial organisations are not suited to deal with these factors, resulting in a reduction in the availability of financing to middle market companies.

Asset-Based Finance Strategy

The primary focus of the Underlying Fund's Asset-Based Finance ('**ABF**') strategy will be investment in attractive, directly originated, non-corporate lending opportunities within the private ABF sector. The well-documented retreat by banks from lending activity following the 2008 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 ABF investments seek to generate uncorrelated returns for investors at a meaningful premium to other forms of private and traded credit.

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 is not a reliable guide or indicative of future performance.

Neither CIML, nor KKR, their directors, associates nor any of their related bodies guarantee the success of the Fund or Underlying Fund, the repayment of capital or any particular rate of capital or income return. 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 and how CIML manages those risks. Section 8.3 'Specific 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. 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.

8.2 General risks of investing into 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.

Underlying Fund risk

Being a fund of funds structure, the success of the Fund depends upon the Underlying Fund as a whole effectively managing its investments so that the investment objectives of the Fund can be achieved. Matters such as the Underlying Fund Investment Manager's loss of key staff, or the failure of the Underlying Fund to perform as expected may negatively impact returns, risks and/or liquidity.

The returns, risks and liquidity of the Underlying Fund as a whole may also be negatively impacted because of the nature of the investment assets they hold. Each asset that the Underlying Fund invests in has different risk factors, return drivers, and economic sensitivities.

Liquidity risk

The Underlying Fund as a whole invests in highly illiquid investments 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 in 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. In some cases, the Underlying Fund could be legally, contractually or otherwise prohibited from selling certain investments for a period of time or could otherwise be restricted from disposing of them and illiquidity could also result from the absence of an established market for certain investments.

Moreover, securities in which the Underlying Fund invests are generally private in nature and not listed on a stock exchange or traded in an over-the-counter market. As a result of the absence of a public trading market for these securities, they may be less liquid than publicly traded securities.

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.

In addition, certain types of investments made by the Underlying Fund are likely to require a substantial length of time to liquidate. The authorised value of a highly illiquid investment at any given time could be less than its intrinsic value.

Credit Investment Risk

Credit investments may be secured, partially secured or unsecured and may have speculative characteristics. Changes in interest rates generally will cause the value of credit investments to vary inversely to such changes meaning that changes in prevailing market interest rates could negatively affect the value of such investments. In a changing interest rate environment, the Fund may not be able to manage this risk effectively. Credit investments with longer terms to maturity or duration are subject to greater volatility than investments in shorter-term obligations. The obligor of a credit investment may not be able or willing to pay interest or to repay principal when due in accordance with the terms of the associated agreement. An obligor's willingness to pay interest or to repay principal due in a timely manner may be affected by, among other factors, its cash flows. Commercial bank lenders may be able to contest payments to the holders of other debt obligations of the same obligor in the event of default under their commercial bank loan agreements.

Withdrawal risk

Investors should be aware of the withdrawal risks associated with the Fund, particularly in relation to redemptions. While no buy-sell spread typically applies to applications or redemptions, there are specific instances where additional costs may be incurred. Notably, when the Fund redeems shares in the Underlying Fund within the first year of investment, a discretionary Early Redemption Deduction fee of up to 2% of the NAV of the shares being redeemed from the Underlying Fund may be charged provided that the early redemption date will not apply during notice periods pertaining to certain material amendments to the private placement memorandum of the Underlying Fund (the '**Underlying Fund Memorandum**'). This fee applies to the Fund's initial subscription and any subsequent subscriptions made to the Underlying Fund.

Furthermore, permitted redemptions are generally limited to 5% of the net asset value of the Underlying Fund per calendar quarter (measured using the average of such aggregate net asset values as of the end of the immediately preceding three months and taking into account any applicable Early Redemption Deductions), except in the exceptional circumstances where the Underlying Fund General Partner modifies or suspends, in whole or in part, the Underlying Fund's redemption mechanism if it deems such action to be in the Underlying Fund's best interests and the best interests of the Underlying Fund investors. The availability and implementation of this redemption mechanism are contingent upon various factors, including the financial condition of the Underlying Fund and the availability of liquidity to satisfy redemption requests.

In the event that the Underlying Fund levies an Early Redemption Deduction, the Fund, at the sole discretion of CIML, may impose a sell-spread on Investors redeeming units in the Fund.

It is crucial for investors to understand that withdrawal risks include the potential for delays in the usual timeframe for redemption requests. CIML, subject to the Constitution, reserves broad discretion to suspend the redemption of units in certain circumstances. Additionally, CIML may accept or reject redemption requests at its absolute discretion.

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.

Leverage

The Fund is not restricted from borrowing money and as of the date of this PDS. The Fund has no borrowings and does not intend to utilise leverage, any borrowing, or short selling.

Investors should be aware, however, that while the Fund itself avoids leveraging, the same cannot be said for the Underlying Fund in which the Fund invests. The Underlying Fund will (and generally expects to) employ leverage as a strategy for its investment purposes. The Underlying Fund is expect to borrow, provide credit support or guarantee loans or other extensions of credit for investments and other related purposes, including, without limitation, by entering into one or more revolving credit facilities or any other debt or leverage facility or facilities or other loans or extensions of credit provided by one or more lenders, which could include KKR, the Underlying Fund Investment Manager and their respective affiliates. The Underlying Fund is also permitted to incur direct or indirect leverage through its hedging activities.

The use of leverage, while potentially beneficial in amplifying returns when investments perform well, also carries significant risks. If the investments made with borrowed funds fail to yield a return that exceeds the cost of borrowing, the overall returns of the Underlying Fund – and consequently, the Fund – could be negatively impacted. Additionally, an inability to meet repayment obligations can lead to actions by facility providers to recover amounts owed, with potential repercussions for the Fund's investments.

The Underlying Fund will generally not incur any borrowings or provide guarantees (other than in respect of its hedging activities and temporarily as described in section 3.6) that would result in the Leverage Ratio to be in excess of the Leverage Limit. No remedial action will be required if the Leverage Limit is exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an investment).

Foreign currency risk

The Fund intends to invest in shares in AUD denominated share classes of the Underlying Fund, which may be (but are not required to be) hedged back against the Underlying Fund's reference currency (USD) at the discretion of the Underlying Fund Investment Manager. Depending on the prevailing circumstances, the Underlying Fund may or may not hedge certain classes of shares (including the AUD denominated share classes), either partially or fully, and has no obligation to hedge any class of shares at all. If the Underlying Fund decides to hedge certain classes of shares (including the AUD denominated share class) against the Underlying Fund's reference currency, there can be no guarantee that it will be successful in doing so nor that such hedging will be systematic. Furthermore, the Underlying Fund may invest and have exposure to assets denominated in any currency, which may be different to that of its reference currency (USD) or than the currency of its share classes (including the AUD share classes in which the Fund intends to invest into). The Underlying Fund may hedge the value of its non-USD denominated investments against USD currency fluctuations when appropriate. Although the foreign currency exposure of the Fund's investment in the Underlying Fund may be hedged, such hedge may not provide complete protection from adverse currency movements. Currency markets can be extremely volatile and are subject to a range of unpredictable forces.

Foreign investment risk

Additional risks may arise when investing overseas, including changes in foreign exchange control regulations, foreign tax legislation, withholding tax and government policy. Additionally, differences in accounting, legal, securities trading and settlement procedures can also impact on the value of the Underlying Fund's investments and the value of the Fund's investments in the Underlying Fund.

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.

Concentration in KKR funds risk

The Underlying Fund invests and expects to continue to invest a substantial portion of its assets in investments managed by investment sponsors affiliated with KKR, specifically K-FIT, and therefore may be less diversified, and more subject to concentration and reputational risk, than other funds of private credit funds.

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 unitholders.

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). Conflicts of interest are summarised in section 13.8 of this PDS.

KKR and the Channel group 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.

Availability of investment opportunities risk

The nature of the private credit asset class means that availability of investment opportunities generally is subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. No assurance can be given that the Underlying Fund will be able to identify and complete attractive investments in the future or that it will be able to fully invest its subscriptions.

Contract risk

As part of their structure, the assets of the Underlying Fund will generally be exposed to contracts that are critical to their success and the return on the assets. As such, there is a risk that if those contracts are amended, legally deficient or unenforceable, the returns from the assets may be affected.

Underlying Fund investment manager and Responsible Entity risk

The success of the Fund depends upon the ability of the Underlying Fund Investment Manager 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 of CIML as Responsible Entity of the Fund or KKR Credit Advisors (Ireland) Unlimited Company as the Underlying Fund Investment Manager, or the failure of either CIML or the Underlying Fund Investment Manager to perform as expected may negatively impact returns, risks and/or liquidity of the Fund.

Derivatives risk

The Fund will not use derivatives at the Fund level. The Underlying Fund may use various derivative instruments including, but not limited to, options contracts, futures contracts, forward contracts, options on futures contracts, indexed securities and swap agreements, to engage in hedging transactions in connection with the acquisition, holding, financing, refinancing or disposition of investments and to hedge its exposure to currencies other than the USD for the purpose of hedging or investment. Further risk disclosure is discussed under 'Foreign currency risk' above.

Where derivatives are employed on a particular class or the Underlying Fund and the assets attributable to any such class are insufficient to bear all such costs and liabilities, the assets of the other classes of the Underlying Fund will be at risk for the excess because the relevant hedge counterparties are likely to have full recourse to all assets of the Underlying Fund.

The value of derivatives can be influenced by a number of factors, and risks associated with their use include movements in the value of the underlying assets, difficulty in liquidating the derivative and counterparty risk.

Interest rate risk

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

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.

To mitigate such risks, in selecting and appointing any counterparties or service providers for the Fund, CIML follows a due diligence process pursuant to CIML's internal policies, which considers operational and legal risks by engaging in activities such as reviewing financial information, engaging in background checks and searching public registers, with the assistance of external consultants (as relevant), and any proposed counterparties or service providers are reviewed and approved by the board of CIML.

At the Underlying Fund level, to mitigate such risks, in selecting and appointing any counterparties or service providers of the Underlying Fund, the Underlying Fund Investment Manager also considers counterparty or service provider risk in its review of any counterparties or services, and may engage in activities such as reviewing financial information, engaging in background checks and searching public registers, before determination of approval of the appointment. In relation to derivative counterparties, the Underlying Fund Investment Manager will also review counterparty derivative and consolidated principal exposure, in conjunction with other relevant metrics for counterparty volume and concentration, on a regular basis. Further checks and reassessments are also conducted for the Underlying Fund on a regular basis

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.

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.

Distribution risk

The Fund's ability to pay a distribution is contingent on the income it receives from its investment in the Underlying Fund. No guarantee can be given concerning the future earnings of the Fund, the earnings or capital appreciation of the Fund's portfolio or the return of your investment.

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 shares held by the Fund.

Market and economic risk

A pandemic, epidemic or other public health crisis could adversely impact CIML, KKR, the Underlying Fund and its investments.

The value of the assets in which the Fund and Underlying Fund invest changes continually and can fall based on a wide variety of factors affecting financial markets generally or individual sectors.

Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. Furthermore, global events such as war, terrorism, environmental disasters, natural disasters or events, country instability, and infectious disease epidemics or pandemics may also negatively affect the value of the Fund's and the Underlying Fund's investments. The duration and potential impacts of such events can be highly unpredictable, which may give rise to increased and/or prolonger market volatility.

For example, an outbreak of COVID-19, has negatively affected economies and markets throughout the world, including those in which the Fund and the Underlying Fund may invest. The effects of this pandemic, and other epidemics and pandemics that may arise in the future, may presently and/or in the future 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 extent of COVID-19 and associated economic and market conditions and uncertainty over the long-term cannot be reasonably estimated at this time. The ultimate impact of COVID-19 and the extent to which the associated conditions impacts the Fund and the Underlying Fund will also depend on future developments which are highly uncertain, difficult to accurately predict and subject to frequent changes.

For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may materially and adversely impact the value and performance of the Fund or Underlying Fund, the Underlying Fund's ability to source, manage and divest investments and the Fund's and Underlining Fund's ability to achieve its investment objectives, all of which could result in significant losses to the Fund and Underlying Fund.

Reliance on portfolio company management

The day-to-day operations of each portfolio company in which the Underlying Fund invests will be the responsibility of such portfolio company's management team, which, in each case, could likely include representatives of investors with whom the Underlying Fund and/or CIML are not affiliated and whose interests conflict with the interests of the Underlying Fund, KKR and/or CIML. Although the Underlying Fund will monitor the performance of each investment, the Underlying Fund may rely (where applicable) significantly on the management teams and boards of directors of portfolio companies in which the Underlying Fund invests. The failure of any management teams and boards of directors of portfolio companies may impact the investments of the Underlying Fund and therefore the performance of the Fund.

Access agreement risk

Channel has entered into an agreement with the Underlying Fund Investment Manager 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

As at the date of this PDS, the Fund has four separate classes of units. This PDS relates to Class C units in the Fund. 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. 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.

8.3 Specific risks of indirectly investing into the Underlying Fund

Interpretation and certain capitalised terms

In addition to the risks factors described above in relation to the Fund, the below describes the risks associated with an investment in the Underlying Fund, including through the Fund, and to other KKR funds in which Underlying Fund has invested in (directly or indirectly) or alongside, including in particular, K-FIT. Accordingly, prospective Investors into the Fund should assume that references to the term '**Underlying Fund**' herein include references to the Fund, the Underlying Fund, K-FIT and, to the extent the Underlying Fund is invested in or alongside any other KKR funds, these other KKR funds as well, unless the context otherwise indicates. In addition, references to the term '**Sponsor**' herein generally describe, as the context or applicable law requires, individually and collectively, the Underlying Fund AIFM, the Underlying Fund Investment Manager and any Underlying Fund sub-investment managers appointed by the Underlying Fund Investment Manager, and all references herein to the Sponsor or to any rights, powers, responsibilities or activities of the Sponsor are qualified in all respects by the terms contained in the Underlying Fund Memorandum. Furthermore, references in this section to "investors' or 'investors in the Underlying Fund' shall include the Fund (and indirectly its underlying investors), as applicable, and references to '**Shares**' shall include shares (*actions*) in the Underlying Fund. Finally, capitalised terms herein defined in this section 8.3 have an autonomous meaning and shall not apply to other sections of this PDS, with the exception of section 13.8 'Conflicts of interest'. The funds, investment vehicles and accounts managed by KKR (including the Underlying Fund AIFM and affiliates of KKR and the Underlying Fund AIFM, but excluding for this purpose, KKR proprietary entities) whether now or following the date of this PDS, including funds, investment vehicles and accounts pursuing the following strategies: private equity (including growth equity, impact, and core strategies), credit (including (i) leveraged credit strategies, including leveraged loan, high-yield bond, opportunistic credit and revolving credit strategies, and (ii) alternative credit strategies, including special situations and private credit strategies such as direct lending and private opportunistic credit (or mezzanine) investment strategies), and real asset strategies (including real estate, energy and infrastructure strategies) are collectively referred to in this section as '**Other KKR Funds**.'

Potential lack of investment opportunities

The activity of identifying, completing and realising attractive investments is highly competitive and involves a significant degree of uncertainty. The Underlying Fund's success will depend, in part, on the ability of the Sponsor to originate or purchase loans and/or bonds and other debt (and certain equity) investments on advantageous terms. The Underlying Fund competes with a broad spectrum of investors, lenders and sources of finance, including other private investment vehicles, as well as the public debt and equity markets, individuals, investment banks, commercial banks, insurance companies and other financial institutions, registered investment companies and BDCs, strategic industry acquirers, alternative investment funds and other institutional investors investing directly or through affiliates, many of which have substantially greater financial resources and are more well-known than the Underlying Fund. Increased competition for, or a diminishment in the available supply of, qualifying loans or bonds and other debt (and certain equity) investments could result in lower yields on such investments, which could reduce returns to shareholders. Such supply-side competition could adversely affect the terms upon which investments can be made by the Underlying Fund. Moreover, in the context of originating loans and other private credit investments, private equity sponsors unaffiliated with KKR could be reluctant to present financing opportunities to the Underlying Fund because of its affiliation with KKR and Other KKR Funds.

Additionally, the Underlying Fund's success will depend, in part, on the ability of the Sponsor to identify and select appropriate investment opportunities, as well as the Underlying Fund's ability to acquire these investments.

Over the past several years, a number of private investment vehicles, in particular, have been formed to make investments in similar strategies to the Underlying Fund (and many such existing entities have grown in size). Additional entities with similar investment objectives also could be formed in the future by unrelated parties. It is possible that competition for appropriate investment opportunities could increase, thus reducing the number of opportunities available to the Underlying Fund. These competing investors could make competing offers for investment opportunities identified by the Underlying Fund General Partner. In addition, such competition could mean that the prices and terms on which investments are made could be less beneficial to the Underlying Fund than would otherwise have been the case.

There can be no assurance that the Sponsor will be able to locate and complete investments which satisfy the Underlying Fund's objectives or realise upon their values or that the Underlying Fund will be able to fully invest its capital. The Underlying Fund likely will incur significant fees and expenses identifying, investigating and attempting to make potential investments that are ultimately not consummated, including fees and expenses relating to due diligence, transportation and travel. Moreover, the Sponsor's beliefs regarding the availability of investment opportunities for the Underlying Fund over the next several years are based in part on assumptions regarding the amount of financing that will be available over such time period, the Underlying Fund's ability to participate in such investments and other market, economic and related assumptions, some or all of which could not materialise as expected.

Limited number of investments

The Underlying Fund is permitted to participate in a relatively limited number of investments and, as a consequence, the aggregate return of the Underlying Fund could be substantially adversely affected by the unfavourable performance of even a single investment. It is also possible that the Underlying Fund's investments will be concentrated in a limited number of sectors or geographic regions. Investors have no assurance as to the degree of diversification of the Underlying Fund's investments, either by size, geographic region, asset type or sector. If the Underlying Fund is unable to sell, assign or otherwise syndicate out loan, bond or other positions that it holds that are greater than the Underlying Fund's target positions, the Underlying Fund will be forced to hold its excess interest in such investments for an indeterminate period of time. This could result in the Underlying Fund's investments being over-concentrated in certain portfolio companies or other issuers. To the extent the Underlying Fund concentrates investments in a particular issuer, investment, sector or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. For the Underlying Fund to achieve attractive returns, it could be the case that one or a few of its investments need to perform very well. There are no assurances that this will be the case. In addition, the Underlying Fund could co-invest with one or more Other KKR Funds. To the extent that a shareholder is also an investor in any such Other KKR Funds that co-invest with the Underlying Fund in a particular investment, such shareholder's exposure to and risk of loss with respect to such investment will be further concentrated.

