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The Trust Company (RE Services) Limited
ABN 45 003 278 831, AFSL 235150

29 October 2020

The Manager
ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

KKC Announcement – Withdrawal in Specie

Background

As set out in KKC's product disclosure statement dated 19 September 2019 (as amended by the supplementary product disclosure statement dated 9 October 2019) ("**PDS**"), KKC's investment strategy is to invest in KKR-managed credit strategies or funds, including:

(a) KKR Global Credit Opportunities Master Fund L.P. ("**GCOF**") which is managed by KKR Credit Advisors (US) LLC ("**KKR Credit Advisors**")[1]; and

(b) KKR Lending Partners Europe II (Euro) Unlevered SCSp ("**EDL**").

At the date of this announcement, KKC has invested only in GCOF but has made a commitment to invest €234 million in EDL. KKC's manager, KKR Australia Investment Management Pty Ltd (the "**Manager**"), will deploy up to 50% of the proceeds raised in KKC's initial public offering into EDL over time, with the first EDL capital contribution of approximately €38 million to occur later this month.

Financing facility

As described in section 4.11 of the PDS, KKC has always intended to use a financing facility to manage its liquidity, including to enable KKC to meet its obligation to contribute capital to EDL while awaiting redemptions from GCOF and also to satisfy margin requirements in connection with its use of derivatives for foreign exchange hedging purposes, in addition to other short term working capital requirements.

KKC currently has a financing facility in place to meet its liquidity needs (the "**Current Facility**"). However, after considering various options, the Manager has formed the view that it would be able to procure a more favourable financing facility (including lower interest and commitment fees on behalf of KKC) if KKC could offer security over its share of GCOF's underlying assets, rather than an interest in the GCOF fund.

[1] As set out in the PDS, KKC has gained its exposure to GCOF by investing in a profit participating note ("**Profit Participating Note**") issued by the Global Credit Opportunities Feeder Fund ("**Feeder Fund**").

Restructure

As a result, the Manager (with the endorsement of the **Responsible Entity**, The Trust Company (RE Services) Limited) has sought and obtained from ASX a waiver from Listing Rule 10.1 ("**ASX Waiver**"), to enable it to restructure KKC's investment in GCOF ("**Restructure**").

Following the Restructure, assets with an equivalent market value to the assets attributable to KKC's interest in GCOF (through the Feeder Fund) will, once withdrawn from GCOF, be held by two Cayman-domiciled special purpose vehicles which are wholly owned by the Feeder Fund:

- KKR GCOF Access Fund Funding L.P. ("**Funding L.P.**") will hold transferred loans and bonds; and

- KKR GCOF Access Fund Holding L.P. will hold structured credit assets and certain other assets that do not meet the eligibility criteria under the contemplated new secured financing facility ("**Holding L.P.**"),

  (Funding L.P. and Holding L.P. are together known as the "**SPVs**").

A diagram showing KKC's structure following the Restructure is set out in Annexure 1.

In connection with the Restructure, Funding L.P. has entered into a new secured financing facility on more favorable terms than the Current Facility.

Management Agreements

As part of the Restructure, the SPVs will each enter an identical agreement for KKR Credit Advisors (US) LLC ("**KKR Credit Advisors**") to manage the assets held by each SPV (the "**SMAs**"). KKR Credit Advisors currently manages GCOF and the key terms of the SMAs will be equivalent to the key terms of KKC's investment in GCOF (i.e. the same investment strategy and investment restrictions, the same or better liquidity, no fees payable to KKR Credit Advisors). Therefore, the Manager does not expect the risk profile of KKC's investment to change materially.

A summary of the material terms of the SMAs is set out in Annexure 2 to this announcement.