Compulsory redemption

The Underlying Fund, managed by the Underlying Fund General Partner, reserves the right to execute compulsory redemptions of Shares in the Underlying Fund under certain conditions. If the Underlying Fund General Partner determines at any time that any owner or beneficial owner of Shares in the Underlying Fund is classified as a 'Prohibited Person' (as defined below), either individually or in conjunction with any other person, directly or indirectly, the Underlying Fund General Partner may, at its discretion and without incurring liability, compulsorily redeem those Shares in the Underlying Fund in whole or in part. Following such redemption, the Prohibited Person will cease to be the owner of the redeemed Shares in the Underlying Fund.

For clarity, if a shareholder of the Underlying Fund holds Shares in the Underlying Fund attributable to multiple beneficial owners, and any of those owners is deemed a Prohibited Person, the compulsory redemption may apply solely to the portion of the Shares of the Underlying Fund allocable to that Prohibited Person.

Compulsory redemption may also occur under the following circumstances: if an Underlying Fund's shareholder's investment in a particular class of Shares falls below the minimum investment and holding requirements for that class of Shares in the Underlying Fund, if a shareholder in the Underlying Fund does not meet or ceases to meet the investor eligibility criteria and conditions outlined in the Underlying Fund's offer document and application form, or if shareholders of the Underlying Fund are otherwise not entitled to acquire or possess these Shares in the Underlying Fund.

The Underlying Fund General Partner may request any information it deems necessary from a shareholder of the Underlying Fund to determine if they are or might become a Prohibited Person. Failure to provide requested information may lead the Underlying Fund General Partner to assume that the Underlying Fund shareholder is or will be a Prohibited Person.

Additionally, it is incumbent upon shareholders in the Underlying Fund to immediately inform the Underlying Fund if the ultimate beneficial owner of their Shares becomes or is about to become a Prohibited Person.

For the purposes of these provisions, a "Prohibited Person' is defined as any person:

(i) that is not a Qualified Investor (i.e. an investor who may acquire Shares in the Underlying Fund under the law applicable in its relevant jurisdiction and to whom the Underlying Fund, the Underlying Fund AIFM or their authorised agents are allowed to market the Shares of the Underlying Fund; provided that (i) such person is, a well-informed investor, and (ii) is not a Prohibited Person);

(ii) not eligible as an investor for a class of Shares in the Underlying Fund; or

(iii) who, in the sole opinion of the Underlying Fund General Partner, might hold Shares (including beneficial ownership) in a way that could be detrimental to the interests of existing shareholders in the Underlying Fund, KKR-Income Trust SCA SICAV-RAIF, the Underlying Fund, Sponsor, KKR or their affiliates. This includes scenarios where such ownership might lead to a breach of any laws or regulations, in Luxembourg or elsewhere, or could expose the aforementioned parties to regulatory, tax, economic, or reputational damages, obligations, disadvantages, fines, or penalties that would not otherwise be incurred.

Leverage and borrowing

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

Utilisation of such leverage (including through credit facilities, guarantees, letters of credit, line of credit, equity commitment letters, margin financing, options, futures, repurchase agreements, contracts, short sales, swaps (including total return swaps) and other derivative instruments or similar credit support) will result in fees, expenses and interest costs borne by the Underlying Fund. The principal, interest expense and other costs incurred in connection with any leverage incurred by the Underlying Fund will not necessarily be recovered by the income from and appreciation in the investments of the Underlying Fund. Gains realised with borrowed funds could cause the Underlying Fund's returns to increase at a faster rate than would be the case without borrowings. If, however, investment results fail to cover the principal, interest and other costs of borrowings, the Underlying Fund's returns could also decrease faster than if there had been no borrowings. Additionally, if the investments fail to perform to expectation, the interests of shareholders will be structurally subordinated to such leverage, which will compound any such adverse consequences. Lenders could, under the terms of financing arrangements put in place with them, have the right to withhold distributions of interest payments in respect of any or all leveraged investments for various reasons, including in the event that any such investment fails to perform to expectation. Further, to the extent income received from investments is used to make payments under any financing arrangement, the shareholders could be allocated income, and, therefore, tax liability in excess of cash received by them in distributions.

The Underlying Fund's use of borrowings to create leverage subjects the Underlying Fund to additional risks. For example, depending on the type of facility, a decrease in the market value of the Underlying Fund's investments, which, among other things, could be caused by a decrease in the credit rating of the investments, would increase the effective amount of leverage and could result in the possibility of a 'margin call,' pursuant to which the Underlying Fund must either deposit additional funds or collateral with the lender (which may not be readily available) or suffer mandatory liquidation of the pledged collateral to compensate for the decline in value. Liquidation of its investments at an inopportune time in order to satisfy a 'margin call' would adversely impact the performance of the Underlying Fund and could, if the value of its collateral has declined enough, cause the Underlying Fund to lose all or a substantial amount of its capital. Moreover, an increase in capital required to satisfy 'margin calls' will effectively reduce the amount of capital available for other investments and could adversely affect the diversification of the Underlying Fund's portfolio. In the event of a sudden, precipitous drop in the value of the Underlying Fund's assets, the Underlying Fund could not be able to liquidate assets quickly enough to pay off its debt.

The Underlying Fund's assets, including any investments made by the Underlying Fund and any capital held by the Underlying Fund, are available to satisfy all liabilities and other obligations of the Underlying Fund. If the Underlying Fund defaults on secured indebtedness, the lender could foreclose and the Underlying Fund could lose its entire investment in the collateral for such loan. If the Underlying Fund itself becomes subject to a liability, parties seeking to have the liability satisfied could have recourse to the Underlying Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. The Underlying Fund's financing arrangements could be structured generally as a portfolio financing where all investments are cross-collateralised and multiple investments would then be subject to the risk of loss. As a result, the Underlying Fund could lose its interests in several performing investments in the event any investment is cross-collateralised with poorly performing or non-performing investments.

Credit facility covenants

Any asset-backed credit facility entered into by the Underlying Fund may be backed by all or a portion of the Underlying Fund's loans and securities on which the lenders will have a security interest. The Underlying Fund may pledge up to 100% of its assets and may grant a security interest in all of its assets under the terms of any debt instrument it enters into with lenders. It is expected that any security interests it grants will be set forth in a pledge and security agreement and evidenced by the filing of financing statements by the agent for the lenders. In addition, it is expected that the custodian for its securities serving as collateral for such loan would include in its electronic systems notices indicating the existence of such security interests and, following notice of occurrence of an event of default, if any, and during its continuance, will only accept transfer instructions with respect to any such securities from the lender or its designee. If the Underlying Fund were to default under the terms of any debt instrument, the agent for the applicable lenders would be able to assume control of the timing of disposition of any or all of its assets securing such debt, which would have a material adverse effect on the Underlying Fund's business, financial condition, results of operations and cash flows. In connection with one or more credit facilities entered into by the Underlying Fund, distributions to shareholders may be subordinated to payments required in connection with any indebtedness contemplated thereby.

In addition, any security interests and/or negative covenants required by a credit facility may limit the Underlying Fund's ability to create liens on assets to secure additional debt and may make it difficult for the Underlying Fund to restructure or refinance indebtedness at or prior to maturity or obtain additional debt or equity financing. In addition, if the Underlying Fund's borrowing base under a credit facility were to decrease, it may be required to secure additional assets in an amount sufficient to cure any borrowing base deficiency. In the event that all of the Underlying Fund's assets are secured at the time of such a borrowing base deficiency, it could be required to repay advances under a credit facility or make deposits to a collection account, either of which could have a material adverse impact on the Underlying Fund's ability to fund future investments and to make distributions.

In addition, the Underlying Fund may be subject to limitations as to how borrowed funds may be used, which may include restrictions on geographic and industry concentrations, loan size, payment frequency and status, average life, collateral interests and investment ratings, as well as regulatory restrictions on leverage which may affect the amount of funding that may be obtained. There may also be certain requirements relating to portfolio performance, including required minimum portfolio yield and limitations on delinquencies and charge-offs, a violation of which could limit further advances and, in some cases, result in an event of default. An event of default under a credit facility could result in an accelerated maturity date for all amounts outstanding thereunder, which could have a material adverse effect on the Underlying Fund's business and financial condition. This could reduce the Underlying Fund's liquidity and cash flow and impair our ability to grow the Underlying Fund's business.

Structured financing

To finance investments, the Underlying Fund may securitise certain of its secured loans or other investments, including through the formation of one or more collateralised loan obligations ('**CLOs**'), while retaining all or most of the exposure to the performance of these investments. This would involve contributing a pool of assets to a special purpose entity and selling debt interests in such entity on a non-recourse or limited-recourse basis to purchasers.

If the Underlying Fund creates a CLO, it will depend in part on distributions from the CLO's assets out of its earnings and cash flows to enable it to make distributions to shareholders. The ability of a CLO to make distributions will be subject to various limitations, including the terms and covenants of the debt it issues. Also, a CLO may take actions that delay distributions in order to preserve ratings and to keep the cost of present and future financings lower or the CLO may be obligated to retain cash or other assets to satisfy over-collateralisation requirements commonly provided for holders of the CLO's debt, which could impact the Underlying Fund's ability to receive distributions from the CLO. In addition, a decline in the credit quality of loans in a CLO due to poor operating results of the relevant borrower, declines in the value of loan collateral or increases in defaults, among other things, may force a CLO to sell certain assets at a loss, reducing its earnings and, in turn, cash potentially available for distribution to the Underlying Fund for distribution to shareholders. To the extent that any losses are incurred by the CLO in respect of any collateral, such losses will be borne first by the Underlying Fund as owner of equity interests in the CLO.

The manager for a CLO that is created by the Underlying Fund may be the Underlying Fund Investment Manager or its affiliate, and such manager may be entitled to receive compensation for structuring and/or management services. To the extent the Underlying Fund Investment Manager or its affiliate of the Investment Manager serves as manager and the Underlying Fund is obligated to compensate the Underlying Fund Investment Manager or such affiliate for such services, the Underlying Fund, the Underlying Fund Investment Manager or such affiliate will implement offsetting arrangements to assure that the Underlying Fund, and indirectly, its shareholders, pay no additional management fees to the Underlying Fund Investment Manager or such affiliate in connection therewith. To the extent the Underlying Fund Investment Manager serves as manager, it will waive any right to receive fees for such services from the Underlying Fund (and indirectly the shareholders) or any of its affiliates.

Syndication and warehousing

KKR, Other KKR Funds or affiliates or related parties of the foregoing or other counterparties (including, for the avoidance of doubt, any bank warehouse counterparty, which may be structured as a securitisation vehicle issuing a total return swap, junior and/or 'first loss' notes, the price of which will be linked to the value of the underlying assets, or otherwise, which in each case may be guaranteed, financed or partially financed by any of the foregoing) could acquire an asset (including, for the avoidance of doubt, a warehoused investment) as principal and subsequently sell some or all of it to the Underlying Fund, Other KKR Funds or co-investors in an affiliate or related party transaction. Similarly, the Underlying Fund may acquire an asset (including a warehoused investment) and subsequently syndicate, or sell some or all of it, to KKR, Other KKR Funds, co-investors or affiliates or related parties of the foregoing or other third parties, notwithstanding the availability of capital from the shareholders and other investors thereof or applicable credit facilities. While it is generally expected that any such assets, including warehoused investments (if any), will be transferred by KKR or its affiliates, as applicable, to the Underlying Fund at cost, such transfers may be made at cost, or cost plus an interest rate or carrying cost charged from the time of acquisition of the assets by KKR or its affiliate to the time of transfer, notwithstanding that the fair market value of any such assets (including any warehoused investment) may have declined below or increased above cost from the date of acquisition by KKR or its affiliates, as applicable, to the time of such transfer. KKR or its affiliates, as applicable, may also determine another methodology for pricing such transfers, including the fair market value of the relevant assets at the time of transfer. It may be possible that the Underlying Fund acquires such assets at above fair market value or, in transactions where the Underlying Fund sells such assets, separately sells such assets at below fair market value. Also, KKR or its affiliates may charge fees on such transfers to either or both of the parties to such transactions to the extent permitted under applicable law and any other limitations set forth herein. KKR or its affiliates, as applicable, will be permitted to retain any portion of any asset (including any Warehoused Investment) initially acquired by such party with a view to syndication to the Underlying Fund, Other KKR Funds, co-investors or other potential purchasers to the extent such portion has not been syndicated after reasonable efforts to do so. As part of structuring such syndication and warehousing arrangements, KKR or its affiliates, as applicable, may require the Underlying Fund and Other KKR Funds to enter into conditional purchase agreements, where the Underlying Fund and/or such Other KKR Funds agree to acquire future assets acquired by KKR or its affiliates: (i) prior to their original acquisition by KKR or its affiliates; and (ii) prior to the Underlying Fund and such Other KKR Funds having the requisite available capital to acquire such assets, in each case with such sale being conditional upon the Underlying Fund and/or such Other KKR Funds (as the case may be) having sufficient available capital in order to acquire the relevant assets. Conflicts of interest are expected to arise in connection with these potential syndication or warehouse arrangements and any related affiliate transactions, including with respect to timing, allocations of investments, structuring, pricing and other terms of the transactions related thereto. For example, KKR will have a conflict of interest if KKR were to receive fees, including an incentive allocation, from an Other KRR Fund acquiring from or transferring to the Underlying Fund all or a portion of an investment (including any warehoused investment). Where the Underlying Fund acquires assets with a view to syndicating such assets to KKR, Other KKR Funds, co-investors or affiliates or related parties of the foregoing or other third parties, there is no guarantee that such parties will acquire such assets and the Underlying Fund may be required to retain positions in such assets that are larger than the position size targeted by the Underlying Fund.

These conflicts related to syndication of investments and warehousing will not necessarily be resolved in favour of the Underlying Fund, and shareholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts. By subscribing for Shares in the Underlying Fund, shareholders will be deemed to have acknowledged the syndication of investments (including any warehoused investments) and warehousing and any conflicts arising in connection therewith.

Hedging

The Underlying Fund is permitted to (but is under no obligation to) enter into swaps (including credit default swaps), forward contracts and other arrangements and invest in exchange-traded funds to seek to preserve a return on a particular investment or to seek to protect against adverse movements in interest rates, debt prices and currency exchange rates and certain other risks. Such transactions have special risks associated with them, including the possible bankruptcy, insolvency or default by the counterparty to the transaction and the illiquidity of the instrument acquired by the Underlying Fund relating thereto. Although the Underlying Fund could benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, debt prices or currency exchange rates, or other factors, could result in a poorer overall performance for the Underlying Fund, compared to what the Underlying Fund's performance would have been if it had not entered into hedging transactions, and the costs associated with these arrangements could reduce the returns that the Underlying Fund would have otherwise achieved if these transactions were not entered into by the Underlying Fund. It is not possible to hedge fully or perfectly against currency fluctuations affecting the value of investments denominated in non-U.S. currencies because the value of those investments is likely to fluctuate as a result of independent factors not related to currency fluctuations.. Similarly, portfolio companies and other issuers in which the Underlying Fund invests could also enter into hedging transactions in order to hedge risks applicable to them. Such transactions are subject to similar risks to those described above. The Underlying Fund could be exposed to such risks by reason of its investment in the relevant portfolio company or issuer, and there can be no assurance that any hedging strategies will be effective in protecting against currency exchange rate fluctuations or other risks. In addition, although such hedging transactions could hedge economic risks, they might not be effective hedges for tax purposes. For example, the tax character of the gain or loss on the hedging transaction could differ from the character of the loss or gain on the investment, or the timing or gain or loss for tax purposes could differ between the hedging transaction and the investment.

Investments by the Underlying Fund, and the income received by the Underlying Fund with respect to such investments, can be denominated in various currencies. However, the books of the Underlying Fund will be maintained, and capital contributions to and distributions from the Underlying Fund will be made, in U.S. dollars. Currency hedging transactions might result in positive or negative effects on returns.. In addition, the Underlying Fund General Partner will engage in hedging transactions with respect to the Underlying Fund as it deems appropriate in accordance with the Underlying Fund Memorandum and without taking into consideration any hedging transactions separately entered into by shareholders, which could result in a shareholder's own hedging activities being rendered ineffective or result in adverse or otherwise undesired effects with respect to a shareholder's interest in the Underlying Fund.

Regulators in the United States and the European Union have implemented regulations imposing broad new regulatory requirements applicable to the over-the-counter ('**OTC**') derivative markets that include, but are not limited to: requirements to execute liquid OTC derivatives (currently limited to specified interest rate swaps and index credit default swaps) on regulated exchanges or other trading facilities; requirements to clear certain liquid OTC derivatives through central counterparties; margin requirements for uncleared OTC derivatives; and data reporting requirements. These changes can likely increase the costs to the Underlying Fund of utilising OTC derivatives to enter into hedging transactions or to obtain synthetic investment exposures adversely affecting the Underlying Fund's ability to achieve its investment objective or mitigate risk.

Currency risk – U.S. Dollar

A material portion of investments by the Underlying Fund, and the income received by the Underlying Fund with respect to such investments will be denominated in various non-U.S. currencies. However, the books of the Underlying Fund will be maintained, and subscription and redemption amounts and current income distributions (if any) will be paid and made, as applicable, in U.S. dollars. Accordingly, changes in currencies could adversely affect the U.S. dollar value of portfolio investments, interest and other revenue streams received by the Underlying Fund, gains and losses realised on the sale of portfolio investments and the amount of distributions, if any, made by the Underlying Fund. In addition, the Underlying Fund will incur costs in converting portfolio investment proceeds from one currency to another. The Underlying Fund

General Partner can (but is not required to) enter into hedging transactions designed to reduce such currency risks (see section 3.7 'Disclosure Principle 7: Derivatives' above). Furthermore, the Portfolio Companies and other issuers in which the Underlying Fund invests could in many cases be subject to risks relating to changes in currency values, as described above. If a portfolio company or other issuer suffers adverse consequences as a result of such changes, the Underlying Fund would also be adversely affected.

Among the factors that could affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political and economic developments. The Underlying Fund General Partner could try to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but there can be no assurance such strategies will be effective.

Currency exposure related to classes denominated in currencies other than the U.S. Dollar

As described in section 3.7 'Disclosure Principle 7: Derivatives' above, the Underlying Fund currently offers classes denominated in AUD and SGD as well as the U.S. dollar and in the future could make available classes denominated in other currencies. Where the Underlying Fund offers classes denominated in a currency other than the U.S. dollar, the Underlying Fund generally intends as far as it determines is reasonably practicable to enter into hedging transactions on behalf of such class in order to seek to minimise currency risk exposure relative to the U.S. dollar, however, depending on the prevailing circumstances, the Underlying Fund may or may not hedge certain classes, either partially or fully.

The objective of such hedging transactions is to seek to maintain a close similarity in any given period between the gross return of the Underlying Fund's U.S. dollar classes, as expressed as a percentage increase in U.S. dollar value, and the gross return of such hedged classes, as expressed as a percentage increase in the applicable non-U.S. currency value. However, hedging U.S. dollar-denominated assets with fluctuating and uncertain values is inherently difficult, and as a result there can be no assurance that the hedging transactions will be effective in achieving this objective. In particular, the gross returns of the relevant hedged classes are expected to differ from the corresponding U.S. dollar classes, and such differences could be material. To the extent the hedging transactions are partly or entirely unsuccessful, the net asset value of the relevant classes will fluctuate entirely with the U.S. dollar exchange rate as well as with the changes in value of the investments of the Underlying Fund. Utilising hedging strategies involves special risks including possible default by a counterparty, illiquidity and, to the extent the Underlying Fund Investment Manager's view as to certain market movements is incorrect, the risk that the use of a hedging strategy could result in losses greater than if it had not been used.

There can be no guarantee that the currency hedging transactions which the Underlying Fund and/or its service providers put in place will be effective. The Underlying Fund and/or its service providers retain the sole discretion to determine how, when and to what extent to engage in currency transactions. Such expenses will be paid out of the assets allocable to the relevant hedged classes and will reduce the net asset value of such hedged classes accordingly.

Collateral risk

One of the fundamental risks associated with the Underlying Fund's investments is credit risk, which is the risk that a borrower will be unable or unwilling to make principal and interest payments on its outstanding debt obligations, including the Underlying Fund's investment, when due. The Underlying Fund's returns to shareholders will be adversely impacted if a borrower to which the Underlying Fund lends becomes unable to make such payments when due.

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

The Underlying Fund cannot guarantee the adequacy of the protection of the Underlying Fund's interests in connection with any investment, including the validity or enforceability of a loan and the maintenance of the anticipated priority and perfection of applicable security interests. Under certain circumstances, collateral securing an investment could be released without the consent of the Underlying Fund. The Underlying Fund's security interest with respect to investments in secured debt could be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the Underlying Fund would not have priority over other creditors as anticipated. Furthermore, the Underlying Fund cannot assure that claims will not be asserted that could interfere with enforcement of the Underlying Fund's rights. First priority lien investments made by the Underlying Fund could, in certain cases, provide a first priority lien over some, but not all, of the assets of the relevant borrower, or permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of a syndicate to the borrower). In addition, a borrower could have two tranches of first lien debt outstanding, each with first liens on separate collateral. Any secured debt held by the Underlying Fund will be secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets.

The Underlying Fund has the ability to invest in second-lien debt investments and is permitted to hold high-yield securities, marketable and non-marketable common and preferred equity securities and warrants and other unsecured investments (including, but not limited to, to the extent it receives such assets in a restructuring or such assets are issued or otherwise acquired in connection with an investment in secured debt or in the operator or manager of any related platform), each of which involves a higher degree of risk than senior first-lien secured debt investments, including the re-use and subsequent loss of any such collateral by the borrower. Furthermore, the Underlying Fund's right to payment and its security interest, if any, could be subordinated to the payment rights and security interests of senior lenders with respect to some or all of the assets of a portfolio company or other issuer. Certain of these investments could have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, an issuer's ability to repay the principal of an investment could be dependent upon a liquidity event or the long-term success of the issuer, the occurrence of which is uncertain.

Similarly, while the Underlying Fund will generally target investing in portfolio companies and other issuers it believes are of high quality, these issuers could still present a high degree of business and credit risk. Issuers in which the Underlying Fund invests could deteriorate as a result of, among other factors, an adverse development in their businesses, a change in the competitive environment or the continuation or worsening of the current (or any future) economic and financial market downturns and dislocations. As a result, companies and other issuers that the Underlying Fund expected to be stable or improve 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.

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

Risks Relating to Investment in RMBS

The Underlying Fund could, from time to time, invest in residential mortgage-backed securities ("RMBS"). Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by residential mortgage loans. Such loans can be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans could be securitised, and the securities issued in such securitisation could be guaranteed or credit enhanced. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan can be a lengthy and difficult process and could involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties could be very limited. At any one time, a portfolio of RMBS could be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the residential mortgage loans can be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. In addition, the residential mortgage loans could include so-called "Jumbo" mortgage loans, having original principal balances that are higher than is generally the case for residential mortgage loans. As a result, such portfolio of RMBS could experience increased losses.

Structural and Legal Risks of RMBS

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

RMBS have structural characteristics that distinguish them from other asset-backed securities. The rate of interest payable on RMBS could be set or effectively capped at the weighted average net coupon of the underlying mortgage loans themselves. As a result of this cap, the return to investors is dependent on the relative timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Federal and state law could also affect the return to investors by capping the interest rates payable by certain mortgagors. The Service Members Civil Relief Act of 2003 provides relief for soldiers and members of the reserve called to active duty by capping the interest rates on their mortgage loans at 6% per annum. Certain RMBS could provide for the payment of only interest for a stated period of time.

In addition, structural and legal risks of RMBS include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer and could be substantively consolidated with those of the originator, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. Challenges based on such doctrines could result also in cash flow delays and losses on the related issue of RMBS.

Commercial MBS

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

The repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related real estate project rather than upon the liquidation value of the underlying real estate. Furthermore, the net operating income from and value of any commercial property is subject to various risks, including changes in general or local economic conditions and/or specific industry segments; the solvency of the related tenants; declines in real estate values; declines in rental or occupancy rates; increases in interest rates, real estate tax rates and other operating expenses; changes in governmental rules, regulations and fiscal policies; access to transportation; acts of God; terrorist threats and attacks and social unrest and civil disturbances. Changes in work patterns, such as telecommuting and shared space among workers, which trends have increased in recent years, could depress demand for office space and adversely affect the value of office assets. Most commercial mortgage loans underlying commercial mortgage-backed securities ("MBS") are effectively non-recourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks and governmental disclosure requirements with respect to the condition of the property may make a third-party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related MBS. Revenues from the assets underlying such MBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court appointed receiver to control collateral cash flow.

Recharacterisation

The Underlying Fund is permitted to seek to place its representatives on the boards of certain companies or other issuers in which the Underlying Fund has invested. The Underlying Fund is also permitted to invest in portfolio companies or other issuers where KKR and/or Other KKR Funds have representatives on the boards of such issuers. While such representation could enable the Underlying Fund to enhance the sale value of its debt investments in an issuer, such involvement (and/or any equity interest of the Underlying Fund, KKR or any Other KKR Fund in such issuer) could also prevent the Underlying Fund from freely disposing of its debt investments and subject the Underlying Fund to additional liability or result in recharacterisation of the Underlying Fund's debt investments as equity. The Underlying Fund will indemnify the Sponsor and KKR and the members, partners, equity holders, directors, officers, employees and, if specifically agreed by the Underlying Fund General Partner, agents of or advisors to each of them, for claims arising from such board representation. The Underlying Fund will attempt to balance the advantages and disadvantages of such representation when deciding whether and how to exercise its rights with respect to such companies or issuers, but the exercise of such rights could produce adverse consequences in particular situations.

Fraudulent conveyance, lender liability and equitable subordination

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

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

Bankruptcy, restructuring, insolvency and other proceedings

In addition to those risks described above, investments in companies or other issuers involved in bankruptcy, restructuring or insolvency proceedings involve a number of significant risks. Many of the events within such proceedings can be adversarial and often beyond the control of creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy, insolvency or other applicable court or judge will approve actions which are not contrary to the interests of the Underlying Fund. This is particularly the case in those jurisdictions which are considered to have 'debtor-friendly' insolvency or bankruptcy regimes and give a comparatively high priority to preserving the debtor company as a going concern or, alternatively, which seek to protect the interests of creditors with higher ranking claims in bankruptcy or of other key stakeholders, such as certain employees, pension trustees and/or trade creditors.

Generally, the duration of a bankruptcy or insolvency proceeding or a financial restructuring process can only be roughly estimated. Depending on the jurisdiction(s) concerned, the reorganisation of a portfolio company or other issuer in which the Underlying Fund invests could involve the development and negotiation of a restructuring plan which will need to be approved by the requisite majority of creditors and, potentially, sanctioned by the relevant court or regulatory body. This process can involve substantial legal, professional and administrative costs to the issuer and the Underlying Fund and can be subject to unpredictable and lengthy delays, particularly in jurisdictions which do not have sophisticated insolvency legislation or specialised insolvency courts or judges and/or have a higher risk of political interference in insolvency proceedings or restructuring processes, all of which could have adverse consequences for the Underlying Fund. Following the onset of financial distress, a portfolio company or other issuer's competitive position and professional reputation could be negatively impacted, key management could depart, the issuer could not be able to invest adequately and key contracts and licenses could be terminated or renegotiated on less favourable terms, potentially leading to considerable impairment of its business, a risk which is increased by the fact that certain jurisdictions or markets in which the Underlying Fund can invest permit the exercise of contractual termination provisions linked solely to the insolvency or reorganisation of the debtor company. In some cases, a portfolio company or other issuer could be unable to undertake a financial restructuring and could be required to enter into a formal liquidation or wind-down process. It should be noted, in this respect, that certain jurisdictions in which the Underlying Fund is permitted to invest have a historically poor track record of companies emerging from a formal reorganisation or bankruptcy process. Although the Underlying Fund will invest only in debt, portfolio companies and other issuers that are encountering financial difficulty could not be in a position to meet their debt service obligations, which could result in accrued interest not being paid during any reorganisation of such portfolio company or other issuer. Any investments in distressed companies or issuers can ultimately result in the total or partial write-down of principal (together with any accrued interest, fees and applicable premium).

Bankruptcy, insolvency and other applicable laws and regimes across the United States and non-U.S. jurisdictions can vary materially and could be more or less favourable to the Underlying Fund. In certain jurisdictions, applicable laws could require the board of directors of an insolvent company to initiate bankruptcy proceedings within a specified period of time in order to ensure compliance with their duties as directors, which could increase the risk of the Underlying Fund having to participate as a creditor in an uncontrolled bankruptcy process. There are a number of different statutory regimes which apply across the region in which the Underlying Fund can invest for the purposes of ranking creditor claims. The preferential claims of certain parties (for example, employee claims) that could rank ahead of the Underlying Fund pursuant to these laws could be very substantial and could impact the potential returns available to other creditors, such as the Underlying Fund. The balance between protecting creditor rights and protecting the debtor will also vary from jurisdiction to jurisdiction, with some comparatively 'debtor-friendly' insolvency regimes being able to impose moratoriums or stays on the enforcement of claims against the debtor or other long-term settlement structures in the absence of an agreed creditor proposal. Many jurisdictions in which the Underlying Fund is permitted to invest will have some form of insolvency clawback legislation, which could, for example, invalidate security created by an insolvent company in favour of the Underlying Fund in a stipulated period prior to the onset of its insolvency, require the Underlying Fund to repay or turnover certain payments received from insolvent companies or permit the courts to render any repayment obligations under loans and other debt instruments held by the Underlying Fund unenforceable if such instruments were found to have been issued with the intent of hindering, delaying, defrauding or preferring creditors or as constituting a fraudulent transfer or conveyance. The Underlying Fund is permitted to invest in portfolio companies or other issuers in which an Other KKR Fund holds equity, including a controlling equity interest. In certain jurisdictions, such an equity stake (or an equity investment in the parent company of a portfolio company) held by an Other KKR Fund could result in the recharacterisation of the Underlying Fund's debt investments as equity or otherwise result in the subordination of the claims of the Underlying Fund in respect of such Portfolio Company in an equity-like manner.

The Underlying Fund AIFM, on behalf of the Underlying Fund, is permitted to elect to serve on creditors' committees or other groups to facilitate the preservation or enhancement of the Underlying Fund's position as a creditor in respect of a portfolio company or other issuer. In certain circumstances, a member of any such committee or group could owe certain obligations generally to all parties similarly situated that the committee represents. If the Underlying Fund AIFM concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to the Underlying Fund, it could request to resign from that committee or group, and the Underlying Fund would not realise the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if the Underlying Fund is represented on a committee or group, it could be restricted or prohibited under applicable law from trading in the investments in such issuer while it continues to be represented on such committee or group and/or while it continues to receive material information in relation to the financial performance of the issuer of a non-public nature.

Interest rate risk

The Underlying Fund's investments will expose it to interest rate risk, 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, deflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorders and instability in U.S., European and other financial markets. There could be significant unexpected movements in interest rates, which movements could have adverse effects on portfolio companies and the economy as a whole. In light of the foregoing, and more generally, the Underlying Fund could periodically experience imbalances in the interest rate sensitivities of its assets and liabilities and the relationships of various interest rates to each other, which could adversely affect its performance. While the Underlying Fund is permitted to (but is not required to) seek to hedge interest rate risks of its investments, in a changing interest rate environment, it is possible that the Underlying Fund will not be able to manage interest rate risk effectively, which could have an adverse effect on the performance of the Underlying Fund. Further, due to developments surrounding the regulation of OTC derivatives, the Underlying Fund's ability to hedge interest rate risk could be limited.

Inflation risk

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

The U.S. and other developed economies, including in Western Europe, have been experiencing higher than normal inflation rates. It remains uncertain whether substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time or have a significant adverse effect on the U.S. or other economies. If a Portfolio Company or other issuer in which the Underlying Fund invests is unable to increase its revenue in times of higher inflation, its ability to service any credit or other investments of the Underlying Fund (and therefore the Underlying Fund's profitability) may be adversely affected. A Portfolio Company or other issuer in which the Underlying Fund invests could in some cases have long-term rights to income linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. Typically, as inflation rises, a Portfolio Company might be unable to reduce expenses in line with any resulting reduction in revenue. In an attempt to stabilise inflation, countries could impose wage and price controls or otherwise intervene in the economy, and certain central banks have significantly raised interest rates at times in recent years. Governmental efforts to curb inflation often have negative effects on the level of economic activity, generally. To the extent recently witnessed trends of high inflation persist both in the U.S. and globally, such elevated inflation, along with governmental efforts to curb it, could have a significant adverse effect on the Underlying Fund and its Portfolio Companies and other issuers in which it invests. Further, some countries have historically experienced substantial rates of inflation. Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed. Inflation and rapid fluctuations in inflation rates have had, and could continue to have, negative effects on the economies and securities markets of certain emerging economies, including in countries where the Underlying Fund is expected to invest.

Credit rating

Rating agencies rate debt securities based upon their assessment of the likelihood of the receipt of principal and interest payments. Rating agencies do not consider the risks of fluctuations in market value or other factors that could influence the value of debt securities. Therefore, the credit rating assigned to a particular instrument could not be fully reflective of the true risks of an investment in such instrument. Credit rating agencies can change their methods of evaluating credit risk and determining ratings. These changes could occur quickly and often. While the Underlying Fund could give some consideration to ratings assigned to any debt investments in which it invests or otherwise assigned to other instruments issued by any portfolio company or other issuer in which it invests, such ratings could not be indicative of the actual credit risk of the Underlying Fund's investments in rated instruments or related investments.

High yield debt

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

Convertible securities

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

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

A convertible security could be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Underlying Fund is called for redemption, the Underlying Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the Underlying Fund's ability to achieve its investment objective.

Investment Grade Debt Investments

Debt securities and instruments that are rated Baa or higher by Moody's, BBB or higher by S&P or unrated securities and instruments deemed by the Underlying FUnd General Partner to be of comparable quality are considered to be "investment grade." Generally, a higher rating indicates the rating agency's opinion that there is less risk of default of obligations thereunder including timely repayment of principal and payment of interest. Debt securities and instruments in the lowest investment grade category could have speculative characteristics and more closely resemble high yield debt investments than investment grade debt investments. Lower rated securities and instruments could be subject to all of the risks applicable to high yield debt investments, and changes in economic conditions or other circumstances are more likely to lead to a weakened capacity to make principal and interest payments than is the case with higher grade debt investments. Also number of risks associated with rating organisations apply to the purchase or sale of investment grade debt investments. For example, ratings assigned by the rating agencies are based upon an analysis completed at the time of the rating of the obligor's ability to pay interest and repay principal, typically relying to a large extent on historical data, which could inaccurately represent present or future circumstances.

Participation interests

The Underlying Fund could invest in broadly syndicated loans indirectly through acquiring participation interests in all or a portion of a loan, or could have a participation or other derivative interest in (as opposed to direct ownership of) payments in respect of other targeted investments and any related collateral or an indirect interest (for example, through a swap or other derivative instrument) in such a participation or derivative interest. Participations in a loan will result in a contractual relationship between the Underlying Fund and the institution participating out, or selling, the relevant portion of the loan and not with the obligor under the loan. Participation interests will only give the Underlying Fund the right to receive payments of principal and interest from the institution participating out the loan, and not directly from the obligor, and will typically give the Underlying Fund limited consent rights to amendments of the underlying credit documents. Similarly, the Underlying Fund will not have any direct rights or recourse in the collateral, if any, securing such loans. The underlying borrower can, in general, retain the right to determine whether remedies provided for in the underlying credit documents will be exercised, or waived, without any prior consultation with, or consent by, the Underlying Fund. In the event that the Underlying Fund enters into such an indirect investment, there can be no assurance that the Underlying Fund's ability to realise upon a participation or derivative position will not be interrupted or impaired in the event of the bankruptcy or insolvency of any of the underlying borrower or the Underlying Fund's counterparty in such participation or derivative transaction.

Asset-backed securities

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

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

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

Zero coupon and PIK bonds

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

Mezzanine investments

The Underlying Fund may make mezzanine debt investments in Portfolio Companies and other issuers. Any such investments could be (and are generally expected to be) unsecured and made in companies and other issuers whose capital structures have significant indebtedness ranking ahead of the investments, all or a significant portion of which could be secured. As a result, upon any distribution to any such issuer's creditors in a bankruptcy, liquidation or reorganisation or similar proceeding, the holders of such senior and/or secured indebtedness (to the extent of the collateral securing such obligations) will be entitled to be paid in full before any payment will be made on the Underlying Fund's investments. In the event of a bankruptcy, liquidation or reorganisation or similar proceeding relating to a Portfolio Company or other issuer in which the Underlying Fund has made any such investment, the Underlying Fund will participate with all other holders of such issuer's indebtedness in the assets remaining after the issuer has paid all of its senior and/or secured indebtedness (to the extent of the collateral securing such obligation). In such circumstances it is possible that an issuer could not have sufficient funds to pay all of its creditors and the Underlying Fund could receive nothing, or less, relatively, than the holders of senior and/or secured indebtedness of such issuers or other holders of indebtedness of the issuer that is not subordinated.

While the investments could benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the Underlying Fund's investments and could benefit from cross-default provisions and security over the assets of the relevant Portfolio Company or other issuer, some or all of such terms could not be part of particular investments. Moreover, the ability of the Underlying Fund to influence a Portfolio Company's or other issuer's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors will typically be able to block the acceleration of the mezzanine debt or other exercises by the Underlying Fund of its rights as a creditor. Accordingly, the Underlying Fund could be unable to take the steps necessary to protect its investments in a timely manner or at all and there can be no assurance that the rate of return objectives of the Underlying Fund in respect of such investments will be achieved. In addition, the mezzanine investments made by the Underlying Fund could not be protected by financial covenants or limitations upon additional indebtedness, could have limited liquidity and are not expected to be rated by a credit rating agency.

Mezzanine investments generally are subject to various risks, including, without limitation: (i) a subsequent characterisation of an investment as a 'fraudulent conveyance' under relevant creditors' rights laws possibly resulting in the avoidance of collateral securing the investment or the cancellation of the obligation representing the investment; (ii) the recovery as a 'preference' of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) so-called 'lender liability' claims by the issuer of the obligations; and (v) environmental liabilities that could arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any issuer in which the Underlying Fund invests, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of the Underlying Fund's investment in any such issuer.

Early prepayment

Certain debt investments in which the Underlying Fund is permitted to invest could be repaid early, so that , the actual maturity of such investments is typically shorter than their stated final maturity calculated solely on the basis of the stated life and repayment schedule. Generally, voluntary prepayments are permitted and the timing of prepayments cannot be predicted with any accuracy. The degree to which borrowers prepay senior debt, whether as a contractual requirement or at their election, could be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders. Prepayments are likely to be made during any period of declining interest rates. Such prepayments could result in the Underlying Fund receiving a lower than anticipated yield on such investments.

Limited amortisation requirements

The Underlying Fund is permitted to invest in loans that have limited mandatory amortisation requirements. While these loans could obligate the borrower to repay the loans out of asset sale proceeds or with annual excess cash flow, repayment requirements could be subject to substantial limitations that would allow a borrower to retain such asset sale proceeds or cash flow, thereby extending the expected weighted average life of the investment. In addition, a low level of amortisation of any debt over the life of the investment could increase the risk that a borrower will not be able to repay or refinance the loans held by the Underlying Fund when it matures.

Investment in K-FIT

The Underlying Fund is expected to implement a material portion of its investment strategies through investing in common shares issued by K-FIT, a specialty finance company, organised on February 4, 2022 as a Delaware statutory trust. K-FIT is a non-diversified, closed-end management investment company that filed an election to be regulated as a BDC under the US 1940 Act on March 31, 2023, and is externally managed by FS/KKR Advisor, LLC, a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the '**Advisers Act**'), that is jointly operated by KKR Credit and by an affiliate of Franklin Square Holdings, L.P. K-FIT has a similar investment objective and pursues similar investment strategies to the Underlying Fund but has a geographic focus that is primarily on the United States. It is expected in particular that the Underlying Fund will implement its U.S. originated direct lending investments indirectly through its investments in K-FIT, as a well as a portion of its other investment strategies.

While the Underlying Fund currently expects its investment in K-FIT over time to represent between 60% to 70% of its net asset value, subject to applicable law, it has not adopted any specific minimum investment guidelines in respect of such investments. Subject to the limitations set out herein, the actual percentage of the Underlying Fund's net asset value that will be invested in K-FIT at any given time will be determined by the Underlying Fund General Partner in its sole discretion and could differ materially depending on applicable law (which among other things restricts the percentage of the Underlying Fund's assets that may be invested in K-FIT and the percentage of K-FIT that may be owned by the Underlying Fund), market opportunities, the Underlying Fund's liquidity requirements and other variable factors. The Underlying Fund will, however, at any time invest more than 15% of its assets directly outside of its investments in K-FIT.

Direct investments made by the Underlying Fund could be held directly or indirectly through wholly-owned subsidiaries of the Underlying Fund. References in this Memorandum to the Underlying Fund, the Underlying Fund or the Fund include such subsidiaries unless the context otherwise requires. Such direct investments (including investments made through any wholly-owned subsidiaries of the Underlying Fund) are permitted to be made directly and indirectly through investment origination, acquisition or servicing joint venture or other platform arrangements, including alongside operators and managers of such arrangements formed to pursue these opportunities, and can also include investments in such operators and managers.

Without limiting the foregoing, while the risk considerations noted below and more generally in this PDS are also generally applicable to K-FIT and the Underlying Fund's indirect investments through K-FIT in addition to its direct investments, additional considerations not described herein are and may in the future be applicable to K-FIT.

Governance

K-FIT's business and affairs are managed under the direction of its Board of Trustees (the '**K-FIT Board**'). The K-FIT Board consists of eleven Trustees, nine of whom are not 'interested persons', as defined in the 1940 Act, of K-FIT or the K-FIT Manager (including KKR) and are 'independent,' as determined by the Board. Subject to the oversight of the K-FIT Board, the K-FIT Manager oversees the management of K-FIT's operations and is responsible for making investment decisions with respect to K-FIT's portfolio. The management of K-FIT's investment portfolio is the responsibility of the K-FIT Manager's investment committee, which is currently comprised of four appointees of KKR Credit and four appointees of FS Investments.

K-FIT will not pay compensation to its Trustees who also serve in an executive officer capacity for K-FIT or the K-FIT Manager. K-FIT's Trustees who do not also serve in an executive officer capacity for K-FIT or the K-FIT Manager have temporarily agreed to waive annual cash retainer fees and annual fees for serving as committee members or chairpersons. The amount of such fees will be established by the K-FIT Board at a later date. K-FIT will reimburse each of the Independent Trustees for all reasonable and authorised business expenses in accordance with its policies as in effect from time to time, including reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each in-person K-FIT Board meeting and each in-person K-FIT Board committee meeting not held concurrently with a K-FIT Board meeting. K-FIT has obtained trustees' and officers' liability insurance on behalf of its Trustees and officers.

The K-FIT Manager is registered as an investment adviser under the Advisers Act. Subject to the overall supervision of the K-FIT Board, the K-FIT Manager will manage the day-to-day operations of, and provide investment advisory and administrative services to, K-FIT.

The management of K-FIT's investment portfolio is the responsibility of the K-FIT investment committee which is comprised of four appointees of KKR Credit and four appointees of FS Investments. The members of the K-FIT investment committee are not employed by K-FIT and receive no compensation from K-FIT in connection with their portfolio management activities.

The advisory agreement pursuant to which the K-FIT Manager is appointed by K-FIT (the '**K-FIT Advisory Agreement**') has an initial two-year term and thereafter will remain in effect from year-to-year if approved annually by a majority of the Board of Trustees or by the holders of a majority of K-FIT's outstanding voting securities and, in each case, a majority of the Independent Trustees. The K-FIT Advisory Agreement may be terminated by K-FIT upon 60 days' written notice. The decision to terminate the K-FIT Advisory Agreement may be made by a majority of the Board of Trustees or the shareholders holding a majority of K-FIT's outstanding voting securities.

Investment opportunities and follow-on investments in existing portfolio companies will generally require approval of K-FIT's investment committee, which meets regularly to consider K-FIT's investments, direct K-FIT's strategic initiatives and supervise the actions taken by the K-FIT Manager on K-FIT's behalf. In addition, the investment committee reviews and determines whether to make prospective investments identified by the K-FIT Manager and monitors the performance of K-FIT's investment portfolio. The day-to-day management of investments approved by the investment committees will be overseen by investment personnel.

K-FIT leverage

K-FIT intends to and does employ leverage to enhance its returns subject to leverage limitations applicable under the 1940 Act, which generally require it to maintain 150% asset coverage for its debt after incurring new indebtedness. K-FIT uses leverage in the form of borrowings, including loans from certain financial institutions and the issuance of debt. It may also (and currently does) use leverage in the form of the issuance of preferred shares and may also incur leverage through using reverse repurchase agreements, derivatives such as credit default swaps and similar transactions. Any leverage incurred by K-FIT will not be taken into account in determining compliance by the Underlying Fund with the Leverage Limit or leverage disclosures by the Underlying Fund pursuant to the European Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

Share repurchases by K-FIT; impact on Underlying Fund Share redemptions

As it is expected that a significant portion of the assets of the Underlying Fund will be invested at any given time in shares of K-FIT, investors should note that the ability of the Underlying Fund to meet redemption requests and make payments of redemption proceeds in a timely manner shall generally be dependent in large part on the receipt of repurchase proceeds by the Underlying Fund in respect of such shares.

It is also expected that K-FIT will implement a share repurchase program pursuant to which it will offer to repurchase in each calendar quarter up to 5% of its common shares as of the end of the prior calendar quarter. It is generally therefore expected that the liquidity profile of K-FIT will be consistent with the Underlying Fund's and will facilitate quarterly redemption of shares. Investors should note however that, K-FIT is not an open-end fund and the Underlying Fund will therefore, along with other investors in K-FIT, be dependent on the K-FIT Board implementing a share repurchase program (which may be suspended at any time) in respect of K-FIT shares in order to realise their investments. Investors should also note that the Underlying Fund will not (a) tender for repurchase by K-FIT or (b) sell in a secondary sale more than 4.99% of its shares in K-FIT, except upon 61 days' prior notice to K-FIT.

As noted above, the K-FIT Board is comprised of a majority of Trustees that are unaffiliated with KKR. Accordingly, none of the Underlying Fund General Partner, the Sponsor or their affiliates are in a position to control any decision of the K-FIT Board to materially limit or otherwise suspend repurchases of shares, by the K-FIT Board taking into account, among other things, the liquidity profile of K-FIT's portfolio, related market circumstances, the best interests of K-FIT and its investors (and not solely of the Underlying Fund) and its determination to cause K-FIT to comply with requirements applicable to a RIC, which generally require K-FIT to distribute at least 90% of its annual taxable income. Any such event during any period could materially adversely impact the ability of the Underlying Fund to meet outstanding redemption requests and could result in the application of the redemption limitation or suspension of redemptions discussed above.

Payment by K-FIT for repurchased K-FIT shares may require K-FIT to liquidate portfolio holdings earlier than the K-FIT Manager would otherwise have caused these holdings to be liquidated, potentially resulting in losses, may increase K-FIT's investment-related expenses as a result of higher portfolio turnover rates and may reduce liquidity within K-FIT's portfolio, including to fund future repurchases of K-FIT shares.

Costs and expenses relating to the Underlying Fund's investment in K-FIT

The K-FIT Manager is entitled to a base management fee and an incentive fee from K-FIT in respect of its investment management services calculated in a manner consistent with the calculation of the Underlying Fund's management fee and incentive fee described above. The K-FIT Manager has agreed to waive the base management fee and the incentive fee on income payable by K-FIT through September 30, 2025 subject to any further extension or revision provided by the K-FIT Manager.

All or any part of the K-FIT Manager's base management fee not taken as to any quarter will be deferred without interest and may be taken in such other quarter as the K-FIT Manager determines. For the avoidance of doubt, no base management fee shall be paid to the K-FIT Manager for any period occurring prior to the date of K-FIT's filing of its election to be regulated as a BDC under the 1940 Act.

The Underlying Fund will be required to pay or otherwise bear management fees, incentive fees or other incentive compensation paid to the K-FIT Manager or its affiliates by K-FIT subject to such offset or sharing arrangements as are described herein. The Underlying Fund will also indirectly bear other expenses of K-FIT, including all investment related expenses and expenses paid to affiliates of the Underlying Fund Investment Manager, formation expenses, administrative expenses and other operating expenses.

Such costs and expenses will include those substantially similar to the Underlying Fund expenses as applicable to K-FIT and its activities, as well as fees and expenses of K-FIT Trustees not also serving in an executive officer capacity for K-FIT or the K-FIT Manager, all costs of registration and listing K-FIT's common shares or other securities on any securities exchange (if applicable) and an allocable portion of the compensation and related expenses of certain personnel of KKR Credit and FS Investments providing administrative services to K-FIT on behalf of the K-FIT Manager. The K-FIT Manager allocates the costs and expenses of such services to K-FIT based on factors such as total assets, revenues, time allocations and/or other reasonable metrics which expense allocation methodology is reviewed by the K-FIT Board. The K-FIT Manager has entered into certain expense support arrangements with K-FIT pursuant to which it may pay certain expenses of K-FIT subject to future priority reimbursement out of available cash (based on an agreed methodology). Such arrangement may be terminated at any time by either K-FIT or the K-FIT Manager.

K-FIT shareholder activism

K-FIT's business and operations could be negatively affected if it becomes subject to shareholder activism, which could cause it to incur significant expense, hinder the execution of its investment strategy or impact its share price.

Shareholder activism, which could take many forms, including making public demands that K-FIT considers certain strategic alternatives, engaging in public campaigns to attempt to influence K-FIT's corporate governance and/or management and commencing proxy contests to attempt to elect the activists' representatives or others to the K-FIT Board, or arise in a variety of situations, has been increasing in the BDC space recently. K-FIT may in the future become the target of shareholder activism, which could result in substantial costs and divert the K-FIT management's and the K-FIT Board's attention and resources from its business. Additionally, such shareholder activism could give rise to perceived uncertainties as to its future and adversely affect its relationships with service providers and portfolio companies. Also, K-FIT may be required to incur significant legal and other expenses related to any activist shareholder matters. Further, the valuation of the K-FIT common shares could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any shareholder activism. Such developments could adversely impact the Underlying Fund's interest in K-FIT.

Uncertainty of future sources for funding future capital needs

It is intended that K-FIT uses the net proceeds from its offering to (i) make investments in accordance with its investment strategy and policies; (ii) reduce borrowings and repay indebtedness incurred under various financing agreements it may enter into; (iii) fund repurchases under its share repurchase program; and (iv) for general corporate purposes, including paying operating expenses and other various fees and expenses such as base management fees and incentive fees. Any working capital reserves it maintains may not be sufficient for investment purposes, and it may require debt or additional equity financing in the future to operate. It may also need to access the capital markets to refinance debt obligations to the extent maturing obligations are not repaid with cash flows from operations. In order to maintain RIC tax treatment, K-FIT must distribute distributions to its shareholders each tax year on a timely basis generally of an amount at least equal to 90% of its investment company taxable income, determined without regard to any deduction for distributions paid, and the amounts of such distributions will therefore not be available to fund investment originations or to repay maturing debt. In addition, with certain limited exceptions, K-FIT is only allowed to borrow amounts or issue debt securities or preferred stock, which it refers to collectively as 'senior securities', such that its asset coverage, as calculated pursuant to the 1940 Act, equals at least 150% immediately after such borrowing, which, in certain circumstances, may restrict its ability to borrow or issue debt securities or preferred stock. In the event that K-FIT develops a need for additional capital in the future for investments or for any other reason, and it cannot obtain debt or equity financing on acceptable terms, or at all, its ability to acquire investments and to expand its operations will be adversely affected. As a result, K-FIT would be less able to allocate its portfolio among various issuers and industries and achieve its investment objectives, which may negatively impact its results of operations and reduce its ability to make distributions to shareholders (including the Underlying Fund).

Qualifying assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. In light of this, K-FIT generally may invest only up to 30% of its portfolio in entities that are not considered 'eligible portfolio companies' under the 1940 Act, including companies located outside of the United States, entities that are operating pursuant to certain exceptions under the 1940 Act and publicly traded entities whose public equity market capitalisation exceeds the levels provided for under the 1940 Act. Pending investment in 'eligible portfolio companies,' K-FIT's investments can consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, which are referred to herein, collectively, as temporary investments, so that 70% of K-FIT's assets are qualifying assets for purposes of the 1940 Act.

In order to count portfolio securities as qualifying assets for the purpose of the 70% test under the 1940 Act described above, K-FIT must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above) significant managerial assistance; except that, where K-FIT purchases such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby K-FIT, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company.

Therefore, K-FIT may be precluded from investing in what is believed to be attractive investments if such investments are not qualifying assets. Similarly, these rules could prevent K-FIT from making additional investments in existing portfolio companies, which could result in the dilution of its position, or could require K-FIT to dispose of investments at an inopportune time to comply with the 1940 Act. If K-FIT were forced to sell non-qualifying investments in the portfolio for compliance purposes, the proceeds from such sale could be significantly less than the current value of such investments. Conversely, if K-FIT fails to invest a sufficient portion of its assets in qualifying assets, it could lose its status as a BDC, which would subject it to substantially more regulatory restrictions and significantly decrease its operating flexibility.

Ability to raise capital or borrow funds

As a result of the annual distribution requirement to qualify as a RIC, K-FIT may need to periodically access the capital markets to raise cash to fund new investments. K-FIT may issue 'senior securities', as defined under the 1940 Act, including issuing preferred stock, borrowing money from banks or other financial institutions or issuing debt securities only in amounts such that its asset coverage meets the threshold set forth in the 1940 Act immediately after each such issuance. The 1940 Act currently requires an asset coverage of at least 150% (i.e., the amount of debt may not exceed two-thirds of the value of K-FIT's assets). The ability of K-FIT to issue different types of securities is also limited. Compliance with these requirements may unfavourably limit its investment opportunities and reduce its ability in comparison to other companies to profit from favourable spreads between the rates at which K-FIT can borrow and the rates at which it can lend. As a BDC, therefore, it is intended that K-FIT continuously issues equity at a rate more frequent than its privately-owned competitors, which may lead to greater shareholder dilution.

K-FIT is expected to borrow for investment purposes. If the value of its assets declines, it may be unable to satisfy the asset coverage test under the 1940 Act, which would prohibit it from paying distributions and could prevent it from qualifying or maintaining its qualification as a RIC. If K-FIT cannot satisfy the asset coverage test, it may be required to sell a portion of its investments and, depending on the nature of its debt financing, repay a portion of its indebtedness at a time when such sales may be disadvantageous.

Affiliate transactions

K-FIT is prohibited under the 1940 Act from participating in certain transactions with certain of its affiliates without the prior approval of a majority of the independent members of the K-FIT Board. Any person that owns, directly or indirectly, 5% or more of the outstanding voting securities in K-FIT will be its affiliate for purposes of the 1940 Act, and K-FIT will generally be prohibited from buying or selling any securities from or to such affiliate, absent the prior approval of the K-FIT Board. The 1940 Act also prohibits certain 'joint' transactions with certain of K-FIT's affiliates, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of a majority of the independent members of the K-FIT Board. The Co-Investment Exemptive Order from the U.S. Securities and Exchange Commission ('**SEC**') will permit K-FIT, subject to the satisfaction of certain conditions, to co-invest in certain privately negotiated investment transactions, including investments originated and directly negotiated by the K-FIT Manager or KKR Credit, with the co-investment affiliates of K-FIT. If a person acquires more than 25% of voting securities in K-FIT, K-FIT will be prohibited from buying or selling any security from or to such person or certain of that person's affiliates, or entering into prohibited joint transactions with such persons to the extent not covered by the exemptive relief, absent the prior approval of the SEC. Similar restrictions limit the ability of K-FIT to transact business with its officers or Trustees or their respective affiliates. As a result of these restrictions, K-FIT may be prohibited from buying or selling any security from or to any portfolio company of a fund managed by the K-FIT Manager without the prior approval of the SEC, which may limit the scope of investment opportunities that would otherwise be available to K-FIT.

Non-diversified investment company

K-FIT is classified as a non-diversified investment company within the meaning of the 1940 Act, which means that it is not limited by the 1940 Act with respect to the proportion of its assets that it may invest in securities of a single issuer. Under the 1940 Act, a 'diversified' investment company is required to invest at least 75% of the value of its total assets in cash and cash items, government securities, securities of other investment companies and other securities limited in respect of any one issuer to an amount not greater than 5% of the value of the total assets of such company and no more than 10% of the outstanding voting securities of such issuer. As a non-diversified investment company, K-FIT is not subject to this requirement. To the extent that K-FIT assumes large positions in the securities of a small number of issuers, or within a particular industry, its net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer. It may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company or to a general downturn in the economy. However, it will be subject to the sources of income, asset diversification and minimum distribution requirements applicable to RICs under Subchapter M of the United States Internal Revenue Code of 1986 (the '**Code**').

No market for the Shares; restrictions on transferability

Shares in the Underlying Fund have not been registered under the U.S. Securities Act of 1933, as amended (the '**1933 Act**'), the securities laws of any state of the United States or the securities laws of any other jurisdiction (with the exception of the marketing passports the Underlying Fund AIFM may utilise under the provisions of the AIFMD for the purpose of marketing interests to professional investors within the European Economic Area) and cannot be resold unless they are subsequently registered under the 1933 Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that the Shares will ever be registered under the 1933 Act or other securities laws. There is no public market for the Shares, and none is expected to develop. Accordingly, there are no quoted prices for the Shares. Each shareholder will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its Shares for investment purposes and not with a view to resale or distribution and that it will only sell and transfer its Shares to a qualified investor under applicable securities laws or in a manner permitted by the article of association of the Underlying Fund, the Underlying Fund Memorandum and consistent with such laws. A shareholder will not be permitted to assign, sell, exchange or transfer any of its interest, rights or obligations with respect to its Shares, except by operation of law, without the prior written consent of the Underlying Fund General Partner and redemptions of Shares are subject to potentially material limitations depending on the circumstances as described in this PDS. Shareholders must be prepared to bear the risks of owning Shares for an extended period of time.

Valuations

The Underlying Fund will rely on the Underlying Fund AIFM and its affiliates for valuation of its assets and liabilities, which valuations will be determined in accordance with the Underlying Fund AIFM's written valuation policy in place from time to time. The Underlying Fund will primarily hold securities and other assets that will not have readily assessable market values. In such instances, the Underlying Fund AIFM will determine the fair value of such securities and assets in its reasonable judgment based on various factors and can rely on internal pricing models, all in accordance with the Underlying Fund AIFM's valuation policies and procedures. Certain factors that may be considered in determining the fair value of the Underlying Fund's portfolio investments include dealer quotes for securities traded on the secondary market for institutional investors, the nature and realisable value of any collateral, the portfolio company's earnings and its ability to make payments on its indebtedness, the markets in which the portfolio company does business, comparison to comparable publicly traded companies, discounted cash flows and other relevant factors. Such valuations could vary from similar valuations performed by independent third parties for similar types of securities or assets. The value of the Underlying Fund's portfolio could also be affected by changes in accounting standards, policies or practices as well as general economic, political, regulatory and market conditions and the actual operations of the issuers of portfolio investments, which are not predictable and can have a material impact on the reliability and accuracy of such valuations. The valuation of illiquid securities and other assets is inherently subjective and subject to increased risk that the information utilised to value such assets or to create the price models could be inaccurate or subject to other error. Due to a wide variety of market factors and the nature of certain securities and assets to be held by the Underlying Fund, there is no guarantee that the value determined by the Underlying Fund AIFM will represent the value that will be realised by the Underlying Fund on the eventual realisation of the investment or that would, in fact, be realised upon an immediate realisation of the investments. The Underlying Fund's fair value determinations may cause its net asset value on a given date to materially understate or overstate the value that it may ultimately realise upon the sale of one or more of its portfolio investments.

The amount of management fees and incentive fees received by the Underlying Fund AIFM and the Underlying Fund Investment Manager, respectively, with respect to the Underlying Fund will depend on the value of the Underlying Fund's assets and liabilities. If the valuations made by the Underlying Fund AIFM are incorrect, the amount of such fees could also be incorrect and in particular could be higher than the fair value of the Underlying Fund's assets may warrant (see section 13.8 'Conflicts of Interest' of this PDS). In addition, the Underlying Fund AIFM regularly reports to investors and prospective investors certain metrics of the Underlying Fund AIFM's funds' performance, such as rates of return and multiples of money, the calculation of which depends on the value of such funds' investments, including unrealised investments, and involves uncertainties and subjective determinations.

The Underlying Fund AIFM and its affiliates will value portfolio investments of the Underlying Fund that are not publicly traded or actively traded on a secondary market at least quarterly at fair value as determined in good faith. In connection with striking a net asset value as of the last day of a month that is not also the last day of a calendar quarter, the Underlying Fund will consider whether there has been a material change to such investments as to affect their fair value, but such analysis will be more limited than the quarter-end process.

Investors purchasing the Underlying Fund's Shares based on an overstated net asset value would pay a higher price than the value of the Underlying Fund's portfolio investments might warrant. Conversely, investors selling or redeeming Shares during a period in which the net asset value understates the value of the Underlying Fund's portfolio investments will receive a lower price for their Shares than the value of the Underlying Fund's portfolio investments might warrant.

In addition, investors will not know the then-current net asset value applicable on the effective date of the Share purchase and investors will not know the exact price of Shares being redeemed by the investor until after the applicable redemption day, which may result in an investor receiving shares based on an net asset value less than, or redeeming Shares based on a net asset value greater than, the net asset value per Share available at the time the relevant investor submitted its subscription or redemption request, as applicable.

Portfolio investments comprising interests in K-FIT, which are expected to comprise a material portion of the Underlying Fund's assets at any given time, will be valued based on the latest net asset value reported or provided to the Underlying Fund by K-FIT. As a BDC, K-FIT is required to carry its investments at market value or, if no market value is ascertainable, at the fair value as determined pursuant to policies adopted by the K-FIT Manager and subject to the oversight of the K-FIT Board. Decreases in the market value or fair value of its investments relative to amortised cost will be recorded as unrealised depreciation. Any unrealised losses in its portfolio could be an indication of a portfolio company's inability to meet its repayment obligations to K-FIT with respect to the affected loans. This could result in realised losses in the future and ultimately in reductions of income available for distribution by K-FIT to the Underlying Fund in future periods. In addition, decreases in the market value or fair value of investments held by K-FIT will reduce its net asset value. The Underlying Fund will not have any control over the valuation methods and accounting rules adopted by K-FIT and no assurance can be given that such methods and rules will at all times allow the Underlying Fund to correctly assess the value of its assets and investments. See 'Investment in K-FIT' above.

Need for follow-on investments

Following its initial investment in a given portfolio company or other issuer, the Underlying Fund could have the opportunity to provide additional funds or increase its investment in such portfolio company or other issuer. There is no assurance that the Underlying Fund will make follow-on investments or that the Underlying Fund will have sufficient funds or investment capacity to make (or will be permitted to make under the Underlying Fund's investment restrictions) all or any of such investments. Any decision by the Underlying Fund not to make follow-on investments or its inability to make such investments could have a substantial negative effect on an issuer in need of such an investment, could result in a lost opportunity for the Underlying Fund to increase its participation in a successful investment, could result in the Underlying Fund's investments in the relevant issuer becoming diluted and, in circumstances where the follow-on investment is offered at a discount to market value, could result in a loss of value for the Underlying Fund.

Trade errors

A trade error is generally defined as an error in the placement, execution, or settlement of a trade for a client, whether by the Underlying Fund Investment Manager or an affiliate or a third party. Trade errors are evaluated on a case-by-case basis. Trade errors might include, for example, failure to recognise the existence of one or more financial instruments held by the Underlying Fund (resulting in, among other things, duplicative transactions that have an unintended economic effect on the Underlying Fund), keystroke errors that occur when entering trades into an electronic system, typographical or drafting errors related to derivatives contracts or similar or other agreements or other errors that Underlying Fund Investment Manager, in its discretion, designates as a trade error.

Investors should assume that trade errors will occur; however, Underlying Fund Investment Manager, the Underlying Fund, the Underlying Fund General Partner and their respective affiliates will not be responsible for any losses resulting from any trade errors made by Underlying Fund Investment Manager or its affiliates or a third party in respect of investments made by the Underlying Fund or any other KKR-sponsored fund, vehicle and/or account, except to the extent such parties are liable pursuant to the governing documents of the Underlying Fund or such other KKR-sponsored fund, vehicle and/or account as a result of bad faith, wilful misconduct or gross negligence.

From time to time, the Underlying Fund Investment Manager could elect to voluntarily reimburse the Underlying Fund for losses suffered as a result of certain trade errors. However, investors should not expect that a reimbursement to the Underlying Fund in respect of a trade error will ever take place, and, in evaluating the Underlying Fund, no decisions should be made in reliance on the expectation of such reimbursements. Any decision to reimburse is not precedential and should not create the expectation of any reimbursement in the future. The Underlying Fund Investment Manager will be biased when determining whether losses resulting from a trade error are required to be borne by the Underlying Fund. Generally, in determining whether the Underlying Fund Investment Manager or its affiliate committed fraud, wilful misconduct or gross negligence, the Underlying Fund General Partner will evaluate and consider, among other things, the adequacy of the supervisory procedures in place to prevent such errors from recurring with any frequency.

Where relevant in connection with any trade error, the Underlying Fund Investment Manager will evaluate the merits of potential claims for damage against brokers and counterparties who are at fault and, to the extent practicable, could seek to recover losses from those parties. the Underlying Fund Investment Manager could, however, choose to forego pursuing claims against brokers and counterparties on behalf of the Underlying Fund for any reason, including, but not limited to, the cost of pursuing claims relative to the likely amount of any recovery and the maintenance of its business relationships with brokers and counterparties. The Underlying Fund Investment Manager's own execution and operational staff could be solely or partly responsible for errors in placing, processing, and settling trades that result in losses to the Underlying Fund.

Absence of recourse; indemnification

This Underlying Fund Memorandum includes exculpation and indemnification provisions that will limit the circumstances under which the Sponsor, its affiliates and others can be held liable to the Underlying Fund. Additionally, certain service providers to the Underlying Fund, the Sponsor, their respective affiliates, agents and other persons, including, without limitation, the investment professionals of the Sponsor and its affiliates, the depositary and placement agents and finders, are entitled to exculpation and indemnification (in certain cases, on terms more favourable to them than those available to indemnitees, generally). The assets of the Underlying Fund will be available to satisfy these indemnification obligations. KKR carries liability insurance (including 'D&O' insurance) that KKR believes is similar to that which other asset managers with similar businesses hold, and in amounts that are customary for the types of businesses that KKR operates. However, there is no guarantee that such insurance will be available to satisfy losses for which the Underlying Fund is required to provide indemnification, and potential insurance claims will not delay the availability of the advances provided to indemnified persons under the Underlying Fund Memorandum. Moreover, the fiduciary duties of the Underlying Fund General Partner and its affiliates are modified or in some cases eliminated pursuant to the terms of the Underlying Fund Memorandum. As a result, the shareholders will likely have a more limited right of action in certain cases than they would in the absence of such limitations.

As described above in '*Investment in K-FIT*', the K-FIT Manager and its officers, managers, partners, members (and their members, including the owners of their members), agents, employees, controlling persons and any other person or entity affiliated with, or acting on behalf of, the K-FIT Manager (which includes KKR Credit acting in such capacity) will not be liable to K-FIT for their acts and omissions in respect of their services to K-FIT absent wilful misfeasance, bad faith or gross negligence and reckless disregard of their respective duties and are entitled to indemnification out of the assets of K-FIT with respect to all damages, liabilities, costs and expenses incurred in connection with such services not arising out of such wilful misfeasance, bad faith, gross negligence or reckless disregard of duties. These protections may lead the K-FIT Manager and its affiliates (including KKR Credit) to act in a riskier manner when acting on K-FIT's behalf than it would when acting for its own account.

Public disclosure

Some of the Shares in the Underlying Fund likely will be held, directly or indirectly, by investors, such as public pension plans and listed investment vehicles, that are subject to public disclosure requirements including, without limitation, as a result of any governmental public records access law or other freedom of information laws or laws with a similar intent or effect. The amount of information about their investments (including debt fund investments) that is required to be disclosed has increased in recent years, and that trend could continue. To the extent that disclosure of confidential information relating to the Underlying Fund or its portfolio investments results from Shares being held by public investors, the Underlying Fund could be adversely affected. The Underlying Fund General Partner can, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such public investors to the extent permitted under applicable law.

Accounting, disclosure and regulatory standards

The Underlying Fund is using Lux GAAP accounting standards for the calculation of its net asset value, its valuation and the establishment of its audited annual report. The Underlying Fund's accounting standards may not correspond to the accounting standards of other underlying entities, resulting in different financial information appearing on their respective financial statements. Information available to shareholders in the Underlying Fund's audited annual report may differ from information available in the financial statements of underlying entities, including operations, financial results, capitalisation and financial obligations, earnings and securities.

Furthermore, for a portfolio company that keeps accounting records in a currency other than U.S. dollar, inflation accounting rules in certain markets require, for both tax and accounting purposes, that certain assets and liabilities be restated on the portfolio company's balance sheet in order to express items in terms of a currency of constant purchasing power. As a result, financial data of prospective portfolio investments may be materially affected by restatements for inflation and may not accurately reflect actual value. Accordingly, the Underlying Fund's ability to conduct due diligence in connection with an investment and to monitor the investment may be adversely affected by these factors.

Fluctuation in quarterly results

The Underlying Fund could experience fluctuations in its quarterly operating results due to a number of factors, including its ability or inability to make investments that meet its investment criteria, the interest rate payable on the loans or other debt securities it originates or acquires, the level of its expenses (including its borrowing costs), variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which it encounters competition in markets and general economic conditions. As a result of these factors, results for any previous period should not be relied upon as being indicative of performance in future periods.

Reliance on the sponsor, the K-FIT Manager and their investment professionals

Shareholders in the Underlying Fund will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Underlying Fund. Shareholders must rely entirely on the Sponsor and its affiliates to conduct and manage the affairs of the Underlying Fund and its respective investments. The Sponsor and its affiliates will rely on the skill and expertise of the KKR Credit investment teams, FS Investments and others providing investment and other advice and services with respect to the Underlying Fund. There can be no assurance that these key investment professionals or other persons will continue to be associated with or available to the Sponsor and its affiliates throughout the life of the Underlying Fund. The loss of the services of one or more of such persons could have an adverse impact on the Underlying Fund as applicable.

Furthermore, although members of the KKR Credit investment teams and other investment professionals intend to devote a sufficient amount of time to the Underlying Fund so that it can carry out its proposed activities, some of these individuals are also responsible for the day-to-day activities and investments of certain Other KKR Funds as further discussed under section 13.8 'Conflicts of Interest' below and/or KKR more broadly. KKR has established and is permitted in the future to establish Other KKR Funds from time to time that focus on investments that fall within and outside of the Underlying Fund's primary investment mandate and KKR investment professionals (including members of the KKR Credit investment teams) will spend time and attention on such Other KKR Funds.

Moreover, although in managing the Underlying Fund and its investments, the Sponsor and its affiliates expect to have access to appropriate resources, relationships and expertise of KKR generally (subject to information sharing policies and procedures with respect to KKR's credit and public equity business and KKR's broker dealer affiliate), there can be no assurance that such resources, relationships and expertise will be available for every investment transaction. Among other constraints, access to these resources will be limited by information sharing policies and procedures that apply to KKR's credit and public equity business and its broker-dealer affiliate. In addition, investment professionals and committee members, including members of the Underlying Fund's investment team and the applicable investment committees, can be replaced or added over time or required to recuse themselves or otherwise be restricted from participating in any investment-related decision by the relevant committee because, for example, they have acquired confidential information relating to an investment through their involvement with an Other KKR Fund and applicable securities laws or regulations, contractual confidentiality obligations or other applicable legal or regulatory considerations restrict their ability to participate on behalf of the Underlying Fund in the management of the relevant investment. Modifications to KKR's management, operating and investment procedures, which can be modified at any time, can also result in changes to the investment professionals and other KKR resources that the Sponsor and their affiliates have access to with respect to the management of the Underlying Fund and its investments.

The Underlying Fund General Partner is controlled by its general partner, KKR-Income Trust GP S.à r.l., a Luxembourg limited liability company, which is controlled by its sole shareholder, KKR-Income Holdings LLC, a Delaware limited liability company, which is controlled by its sole member, KKR Group Partnership L.P. KKR-Income Trust GP S.à r.l. is managed by a board of managers, which consists of certain KKR senior employees and certain third-party Luxembourg-based service providers appointed by KKR-Income Holdings LLC. While KKR believes that appropriate checks on decision making are in place with respect to the board of managers of KKR-Income Trust GP S.à r.l., in the event that any member of the board of managers takes any action inconsistent with the views of KKR as the sole shareholder, KKR-Income Holdings LLC could have to replace the specific member of the board of managers with an appropriate alternative and there could be delays in doing so as a result of procedural or other requirements of Luxembourg law.

Similar considerations apply to K-FIT, the K-FIT Manager, the K-FIT investment committee and the Underlying Fund's investment therein. The K-FIT Manager is an investment adviser jointly operated by KKR Credit and an affiliate of FS Investments. The US 1940 Act and the Code impose numerous constraints on the operations of BDCs such as K-FIT that do not apply to other investment vehicles including the Underlying Fund in respect of its direct activities. KKR Credit's and FS Investments' individual track records and achievements are not necessarily indicative of the future results they will achieve as a joint investment adviser to K-FIT. Accordingly, there is no assurance that K-FIT will replicate the historical performance of other investment companies with which KKR Credit and FS Investments have been affiliated, and the investment returns of K-FIT could be lower than the returns achieved by such other companies, including any other BDCs.

Limitations on limited liability of shareholders

KKR-Income Trust SCA SICAV-RAIF has been organised as company in the form of a partnership limited by shares. Accordingly, it is expected that a shareholder of the Underlying Fund will not be personally liable for the debts of the Underlying Fund, except that the shareholders could, under applicable law, be obligated to repay amounts previously received by them to the extent such amounts are deemed to have been wrongfully distributed to them or as otherwise required under the Documents.

Insufficient fundraising by the Underlying Fund

Amounts that the Underlying Fund raises may not be sufficient for it to purchase a broad portfolio of investments. The opportunity for the Underlying Fund to purchase a broad portfolio of investments may be decreased and the returns achieved on those investments may be reduced as a result of allocating all of its expenses among a smaller capital base if its capital raising activities are less successful than anticipated. If it is unable to raise substantial funds, it may not achieve certain economies of scale and its expenses may represent a larger proportion of its total assets.

Market, economic and political risks

The Underlying Fund and the portfolio companies and other issuers in which it invests could be materially affected by market, economic and political conditions globally and in the jurisdictions and sectors in which they invest or operate, including economic outlook, factors affecting interest rates, the availability of credit, currency exchange rates, changes in competitive environment, changes in national or international economic and market conditions and changes in laws, regulations, trade barriers, commodity prices and controls, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks, security operations, infectious disease outbreaks, epidemics and pandemics. The market price of any publicly traded securities held by the Underlying Fund will separately be impacted by these conditions including in a manner that is incommensurate with any direct impact these conditions could have on the relevant Portfolio Companies. . These factors are outside the Sponsor's control and could adversely affect the liquidity and value of the Underlying Fund's investments and could reduce the ability of the Underlying Fund to make attractive new investments. Difficult market and economic conditions could adversely affect the Underlying Fund by reducing the value or performance of its investments or by reducing its ability to raise or deploy capital or obtain appropriate financing, each of which could negatively impact returns to investors.

Populist and anti-globalisation movements, particularly in Europe and the United States, could result in material changes in economic, trade, climate change and immigration policies, all of which could lead to significant disruption of global markets and could have materially adverse consequences on the investments of the Underlying Fund, including in particular on portfolio companies and other issuers whose operations are directly or indirectly dependent on international trade. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy, environmental protection and/or climate change policies or regulations and/or government entitlement programs during the term of the Underlying Fund could have a material adverse impact on the Underlying Fund and its investments.

More generally, legislative acts, rulemaking, adjudicatory or other activities, including by governmental, quasi-governmental or self-regulatory bodies, agencies and regulatory organisations could make it more difficult (or less attractive) for the Underlying Fund to achieve its investment objectives or for some or all of the Underlying Fund's portfolio companies and other issuers in which it invests to engage in their respective businesses. The Underlying Fund's investment strategy and the availability of opportunities satisfying the Underlying Fund's risk-adjusted return parameters relies in part on the continuation of certain trends and conditions observed in the market for originated debt and bond markets as well as the larger financial markets and, in some cases, the improvement of such conditions. No assurance can be given that such conditions, trends or opportunities will arise or continue, as applicable. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made, or the beliefs and expectations currently held, by the Sponsor will prove correct and actual events and circumstances could vary significantly. In particular, the Underlying Fund's investment strategy relies, in part, on the current stability of the conditions in the global economy and markets generally and credit markets specifically. Any instability in the global economy and markets could result in the Underlying Fund's investments not generating expected current proceeds or failing to appreciate as anticipated and the investments could suffer losses.

General fluctuations in the market prices of debt investments and interest rates could have a substantial negative impact on the Underlying Fund's investments and investment opportunities and accordingly could have a material adverse effect on the Underlying Fund's investment objectives and the rate of return on invested capital. Instability in the debt markets, such as that experienced during the global financial crisis, would likely also increase the risks inherent in the Underlying Fund's investments. The ability of portfolio companies and other issuers in which the Underlying Fund invests to refinance debt obligations and for the Underlying Fund to realise on its investments will in part depend on the condition of public or private financing markets at the time of the proposed refinancing or other transaction. Moreover, to the extent the Underlying Fund utilises third-party financing to make investments on a leveraged basis, a decrease in the value of the Underlying Fund's investments would increase the effective amount of leverage and could result in the possibility of a 'margin call' by lenders, pursuant to which the Underlying Fund must either deposit additional funds or collateral with the lender, which would require the shareholders to make additional capital contributions in respect of such leverage, or suffer mandatory liquidation of the pledged debt obligations to compensate for the decline in value (see sub-section 'Underlying Fund Leverage and Borrowing' above).

In addition, notwithstanding the Underlying Fund's investment objectives and focus, such general economic conditions and other market, political and/or industry-specific developments could change significantly, which could result in the Underlying Fund targeting significantly different types of investment opportunities than originally anticipated.

Legal and regulatory risks

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

The financial services industry generally, and the activities of private investment funds and their managers in particular, have been subject to intense and increasing regulatory oversight and enforcement actions. This increased political and regulatory scrutiny of the private funds industry was particularly acute during the global financial crisis but continues to focus on the private funds industry. Such scrutiny might increase the exposure of the Underlying Fund, the Sponsor, KKR and their affiliates to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight might impose administrative burdens on the Sponsor and KKR, including, without limitation, those arising from responding to investigations and implementing new policies and procedures. Such burdens could divert the Sponsor's and KKR's time, attention and resources from portfolio management activities.

Since the enactment of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010, there have been extensive rulemaking and regulatory changes that have affected private fund managers, funds that they manage and the financial industry as a whole. The SEC has adopted a number of rules (and has proposed and will in the future adopt rules) that directly or indirectly impact registered investment advisers to private funds. Other jurisdictions, including the EU, have passed and are in the process of implementing similar measures. It is difficult to anticipate the impact of these and other regulatory changes on the Sponsor, KKR, the Underlying Fund and their affiliates. These new rules have added (or will add) costs to the legal, operations, reporting and compliance obligations of KKR and have increased (or will increase) the amount of time that KKR spends on non-investment-related activities. Such increased regulatory burdens and reporting requirements could divert the attention of personnel and the management teams of portfolio companies and other issuers in which the Underlying Fund invests and could furthermore place the Underlying Fund at a competitive disadvantage to the extent that KKR or portfolio companies or other issuers of the Underlying Fund's investments are required to disclose sensitive business information. The continued regulatory uncertainty could make markets more volatile, and it could be more difficult for the Underlying Fund General Partner to execute the investment strategy of the Underlying Fund.

There also have been several other regulatory developments that affect a broad range of financial market intermediaries and other market participants with whom the Underlying Fund interacts or might interact. Regulatory changes that will affect other market participants are likely to change the way in which the Underlying Fund conducts business with counterparties. In August 2023, the SEC voted to adopt new rules and amendments to existing rules under the Advisers Act specifically related to registered investment advisers and their activities with respect to private funds and which could have a significant impact on advisers to private funds (including KKR) and their operations, including increased compliance burdens and associated regulatory costs; increased operating costs for the Underlying Fund, including administrative, insurance and legal expenses; increased risk of regulatory action, including public regulatory sanctions, and could result in renegotiation or revisions to the terms of the Underlying Fund by its shareholders. Further, certain countries have sought to tax (or have taxed) the investment gains derived by non-resident investors, including private funds, from the disposition of the equity in companies operating in those countries. In some cases, this is the result of new legislation or changes in the interpretation of existing legislation, and in other cases tax authorities have challenged investment structures that benefit from tax treaties between countries. There is therefore the risk that burdensome new laws (including tax laws) or regulations or changes in applicable laws or regulations or in the interpretation or enforcement thereof, specifically targeted at the private funds industry, or other related regulatory developments could adversely affect private fund managers and the funds that they sponsor, including the Underlying Fund.

The EU's Foreign Subsidies Regulation (FSR) introduces a new layer of regulatory scrutiny for non-EU financial contributions that may distort competition within the EU. The Underlying Fund may face mandatory notification and clearance requirements from the European Commission when investing in or lending to EU-based entities with substantial EU operations, particularly in M&A or public procurement contexts. If the Underlying Fund or its portfolio entities have received qualifying financial contributions (which is broadly defined), the European Commission could investigate, delay or prohibit transactions, or impose remedial measures. These requirements introduce risks of regulatory delays, reduced deal certainty, and potential limitations on completing or maintaining investments—any of which may adversely impact the Underlying Fund's ability to execute its strategy or achieve expected performance.

Laws of other jurisdictions where Underlying Fund is marketed

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

Combination of multiple risk factors

Although the various risks discussed herein are generally described separately, prospective Investors should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to the Fund, as an investor in the Underlying Fund, could be significantly increased.

No independent advice

The terms of the agreements and arrangements under which the Underlying Fund is established and will be operated have been or will be established by the Sponsor and are not the result of arm's length negotiations or representations of the investors in the Underlying Fund by separate counsel. Prospective Investors should therefore seek their own legal, tax and financial advice before making an investment in Underlying Fund.

9. How the Fund operates

9.1 Fund valuation

The assets of the Fund are valued by the Fund Administrator and the Fund's NAV is calculated in accordance with the Constitution. The value of the Fund will be decreased by the amount of any liability owing by the Fund, such as distributions to Investors, the Fund's management fee payable to CIML, expenses, provisions and contingent liabilities.

The NAV of the Fund is calculated, pursuant to the Constitution, by deducting the liabilities of the Fund from the value of the Fund's assets. Given that the Fund will invest substantially all of its assets in shares in the Underlying Fund, which are not an exchange traded asset, all assets of the Fund (including any that are not exchange traded), are valued by the Fund Administrator. Consequently, in general, the value of the Fund's assets will reflect the value of the shares in the Underlying Fund as set out in the financial statements for the Underlying Fund from time to time. The financial statements of the Underlying Fund will be established based on Luxembourg generally accepted accounting principles.

The Fund Administrator values the Fund in accordance with standard market practice and market prices are generally electronically sourced from third parties.

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.

Temporary suspension of Underlying Fund's NAV calculations

The calculation of the Underlying Fund's NAV may be suspended in certain circumstances, including (but without limitation):

- during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed, which is the main market or stock exchange for any of the Underlying Fund's investments, or in which trading therein is restricted or suspended; or
- during any period when an emergency exists as a result of which it is impossible to dispose of investments that constitute assets of the Underlying Fund; or
- during any breakdown in the means of communication normally employed in determining the price of any of the Underlying Fund's investments or of current prices on any stock exchange; or
- when for any reason the prices of any investment owned by the Underlying Fund cannot be reasonably, promptly or accurately ascertained; or
- during a period when remittance of monies that will or may be involved in the purchase or sale of any of the Underlying Fund's investments cannot, in the opinion of the Underlying Fund General Partner, be carried out at normal rates of exchange; or
- following a decision to liquidate or dissolve the Underlying Fund; or
- whenever exchange or capital movement restrictions prevent the execution of transactions on behalf of the Underlying Fund or in case purchase and sale transactions of the Underlying Fund's assets are not realisable at normal exchange rates; or
- during any period when the NAV of one or more undertakings for collective investment, in which the Underlying Fund has invested and the shares of which constitute a significant part of the assets of the Underlying Fund, cannot be determined accurately so as to reflect their fair market value as at the valuation day.

Consequently, in the above circumstances, it may not be possible to accurately value the Fund's NAV.

9.2 Unit pricing

A Unit price for each Unit class is generally calculated monthly on the last Calendar Day of the month.

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

The Unit price is calculated by dividing the NAV 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 Units on issue. The issue price is calculated by taking the NAV per Unit plus any buy spread (if applicable). The redemption Unit price is calculated by taking the NAV per Unit minus any sell spread (if applicable). No buy-sell spread is currently levied on the Fund, however if the Underlying Fund levies an Early Redemption

Deduction fee or liquidity penalty, the Fund may levy a sell spread on the Investors redeeming Units in the Fund.

Due to the nature of the underlying private credit 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 30 Business Days following the relevant month end to which the Unit price relates, but could take longer to finalise and publish. In calculating the NAV 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 us.

Where different classes of Units are on issue, the price of a Unit will be determined by reference to the NAV of that class.

9.3 Distributions

When are distributions paid?

It is expected that the Fund will not make distributions on a regular basis

All income must be distributed each financial year. CIML may vary the distribution frequency without providing you with notice.

How will my distributions be paid?

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

You can alter your distribution method 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 a month end). All income distributions may be liable to income tax. Please consult your tax advisor for further information.

How is the distribution calculated?

The net taxable income of the Fund for each monthly distribution period is calculated at the end of the distribution period. In the event that you have an investment in the Fund at the close of business on the last day of the period, you are entitled to a share of the Fund's net income for that period in proportion to the number of Units held in the Fund. If you withdraw your investment on or before the last day of the distribution period, you will not receive a separate income payment for the withdrawn investment for that period. However, any income of the Fund since the beginning of the distribution period will be reflected in the redemption Unit price of the Fund.

CIML may determine to offer distribution reinvestment in accordance with the relevant provisions of the Constitution of the Fund 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 Units in the Fund. Where permitted under the Constitution, CIML may issue more than one class of units in the Fund under a 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. CIML is required by law to treat all investors within a class of units equally and all investors in different classes of units 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 us with any other documentation required by us or any law. You can obtain a transfer form by contacting Channel Client Services on 1800 940 599. CIML reserves the right to refuse to register a transfer of Units.

9.6 Custodian

A custodian has been appointed to hold the assets of the Fund on our behalf. Any fees CIML pays to the custodian are paid out of the Administration Fee 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 Administration Fee 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.

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 Global Private Credit Fund (KIT AUD) (AUD) Class C		
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	Management fees and costs of 2.04675% per annum of the NAV of the Fund referable to the Units, comprised of: • a management fee of 0.00% per annum of the NAV of the Fund referable to the Units ('**Management Fee**') • an administration fee of 0.15675% per annum of the NAV of the Fund referable to the Units ('**Administration Fee**') • Indirect costs of 1.88% per annum of the NAV of the Fund referable to the Units. • Estimated expense recoveries of 0.01% p.a. of the NAV of the Fund referable to the Units.[4]	The Management Fee is calculated and accrued monthly in the Fund's Unit price and is generally paid monthly in arrears. The Management Fee is paid from the assets of the Fund referable to the Units. The amount of this fee can be negotiated or rebated for wholesale clients.[3] The Administration Fee (which is included in the management fees and costs) is calculated in relation to the NAV of the Fund relating to the Units. This fee is calculated and accrued daily and is reflected in the Fund's Unit price. This cost is deducted from the assets of the Fund and is generally paid monthly in arrears. The deduction of the Administration fee is reflected in the Fund's unit price. CIML pay the expenses of the Fund (other than the extraordinary expenses and Transaction costs) from the Administration Fee. Indirect costs (which are included in the management fees and cost) are paid out of the assets of the Fund or an interposed vehicle as and when incurred. KKR has agreed to waive 60% of the Underlying Fund management fee through 30 September 2025, or such later date as may be determined by the Underlying Fund General Partner and notified to the Underlying Fund's shareholders. 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 out of the Administration Fee at no additional charge to you. Abnormal or extraordinary expenses of the Fund (if incurred) are paid from the Fund assets as and when incurred and are reflected in the Unit price.
Performance fees[5] Amounts deducted from your investment in relation to the performance of the product	Estimated performance fee of 1.58% p.a. of the NAV of the Fund referable to the Units, comprised of: • a performance fee of 0.00% p.a. of the NAV of the Fund referable to the Units; and • estimated interposed vehicle performance fees of 1.58% p.a. of the NAV of the Fund referable to the Units.	Although entitled to do so under the Constitution, the Fund does not currently 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 NAV and the value of the Fund's investment in the Underlying Fund. KKR has agreed to waive 60% of theUnderlying Fund Incentive Fee on Income through 30 September 2025, or such later date as may be determined by the Underlying Fund General Partner and notified to the Underlying Fund's shareholders.
Transaction costs[7] The costs incurred by the scheme when buying or selling assets	Estimated to be 0.00% p.a. of the NAV of the Fund referable to the Units.[7]	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.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[2,6]		
Establishment fee The fee to open your investment	Nil	Not applicable

Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy-sell spread [8] An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0% of the application amount on application and 0% of the withdrawal amount on redemption.	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and redeeming Investors respectively at the time of the relevant application or redemption.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
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 reduced input tax credits, 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 5, 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 Unitholders before any such increase.

3 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.

4 Please note that the Fund 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 $256,250 (inclusive of GST less any available RITC), which will be paid from the Fund assets over a period of up to five years starting from the issue of the first Units in the Fund. The estimated expense recoveries of 0.01% p.a. of the NAV of the Fund is based on the assumption that the assets of the Fund are equal to $500m.

5 The Fund invests in interposed vehicles that may charge performance fees. CIML reasonably estimates the performance fees charged by these interposed vehicles based on (i) the average fee incurred for the previous five financial years; (ii) if the interposed vehicle was not in operation for the past five financial years, the average fee incurred for all of the financial years in which the interposed vehicle was in operation; or (iii) if the interposed vehicle was first offered in the current financial year, CIML's reasonable estimate of the fee for the current financial year adjusted to reflect a 12-month period. Past performance is not a reliable indicator of future performance and the actual performance fee payable in future years may be higher or lower than the amount stated above, subject to the performance of the interposed vehicles over the relevant period. Please refer to the 'Additional explanation of fees and costs' section below for further information.

6 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 8.4 of this PDS for further information.

7 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.

8 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. 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 annual 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 Global Private Credit Fund (KIT AUD) CLASS C		BALANCE OF $150,000 WITH A CONTRIBUTION OF $5,000[2] DURING THE YEAR
Contribution fees	Nil	For every additional $5,000 you put in, you will be charged $0
PLUS Management fees and costs[3,4,6]	2.04675% of the NAV 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 **$3,070.13** each year
PLUS Performance fees[5]	1.58% p.a. of the NAV of the Fund referable to the Units	**And,** you will be charged or have deducted from your investment **$2,370.00** in performance fees each year
PLUS Transaction costs[3]	0.00% p.a. of the NAV of the Fund referable to the Units	And, you will be charged or have deducted from your investment **$0.00** in transaction costs
EQUALS Cost of the **KKR Global Private Credit Fund (KIT AUD) CLASS C**		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: **$5,440.13**[1,3] **What it costs you will depend on the fees you negotiate.**

1 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.

2 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.

3 All estimates of fees and costs in this section are based on information available as at the date of this PDS. Subject to footnote 5, 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 Unitholders before any such increase.

4 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.

5 Please refer to footnote 5 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.

6 The management fees and costs comprises of the Management Fee, indirect costs and expense recoveries. Please note that the Fund 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 $256,250 (inclusive of GST less any available RITC), which will be paid from the Fund assets over a period of up to five years starting from the issue of the first Units in the Fund. The estimated expense recoveries of 0.01% p.a. of the NAV of the Fund referable to the Units is based on the assumption that the assets of the Fund are equal to $500 million.

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 NAV 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

The Fund does not currently intend on charging a management fee on Class C units of the Fund.

The Fund intends to have a total management fee, including the Fund's management fee and Underlying Fund's management fee (the latter of which comes out of the Fund's indirect costs), of 1.25% p.a of the NAV of the Units of the Fund. The Fund does not intend on charging a management fee on Class C units of the Fund, as distinct from the indirect costs incurred by the Fund arising out of the Fund's exposure to the Underlying Fund's management fee.

Administration Fee

CIML is entitled to a monthly administration fee of 0.15675% per annum (inclusive of GST less any available RITC) of the NAV of the Fund referable to the Units (the '**Administration Fee**').

The Administration Fee is made up of a responsible entity fee of 0.1045% (inclusive of GST less any available RITC), for the administrative services of CIML and 0.05225% (inclusive of GST less any available RITC) of the NAV of the Fund referable to the Units for any operational expenses.

The Administration Fee is calculated and accrued daily and is reflected in the Fund's unit price. It is paid monthly in arrears out of the assets of the Fund. CIML pays the expenses incurred in administering the Fund (other than the extraordinary expenses and transaction costs) from this Administration Fee. Normal operating expenses of the Fund that CIML may recover through the Administration Fee include registry, administration, custodian, accounting, audit and legal costs.

Indirect costs

The disclosures under the heading "Indirect Costs" will be deleted in its entirety and replaced with the below:

Indirect costs of the Fund are costs (excluding the Administrative 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 NAV 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 disclosed in the fees and costs summary in this PDS includes the estimated indirect costs of 1.88% per annum of the NAV of Units of the Fund, which is the Responsible Entity's reasonable estimate of the costs for the current financial year at the time this PDS is prepared.

Included in the indirect costs is the Underlying Fund management fee which covers the management costs at the Underlying Fund level and is calculated and accrued monthly and payable quarterly in arrears and based on the average net asset value of the Underlying Fund and reduced on a dollar for dollar basis by the management fees accruing to the manager of K-FIT in respect of each such month to the extent allocable to Underlying Fund's interest in K-FIT.

KKR has agreed to waive 60% of the Underlying Fund's management fee through 30 September 2025, or such later date as may be determined by the Underlying Fund General Partner and notified to the Underlying Fund's shareholders. Subject to any later date determined by the Underlying Fund General Partner, this means that, through 30 September 2025, the Fund will bear its share of the Underlying Fund's management fee at 40% of the full rate as an indirect cost.

The indirect costs figure comprises of the below and represents the indirect costs post the expiry of any waiver:

The indirect costs figure comprises of:

- the Underlying Fund's management fee of 1.25% per annum which covers the management costs at the Underlying Fund level and is calculated and accrued monthly and payable quarterly in arrears and based on the average net asset value of the Underlying Fund and reduced on a dollar for dollar basis by the management fees accruing to the manager of K-FIT in respect of each such month to the extent allocable to Underlying Fund's interest in K-FIT; and

- the Underlying Fund's estimated expenses of 0.63% per annum.

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

Expense recoveries

Normal operating expenses

As at the date of this PDS, generally any expenses that CIML may recover from the Fund is paid out of the Administration Fee 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 Fund's management fee include registry, administration, custodian, accounting, audit and legal costs.

Abnormal or Extraordinary Expenses

Generally, normal operating expenses incurred in managing the Fund will be paid from the Administration Fee referred to above. However, if abnormal or extraordinary expenses are incurred, CIML has the right under the Constitution to recover abnormal or extraordinary expenses out of the assets of the Fund. Abnormal or extraordinary expenses are expected to occur infrequently and may include (without limitation):

- Convening of an Investors' meeting;
- Termination of the Fund;
- Amending the Constitution;
- Defending or bringing of litigation proceedings; and
- Replacement of CIML as the responsible entity of the Fund.

Please note that the Fund 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 $256,250 (inclusive of GST less any available RITC), which will be paid from the Fund assets over a period of up to five years starting from the issue of the first Units in the Fund.

Performance fee

Although entitled to do so under the Constitution, the Fund does not currently charge a performance fee.

Performance fees charged by interposed vehicles, specifically the Underlying Fund, are reflected in the Underlying Fund's NAV and therefore the value of the Fund's investment in the Underlying Fund. The Underlying Fund Investment Manager is entitled to be paid a performance fee from the Underlying Fund, in the form of an incentive fee, which is borne by the Underlying Fund.

The Underlying Fund's incentive fee (the '**Underlying Fund Incentive Fee**') consists of two components that are independent of each other, with the result that one component may be payable even if the other is not. A portion of the Underlying Fund Incentive Fee is based on a percentage of Underlying Fund's income and a portion is based on a percentage of Underlying Fund's capital gains, each as described below.

Adjustments for taxes, assessments, or governmental charges on payments to the Underlying Fund are added to the Underlying Fund Incentive Fee calculations as additional amounts received.

KKR has agreed to waive 60% of the Underlying Fund Incentive Fee on Income through 30 September 2025, or such later date as may be determined by the Underlying Fund General Partner and notified to the Underlying Fund's shareholders.

Subject to any later date determined by the Underlying Fund General Partner, the waiver of the Underlying Fund Incentive Fee on Income will not apply effective 1 October 2025.

The investment by the Underlying Fund in K-FIT is subject to incentive fees similar to the Underlying Fund Incentive Fee that are payable to an affiliate of the Underlying Fund Investment Manager. The Underlying Fund Incentive Fee will be reduced by the amount of any K-FIT incentive fees but depending on the performance of the Underlying Fund's direct investments, there could be periods in which the Underlying Fund's interest in K-FIT is subject to incentive fees but the aggregate performance of the Underlying Fund is not sufficient for the Underlying Fund Investment Manager to earn an Underlying Fund Incentive Fee.

Underlying Fund's incentive fee based on income ('**Underlying Fund Incentive Fee on Income**')

The Underlying Fund Incentive Fee on Income accrues monthly and is payable quarterly in arrears. This fee calculation is based on the "Underlying Fund Look-Through Pre-Incentive Fee Net Investment Income" (as defined below) from the preceding quarter, including the period from the start of the Underlying Fund's investment activities.

The "Underlying Fund Look-Through Pre-Incentive Fee Net Investment Income" means interest income and any other income of the Underlying Fund (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence and consulting fees or other fees that the Underlying Fund receives from portfolio companies accrued during the calendar quarter, minus the Underlying Fund's operating expenses for the quarter (including the Underlying Fund's management fee and expenses reimbursed to the Underlying Fund AIFM, the Underlying Fund Investment Manager and their affiliates, but excluding the Underlying Fund Incentive Fee and any servicing fee and any related accruals).

The "Underlying Fund Look-Through Pre-Incentive Fee Net Investment Income" also includes, in the case of investments with a deferred interest feature (such as original issue discount debt instruments with payment-in-kind interest and zero coupon securities), accrued income that the Underlying Fund has not yet received in cash. It is further 'adjusted' to take into account on a 'look-through' basis, the Underlying Fund's allocable portion of K-FIT's pre-incentive fee net investment income for the relevant period. Such allocable portion of K-FIT's pre-incentive fee net investment income will be determined based on the percentage of outstanding K-FIT shares held by the Underlying Fund during each month during the relevant quarterly period, as applicable. The 'Underlying Fund Look-Through Pre-Incentive Fee Net Investment Income' does not include any realised capital gains, realised capital losses or unrealised capital appreciation or depreciation.

Income of the Underlying Fund generated through deferred interest investments like original issue discount debt or zero coupon securities, which is not received in cash but accrued, is also included. Adjustments are made for the Underlying Fund's share of K-FIT's pre-incentive fee net investment income, based on the percentage of K-FIT shares held by the Underlying Fund during the quarter.

The payment criteria of the Underlying Fund Incentive Fee on Income include:

- no Underlying Fund Incentive Fee on Income is payable if the 'Underlying Fund Look-Through Pre-Incentive Fee Net Investment Income' does not surpass the 'Underlying Fund Incentive Fee on Income Hurdle Rate' (as defined below).
- 100% of the U.S. dollar amount of the 'Underlying Fund Look-Through Pre-Incentive Fee Net Investment Income' exceeding the Underlying Fund Incentive Fee on Income Hurdle Rate but up to 1.43% is payable to the Underlying Fund Investment Manager, known as the 'catch up' phase, aimed at achieving an incentive fee of 12.5% on all Underlying Fund income when it reaches 1.43% (5.72% annualised) on net assets for the quarter.
- Beyond this, 12.5% of the 'Underlying Fund Look-Through Pre-Incentive Fee Net Investment Income' exceeding 1.43% (5.72% annualised) per quarter is payable to the Underlying Fund Investment Manager.

The 'Underlying Fund Incentive Fee on income Hurdle Rate' is defined as a quarterly rate of return on the value of the Underlying Fund's net assets at the end of the most recently completed calendar quarter, set at 1.25% (or 5.0% when annualised).

Reductions in the Underlying Fund Incentive Fee on Income may occur due to any subordinated incentive fee on income accruing to the manager of K-FIT, and such reductions are carried forward to subsequent quarters.

Underlying Fund's incentive fee based on capital gains ('**Underlying Fund Incentive Fee on Capital Gains**')

The 'Underlying Fund Incentive Fee on Capital Gains' is accrued monthly and payable annually in arrears or upon termination of the delegate management agreement entered into by the Underlying Fund AIFM and the Underlying Fund.

The 'Underlying Fund Incentive Fee on Capital Gains' equals 12.5% of the Underlying Fund's incentive fee capital gains, net of all realised capital losses and unrealised capital depreciation, not including those related to K-FIT shares, and is computed after deducting any previously accrued Underlying Fund Incentive Fee on Capital Gains. The accrual includes unrealised gains, assuming the entire portfolio was liquidated at its fair value as of the end of each month, although actual payment is contingent on the realisation of these gains.

As the Underlying Fund is a newly established vehicle with no previous performance history, performance fee disclosed in the 'Fees and costs summary' is based on the CIML's reasonable estimate of the performance fee for the current financial year adjusted to reflect a 12 month period.

The performance fee is based on the performance of the Underlying Fund from time to time and as such, the actual performance fee may vary from the estimated of the performance fee disclosed in the 'Fees and costs summary'. For example, it may be nil in one year or significantly more than the amount disclosed in the 'Fees and costs summary'.

Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs which may include, but are not limited to, brokerage (for example, securities lending fees on short sold stock as well as the transaction costs associated with derivatives), buy-sell spread, 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.

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's assets and reflected in the Unit price, they are an additional cost to you and are not a fee paid to CIML.

Transaction costs are not included in the 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.

As the Fund will indirectly invest in the Underlying Fund, and also invest in cash, CIML generally does not expect these investments will incur transaction costs, other than any Early Redemption Deduction fee or liquidity penalty fee (as described below). However, the Fund may incur transactional costs in the Fund's interposed vehicles.

The Fund's estimated gross transaction costs are 0.00% per annum of the NAV 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 NAV of the Fund referable to the Units. The Fund's estimated net transaction costs are 0.00% per annum of the NAV 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-sell spread as at the date of this PDS is 0.00% of the application amount on application and 0.00% of the withdrawal amount on redemption. The buy-sell spread cost to you is based on the transaction value. For example, if you made an application of $100,000 into the Fund, the buy-spread amount deducted from your application money would be $0.00. 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.

If the Underlying Fund commences applying a buy-sell spread to applications and redemptions, CIML would seek to apply a buy-sell spread to applications and redemptions from the Fund to pass such costs to Investors entering or exiting the Fund.

Early Redemption Deduction Fee

As stated above, no buy-sell spread applies to applications or redemptions from the Fund, as the Underlying Fund does not charge transaction costs when the Fund purchases or redeems shares in the Underlying Fund. However, there is an exception pertaining to a discretionary early redemption deduction ('**Early Redemption Deduction**') fee.

Specifically, if redemption requests from the Fund result in the sale of shares in the Underlying Fund within twelve (12) months from the Fund's subscription date for such shares, a discretionary Early Redemption Deduction fee of up to 2% of the NAV of the Underlying Fund's shares being redeemed may apply. This Early Redemption Deduction fee pertains to the Fund's initial and any subsequent subscriptions to the Underlying Fund.

The proceeds from this Early Redemption Deduction fee predominantly benefits the Underlying Fund. The Underlying Fund, at the discretion of the Underlying Fund General Partner, may waive this Early Redemption Deduction fee in specific circumstances. Waivers may be granted generally or for particular investors, including, but not limited to, situations involving the death of a shareholder of the Underlying Fund, qualifying disability, or divorce, or in cases where operational, administrative, regulatory, or system limitations prevent the proper application of the Underlying Fund's Early Redemption Deduction fee.

The Underlying Fund General Partner retains sole discretion in determining the applicability of the Underlying Fund's Early Redemption Deduction fee, based on the specific circumstances of each case and the validity, form, and eligibility of any requests for waivers from this deduction. The Underlying Fund General Partner's decisions regarding these matters are final and binding.

If the Fund held shares in the Underlying Fund that was issued on different subscription days, shares of the Underlying Fund will be redeemed in the order they were issued, starting from the earliest subscription day. This ordering is used to determine the applicability of any Early Redemption Deduction fee being applied to the shares of the Underlying Fund being redeemed.

If the Underlying Fund levies an Early Redemption Deduction fee, the Fund may, at the sole and absolute discretion of CIML, levy a sell spread on the Investors redeeming units in the Fund.

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. Investors will be given written notice of any variation of fees or charges charged by the Fund in accordance with the Corporations Act (for example, where there is an increase in the Fund's management fees charged by the Fund), 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 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 and unfettered discretion waive, reduce, refund or defer any part of the fees and expenses that CIML is entitled to receive under the Constitution.

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:

a) Management Fee – the Constitution permits CIML to charge a management fee of up to 3.3% p.a. (including GST) of the gross asset value of the Fund;

b) Administration Fee - the Constitution permits CIML to charge an administration fee of up to 1.1% p.a. (including GST) of the gross asset value of the Fund;

c) Performance fee – the Constitution allows a performance fee of up to 38.5% (including GST) of the amount by which the Fund's performance outperforms the return of a benchmark. CIML does not currently charge a performance fee and does not intend to charge a performance fee in the foreseeable future; and

d) removal fee – the Constitution allows a removal fee of up to 5.50% (including GST) of the gross asset value of the Fund if CIML is removed as the Responsible Entity of the Fund (other than as a result of a determination by ASIC or an Australian Court, or on acknowledgement by CIML of its gross negligence in the management of the Fund or a material fiduciary breach). For example, if the Fund's gross asset value was $5 million, CIML would be entitled to receive a removal fee of up to $275,000 if removed as Responsible Entity of the Fund. The Fund's management fee amount stated in the 'Fees and costs summary' in section 10.2 of the PDS does not include any removal fee.

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 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 11 of this PDS.

11. Taxation

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 tax considerations for Australian resident investors. This information is based on our current interpretation of the relevant 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.

Income earned by the Fund, whether distributed or reinvested, should form part of an Investor's assessable income in the year of attribution. The timing of when the Fund's net income is brought to account for tax purposes may be different to when amounts are distributed to you, so that you may be required to pay tax on income that has not yet been or may not be distributed to you. At the end of the Fund's tax year, CIML will send to you the details of assessable income, capital gains or tax credits attributed to you for that year, together with any other relevant tax information required to complete your income tax return.

The Fund will seek to pass on any benefits of franking credits in respect of distributions including franked dividends from the Fund. Investors receiving distributions including franked dividends will be required to include their share of dividend income and franking credits in their assessable income.

The Fund has elected to become an Attribution Managed Investment Trust ('**AMIT**') from the year commencing 1 July 2024. As an AMIT, all determined trust components of each particular category or character (i.e. relating to assessable income, exempt income, non-assessable non-exempt income and tax offsets) are attributed each year to members on a fair and reasonable basis in accordance with the Constitution so that the Fund itself is not subject to tax. As an Investor you will be assessed for tax on your attributed share of the Fund's taxable income, including any net capital gains.

11.1 Capital gains tax ('**CGT**')

Your assessable income for each year may include net capital gains (i.e. after offsetting capital losses). The sources of your capital gains tax may include:

- a component of the trust's net income attributed to Investors in the Fund; and
- the withdrawal of your investment in the Fund (including the redemption of Units in the Fund).

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.

If you hold your Units on revenue account, gains and losses will be taxable as ordinary income or allowed as a deduction, as the case may be, and will not qualify for the CGT discount.

11.2 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**') and any applicable stamp duty, less reduced input tax credits ('**RITC**'). The rate of GST and any other taxes may change if the relevant law changes.

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

11.3 Foreign tax offsets

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

11.4 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 them. However, unless entitled to an exemption, if an Investor does not provide their TFN or ABN, tax will be deducted from income distributions at the highest personal marginal rate plus the Medicare levy (and any other levies required to be withheld from distributions from time to time). The ABN, TFN or 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.

11.5 Taxation of financial arrangements ('**TOFA**')

Generally, TOFA applies to gains and losses from financial arrangements and how they are treated for income tax purposes. The TOFA rules may apply to the Fund.

Generally, 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 advice in relation to the applicability of TOFA as applicable to your particular circumstances.

12. Investing in the Fund

12.1 Applications

The Unit price and NAV of the Fund are calculated and determined monthly on the last calendar day of each month. 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 12 noon (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.

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' – see 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.

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 unitholders 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.

Additional applications

If you are an existing Unitholder 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 us 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 https://www.kkrkitaud.com.au.

12.2 Redemptions

It is expected that CIML will generally process requests for redemption monthly on the last Calendar Day of each month (the '**Redemption Date**'), where liquidity is available.

Notwithstanding this intention and expectation, under the terms of the Constitution, Investors do not have a right to redeem their Units in the Fund. CIML has discretion to accept or not accept redemption requests for any reason.

Redemption requests are to be made in writing by completing a redemption form to be received by the Fund Administrator by 12 noon (Sydney, New South Wales time) ten (10) Business Days prior to the last Calendar Day of each month, and will be processed using the Redemption Date as at the end of the following month, subject to CIML's redemption processes described below. The redemption cut off is approximately 44 calendar days prior to the Redemption Date. CIML, at its sole discretion, has the right to waive notice periods and as a result, an Investor's redemption request may be processed using an earlier Redemption Date. You can obtain a redemption form by contacting Channel Client Services.

Your Units will be redeemed based on the Unit price prevailing at the time. As part of the redemption proceeds, Investors will receive their share of any net income of the Fund for the period of time during which their Units were issued in the relevant distribution period. These proceeds are included in the Unit price. Investors will also receive their share of the capital value of the Fund on redemption.

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.

There may be circumstances where your ability to redeem from the Fund is restricted, including circumstances where:

- disposal would be prejudicial to other Investors, such as where there is a large single redemption, a number of significant redemptions together or adverse market conditions; or
- it is not practicable to sell investments in the Fund in the usual timeframe.

In the event of any material changes to an Investor's withdrawal rights in the Fund (for example, in the circumstances that 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 https://www.kkrkitaud.com.au.

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

The amount available to fund redemption requests is subject to the available cash of the Fund on the relevant Redemption Date. The cash available to fund redemption requests may, from time to time, be limited.

If the Fund does not have sufficient cash to meet all redemption requests for a Redemption Date, redemptions will be partially accepted and processed pro-rata across all redeeming Investors. The amount redeemed will be based on the amount of their redemption request relative to the amount of cash CIML reasonably considers is available to fund redemptions on the relevant Redemption Date.

Any redemptions rejected in either whole or in part on a Redemption Date will not be carried over to the next Redemption Date for processing and will be considered cancelled in either whole or part. A new redemption request will need to be submitted for the next Redemption Date.

To meet redemption requests for a Redemption Date, CIML may also choose to redeem some of the Fund's shares in the Underlying Fund. The Underlying Fund will have limited liquidity and shareholders of the Underlying Fund, including the Fund, can apply for redemptions quarterly on the last calendar day of each calendar quarter. The aggregate NAV of total permitted redemptions by the Underlying Fund (on an aggregate basis across Underlying Fund) is generally limited to 5% of the Underlying Fund's aggregate NAV per calendar quarter (measured using the average of such aggregate NAV of the Underlying Fund as of the end of the immediately preceding three months).

Furthermore, the Underlying Fund may also charge an Early Redemption Deduction fee of up to 2% of the Underlying Fund shares being redeemed for disinvestment within the first year of an investment into the Underlying Fund. If an Early Redemption Deduction fee is charged to the Fund as a result of a redemption of its shares in the Underlying Fund and to satisfy a redemption request by Investors in the Fund, the Fund may, at the sole discretion of CIML, levy a sell spread to such Investors making a redemption in the Fund. Investors will be informed of the sell spread that is to be applied to their redemptions from the Fund, and given reasonable opportunity to withdraw all or part of their redemption request, before CIML accepts all or part of their redemption request and applies the sell spread to the relevant redemption.

Once CIML has decided to accept a redemption request in part or in whole, CIML has 220 Calendar Days to effect the redemption request, which may include redeeming some of the Fund's interests in the Underlying Fund.

Redemption proceeds will generally be paid within 35 Calendar Days after the relevant Redemption Date, subject to the rights and obligations of CIML set out in this section 12.2.

In certain circumstances we may suspend redemptions up to 365 Calendar Days in accordance with the Constitution, including (without limitation) if we believe this is in the best interests of Investors to do so or if we cannot realise all Fund assets in cash.

Under the Corporations Act, the Fund is illiquid if it has less than 80% liquid assets (generally cash, marketable securities, or other assets that CIML reasonable expects can be realised for their market value within the period specified in the Constitution for satisfying redemption requests whilst the Fund is liquid, being 585 Calendar Days), made up of the period of:

- 220 Calendar Days to effect a redemption request; and
- 365 Calendar Days where redemptions are suspended.

The relevant redemption proceeds must be paid to a redeeming Investor within 40 calendar days following the redemption of their Units in the Fund.

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.

Staggering redemptions

Under the terms of the Constitution, if CIML receives redemption request(s) in any given month of more than 5% of the Units on issue, CIML may stagger those redemption requests, such that each redemption request is deemed to be separate redemption requests of one fifth of the original redemption request ('**Staggering Request**'). Under these circumstances, each Staggering Request will be deemed lodged and received by CIML on the same day (or if applicable the next Business Day) in each successive calendar quarter following the acceptance by CIML in accordance with the Constitution.

Where CIML proposes to stagger redemption requests, it will notify all Investors prior to processing such redemption requests that the redemption requests are subject to staggering (‘**Staggering Notice**’). Investors who have submitted redemption requests that is subject to staggering may, up to 10 Business Days prior to end of each calendar quarter, submit a request for all or a portion of their redemption request to be revoked (‘**Revocation Notice**’). CIML, in these circumstances, will consent to the revocation of redemption requests that would otherwise be subject to staggering. Investors may at any time prior to making a redemption request submit to CIML in writing a standing Revocation Notice (‘**Advance Revocation Notice**’) in respect of any future redemption requests of that Investor which may be subject to staggering. An Advance Revocation Notice may be cancelled in writing to CIML, however, where a Staggering Notice has been issued, an Advance Revocation Notice is deemed accepted by CIML and may only be cancelled in respect of redemption requests submitted after the date of a Staggering Notice.

Under the Corporations Act, redemptions are not permitted if the Fund becomes illiquid (as defined under the Corporations Act). If the Fund is illiquid, withdrawals from the Fund will only be possible if we make a withdrawal offer in accordance with the Corporations Act. We are not obliged to make such an offer. However, if we do, 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 Investor/s as specified in the application form or as otherwise notified to CIML. Proceeds will be paid in AUD.

12.3 Cooling off period

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 a unitholder and as such, the terms of the IDPS guide will govern your rights and obligations with respect to your investment.

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 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, we will ensure that such material information will be made available as soon as practicable on the Fund’s website https://www.kkrkitaud.com.au. If you would like hard copies of this information, please contact Channel Client Services (see section 17) 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 https://www.kkrkitaud.com.au. They will not be sent to Investors unless requested.

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. We aim 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

We are a member of and participate 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 of the Fund addresses matters such as unit pricing, applications and redemptions, the issue and transfer of units, unitholder 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

KKR, the Fund Administrator, the Fund Custodian, the Fund Auditor, BNYM and the Underlying Fund Auditor have each given, and have not withdrawn before the date of this PDS, their written consent to be named in this PDS in the form and context in which they are named.

KKR, the Fund Administrator, the Fund Custodian, the Fund Auditor, BNYM and the Underlying Fund Auditor 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, KKR, the Fund Administrator, the Fund Custodian, the Fund Auditor, BNYM and the Underlying Fund Auditor are not involved in the investment decision-making process for the Fund.

13.7 Labour standards and environmental, social and ethical considerations

We do not take into account labour standards and environmental, social and ethical considerations for the purpose of selecting, retaining or realising investments of the Fund (referred to as Environmental, Social and Governance ('**ESG**')).

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

The Fund and the Underlying Fund is not designed for investors who are looking for funds meeting specific ESG goals. Neither the Fund nor the Underlying Fund is marketed as an ESG product.

Investors may have differing views, opinions and understanding of the meaning of sustainability and ESG-related terminology used in this PDS to CIML, the Underlying Fund Investment Manager and the Underlying Fund AIFM.

13.8 Conflicts of interest

General conflicts of interest

Capitalised terms not herein defined in this section 13.8 or under section 16 'Glossary' shall have the meaning ascribed to such terms in section 8.

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 Unitholders.

Additionally, certain activities of the KKR and its affiliates, as further described below, may 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. 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 or Underlying Fund.

Other than as set out in this PDS, 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.

An agreement has been entered into on arm's length terms between CIML and KKR. CIML and KKR may be subject to conflicts of interest when performing their duties in relation to the Fund. Both CIML and KKR have conflicts of interest policies and procedures in place that are designed to appropriately manage these conflicts of interest that arise in relation to managing the Fund.

KKR and its affiliates are part of KKR's global investment management firm. KKR's global businesses primarily include its private equity businesses KKR Credit and its insurance business. KKR has, and may in the future acquire, interests in other businesses.

As a result of this broad range of KKR activities, KKR and its affiliates, personnel and associates do and, in the future, will have multiple advisory, transactional, financial and other interests and relationships that conflict with the interests of the Underlying Fund and the Fund. Participation of KKR personnel, senior advisors, executive advisors, industry advisors and other KKR advisors in the Underlying Fund's investment activities are subject to applicable law and insider information barrier policies and procedures, which may limit the involvement of such personnel in certain circumstances and the ability of KKR investment teams to leverage such integration with KKR. Discussions with senior advisors, industry advisors, executive advisors and other KKR advisors and employees of KKR's managed portfolio companies are also subject to inside information barrier policies and procedures, which may restrict or limit discussions and/or collaborations with the KKR investment teams.

KKR and its affiliates are subject to a comprehensive compliance program which includes, among others, policies and procedures reasonably designed to address conflicts of interest that arise during the course of KKR's global business. This compliance program includes, among other policies, KKR's global Code of Ethics (the '**KKR Code**'). The policies and procedures set forth in the KKR Code recognise that KKR and its affiliates are in a position of trust and confidence with respect to KKR funds and managed accounts and have a duty to place the interests of their clients before those of their own or their employees and also include obligations to preserve the confidentiality of information obtained in the course of KKR's business and use such information properly and consistent with applicable law and regulations. In addition to the information barriers described above, KKR and its affiliates have established electronic firewalls and other protocols and procedures designed to protect confidential information.

Material conflicts of interest that arise between KKR and its affiliates and their clients (including the Underlying Fund), generally will be discussed and resolved on a case-by-case basis by senior management, including representatives of KKR or will otherwise be managed in accordance with internal policies and procedures reviewed by senior management that address specific conflicts. Any such discussions and policies will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict. To implement best practices in the application and monitoring of conflict resolution, KKR has created a global conflicts committee (the '**Global Conflicts Committee**'). KKR's Global Conflicts Committee is responsible for analysing and addressing new or potential conflicts of interest that may arise in KKR's business, including conflicts relating to specific transactions and circumstances, including fees and other compensation earned by KKR entities (other than management or performance fees or similar amounts) in connection with the activities of KKR funds and accounts, as well as those implicit in the overall activities of KKR and its various businesses. In addition, KKR has established policies and procedures for mitigating and managing possible conflicts of interest as they relate to business overseen by KKR and, in particular, for elevating, evaluating and resolving such conflicts.

KKR and Underlying Fund conflicts of interest

At the Underlying Fund level, conflicts of interest may arise from relationships between KKR and its affiliates, including the Underlying Fund Investment Manager, the Fund and the Fund as a shareholder of the Underlying Fund and Other KKR Funds. KKR and its affiliates, the Underlying Fund, KKR's advisors, and other related parties have multiple interests (including advisory, transactional and financial interests) that could potentially conflict with those of the Underlying Fund and the Fund as a shareholder of the Underlying Fund. You may wish to review the Form ADV Part 2 of the Underlying Fund Investment Manager maintained by KKR (and available at https://adviserinfo.sec.gov/firm/brochure/146629) prior to investing in the Fund. While established procedures are in place to address these conflicts, any such conflict may still have adverse effects on the Underlying Fund and the Fund.

The activities of KKR and its related parties and its clients will lead to conflicts of interest concerning the Underlying Fund and the Fund, such as the allocation of investment opportunities and subsequent dispositions. The Underlying Fund AIFM, KKR, and KKR Credit may have fiduciary and other duties under applicable laws that cannot be eliminated or modified in the Underlying Fund's documents. These documents may contain provisions that reduce or modify other duties and obligations owed to the Underlying Fund and the Fund.

In case the Underlying Fund AIFM of the Underlying Fund Investment Manager, or KKR Credit identifies a conflict of interest, they may take actions to mitigate it. However, there is no guarantee that all conflicts will be resolved in favour of the Underlying Fund or the Fund. By acquiring shares in the Underlying Fund, the Fund acknowledges, consents to, and waives claims regarding conflicts of interest, provided that the Underlying Fund AIFM, the Underlying Fund Investment Manager, and KKR Credit have conducted activities in accordance with the Underlying Fund's documents and fiduciary duties. As a result of the broad range of KKR activities described above, the Underlying Fund Investment Manager and its affiliates personnel and associates manage a broad range of Other KKR Funds which may compete with the Fund and the Underlying Fund and such Other KKR Fund for investment opportunities. These Other KKR Funds may also take actions which are contrary to the interests of the Fund and the Underlying Fund. For example, a Other KKR Fund may own an equity investment in a company in which the Underlying Fund has a debt investment, subject to conflicts of interest policies that limit such investments, including for example by generally prohibiting a KKR Credit debt fund from being an active investor in a KKR Private Credit Platform by acquiring more than a specified percentage of any debt tranche. The interests of an equity investor and a debt investor will generally not be aligned when the company in which they invest is distressed. The Other KKR Fund in these circumstances may vote its equity interest in a distressed company in a way that is contrary to the interests of the Underlying Fund as a debt investor in the same company.

KKR's capital markets business and other KKR service providers may provide for example, capital markets, loan servicing, aircraft leasing and other services to the Underlying Fund and Other KKR Funds and to portfolio companies of the Underlying Fund and of Other KKR Funds and may provide or arrange loans and other financing to the Underlying Fund, Other KKR Funds and their portfolio companies. These service providers will receive fees, commissions and other payments for these activities. It is also possible that portfolio companies of the Underlying Fund and Other KKR Funds may compete with, or provide services to, portfolio companies of Other KKR Funds and vice versa which may result indirectly in economic benefits to KKR or adverse consequences to the Underlying Fund and the Fund.

KKR and its affiliates manage a broad range of investment funds and accounts and KKR and its affiliates (which include an insurance business) also make substantial investments for their own account, which may have an adverse impact on the the Underlying Fund and the Fund, for example by reducing the amount of an investment opportunity that is allocated to the Underlying Fund (possibly to zero) or by acquiring a stake in another investment manager that competes with the Underlying Fund for investment opportunities. Investment decisions and actions taken on their behalf may have adverse consequences for the Underlying Fund, including in particular where they invest in the same portfolio companies as the Underlying Fund and their interests conflict.

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**') enforce the AML Act. In order to comply with the AML Requirements, CIML is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

CIML and the Fund Administrator as its agent (collectively the '**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 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 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 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 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 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 Entities may from time to time require additional information from you to assist in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The 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 US 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 US Internal Revenue Service ('**IRS**'). If you do not provide this information, we will not be able to process your application.

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.

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

CRS will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a 'Financial Institution' under the CRS and 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 their obligations, we will request that you provide certain information and certifications to us. We will determine whether the Fund is required to report your details to the ATO based on our 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. We collect 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 application 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, we may also collect personal information from third parties including public sources, our related companies, referrers, brokers, agents, your adviser(s) and our service providers.

If you do not provide us with your relevant personal information, we will not be able provide you with products or services (such as issuing you Units).

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

- the kinds of personal information we collect and hold;
- how we collect and hold personal information;
- whether collection is required or authorised by law;
- the purposes for which we collect, hold, use and disclose personal information; the entities or persons to which personal information is usually disclosed;
- how you may access personal information that we hold 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 us, and how we will deal with such a complaint; and
- whether we are 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 us to specify those countries.

CIML may also be allowed or obliged to disclose information by law. If an 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

Our privacy policy is publicly available at www.channelcapital.com.au or you can obtain a copy free of charge by contacting us. If you are investing indirectly through an IDPS, we do 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

ABN	Australian Business Number
ABF	Asset-Based Finance
Advance Revocation Notice	has the meaning provided in section 12.2 of this PDS
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
AIFM	alternative investment fund manager
AMIT	Attribution Managed Investment Trust
AML Act	*Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*
AML Requirements	Other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to CIML
APP	Australian Privacy Principles
ASIC	Australian Securities and Investment Commission
ATO	Australian Taxation Office
AUD	Australian Dollar currency
AUSTRAC	Australian Transaction Reports and Analysis Centre
BDC	Regulated business development company under the U.S. Investment Company Act of 1940 as amended
BNYM	Bank of New York Mellon SA/NV, Luxembourg Branch
Business Day	A day other than Saturday, Sunday, a bank holiday or public holiday in Sydney, New South Wales, or the 24th of December
Calendar Day	All days in a month, including weekends and holidays.
Channel	Channel Capital Pty Ltd ACN 162 591 568 (authorised representative number 001274413 of CIML)
CGT	Capital Gains Tax
CIML, Responsible Entity, we, us, and our	Channel Investment Management Limited ACN 163 234 240 AFSL 439007
Class	means a class of units in the Fund
Constitution	means the constitution of the Fund
Corporations Act	*Corporations Act 2001* (Cth)
CRS	Common Reporting Standard
Early Redemption Deduction	has the meaning set out in section 10.4 of this PDS
Entities	CIML and the Fund Administrator as its agent
ESG	Environmental Social and Governance
FATCA	Foreign Account Tax Compliance Act
FMCA	Financial Markets Conduct Act 2013 (N.Z.)
Fund	KKR Private Global Private Credit Fund (KIT AUD) ARSN 677 217 668 ABN 73 270 897 465
Fund Administrator or Apex	Apex Fund Services Pty Ltd ABN 81 118 902 891 or as otherwise appointed by CIML

Fund Auditor	Ernst & Young
Fund Custodian	Citibank, N.A., Hong Kong Branch
Global Conflicts Committee	has the meaning set out in section 13.8 of this PDS
GST	Goods and Services Tax
IDPS	Investor Directed Portfolio Service, IDPS-like scheme or a nominee or custody services (collectively known as master trusts or wrap accounts)
Indirect Investors	means a person investing through an IDPS
Investor or Unitholder	means a person who is the registered holder of Units
IRS	Internal Revenue Service
K-FIT	KKR FS Income Trust
K-FIT Board	K-FIT's Board of Trustees as described more fully in section 8.3 of this PDS
KKR	Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates)
KKR Capstone	means any or all of KKR Capstone Americas LLC, KKR Capstone EMEA LLP, KKR Capstone EMEA (International) Partners LLP, KKR Capstone Asia Limited, their affiliates, any entities serving a similar role thereto and their respective subsidiaries
KKR Code	KKR's global Code of Ethics
KKR Credit	Collectively, KKR Credit Advisors (US) LLC, KKR Credit Advisors (Ireland) Unlimited Company, KKR Credit Advisors (EMEA) LLP, KKR Credit Advisors (Singapore) Pte Ltd. and their respective successors and assigns and any other Person through which KKR & Co. Inc. and its subsidiaries conduct their credit investment business
NAV	Net asset value
PDS	Product Disclosure Statement
Person	means an individual, a partnership, a limited liability company, a joint venture, a corporation, a trust, an unincorporated organisation, a government or any department or agency thereof or any entity similar to any of the foregoing
Portfolio Company	Has the meaning set out in section 6 of this PDS
Privacy Act	Privacy Act 1998 (Cth)
RITC	Reduced input tax credits
RG240	ASIC Regulatory Guide 240: Hedge Funds: Improving Disclosure
Redemption Date	has the meaning set out in section 1 of this PDS
Revocation Notice	has the meaning set out in section 12.2 of this PDS
SEC	U.S. Securities and Exchange Commission
Shares	has the meaning set out in section 8.3 of this PDS
Staggering Notice	has the meaning set out in section 12.2 of this PDS
Staggering Request	has the meaning set out in section 12.2 of this PDS
TFN	Tax File Number
TOFA	Taxation of financial arrangements
Underlying Fund	KKR-Income Trust I, being a sub-fund of KKR-Income Trust SCA SICAV-RAIF
Underlying Fund Aggregator	KIT Aggregator L.P. (an Ontario limited partnership)

Underlying Fund AIFM	KKR Alternative Investment Management Unlimited Company
Underlying Fund Auditor	Deloitte Audit
Underlying Fund Custodian	Bank of New York Mellon SA/NV, Luxembourg Branch
Underlying Fund Incentive Fee	An incentive fee to which the Underlying Fund Investment Manager is entitled, consisting of the Underlying Fund Incentive Fee on Capital Gains and the Underlying Fund Incentive Fee on Income
Underlying Fund Incentive Fee on Capital Gains	has the meaning set out in section 1 of this PDS
Underlying Fund Incentive Fee on Income	has the meaning set out in section 1 of this PDS
Underlying Fund Investment Manager	KKR Credit Advisors (Ireland) Unlimited Company
Underlying Fund General Partner	KKR-Income Trust Associates SCSp
Unit/s	Class C unit/s in the Fund
USD	U.S. Dollar currency

17. Contacts

Responsible Entity

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Affiliate of Underlying Fund Investment Manager

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