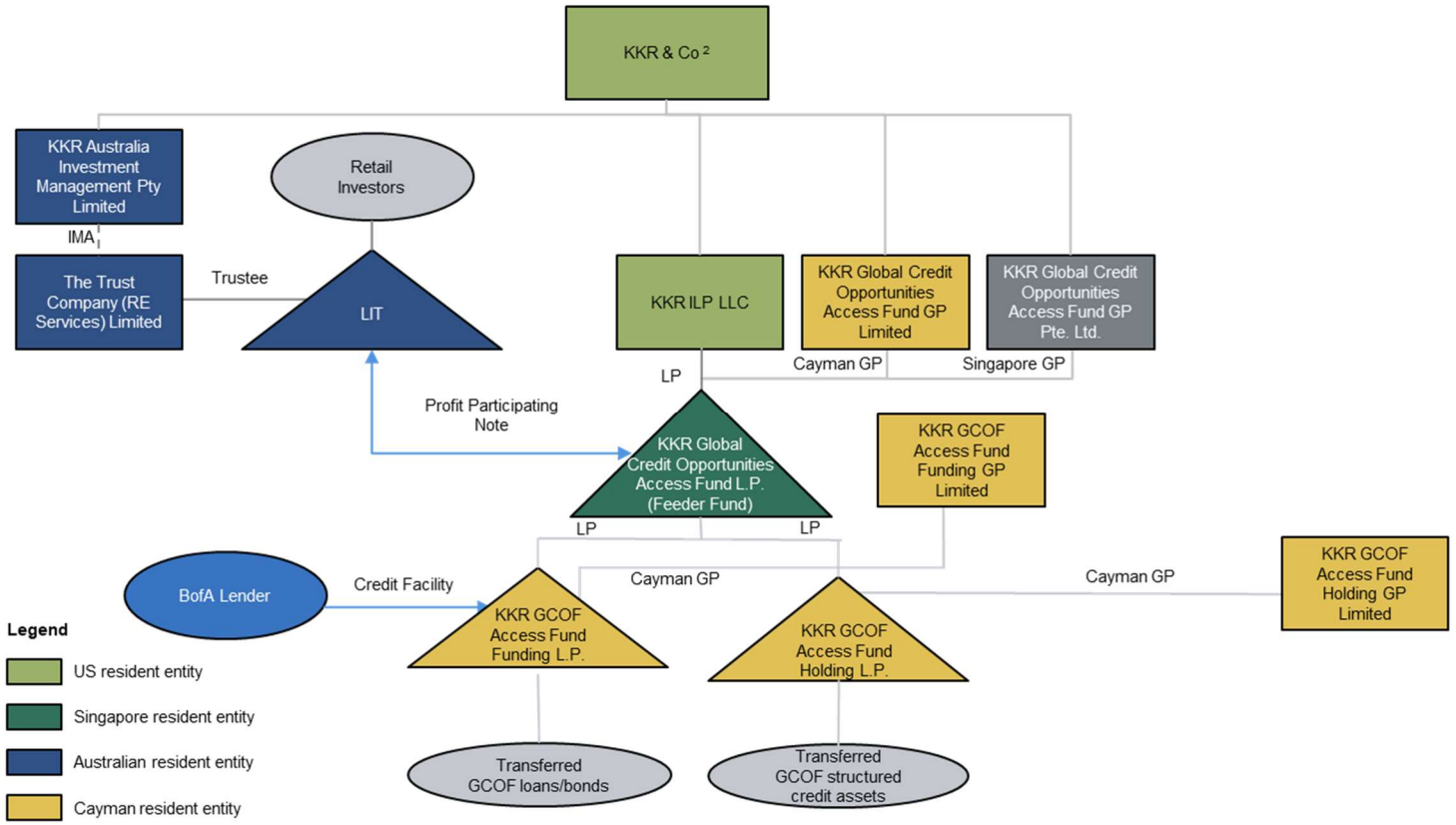
Investment objective

The Responsible Entity confirms that the investment objective and strategy of KKC as set out in the PDS remains unchanged.

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Annexure 1 – Post-Restructure structure diagram



1) This is a simplified diagram and does not depict all relevant entities. KKR Global Credit Opportunities Master Fund L.P. (**GCOF**) is not shown in this diagram.
2) While KKR & Co is the ultimate parent or controller of the entities depicted, it is not the direct owner. We have not depicted interposed subsidiaries for illustrative simplicity.

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Annexure 2 – Material terms of each SMA

Services	KKR Credit Advisors agrees to provide management services and other assistance to the SPV, including with respect to: • strategic planning; • identifying acquisitions; • screening and referring potential investments to the SPV; • recommending strategies for exit from investments; • executing investments authorized by the general partner of the SPV; • monitoring investment performance; and • other assistance with SPV requires such as preparing valuations and reports and providing for executives of KKR Credit Advisors to serve on the boards of directors of the investments.
Term	The agreement will continue until the SPV ceases to exist.
Powers and discretions of KKR Credit Advisors	KKR Credit Advisors is appointed as the general partner of the SPV's agent and attorney-in fact to exercise its discretions and powers. In connection with providing the services, KKR Credit Advisors is authorised to manage, supervise and direct the reinvestment and investment of the assets of the SPV with full authority and in its discretion. This includes the ability to open accounts and execute documents, indemnities and representation letters in the name of the SPV. KKR Credit Advisors must place orders for the execution of transactions for the SPV in accordance with the partnership agreement for the SPV.
Indemnification	The SPV indemnifies and holds harmless KKR Credit Advisors and each of its officers, directors, employees, partners, shareholders, members and agents (the "**Indemnitees**"). The Indemnitees are not liable, responsible or accountable in damages or otherwise to the SPV or any partner for any liabilities, to the extent set out in the SPV's partnership agreement. This indemnity survives the termination of the agreement.
Expenses	KKR Credit Advisors must bear the cost of its out-of-pocket expenses incurred in connection with the services performed under the agreement, including its normal overhead expenses (such as salaries and benefits, rent, office furniture, fixtures and computer equipment).
Assignment	The agreement may be assigned, with the consent of the SPV, in whole or in part by KKR Credit Advisors to any affiliate of the general partner of the SPV designated as the new manager by the general partner of the SPV.

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Yours sincerely,

Kevin Razavi
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The Trust Company (RE Services) Limited ABN: 45 003 278 831, AFSL: 235150 as Responsible Entity of the KKR Credit Income Fund (ARSN 634 082 107)

Important Information

This information has been prepared by KKR Australia Investment Management Pty Ltd ABN 42 146 164 454, AFSL 420 085 ("KKR") and issued by The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235150 ("TTCRESL"). TTCRESL is the responsible entity and issuer of the KKR Credit Income Fund ARSN 634 082 107 ("Trust"). TTCRESL has appointed KKR to act as the manager of the Trust. This update is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not indicative of future performance. This information is believed to be accurate at the time of compilation and is provided in good faith. This information may contain information contributed by third parties. KKR and TTCRESL do not warrant the accuracy or completeness of any information contributed by a third party.

Before making any investment decisions you should consider the Product Disclosure Statement (PDS) for the Trust issued by TTCRESL and the Trust's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.kkcaustralia.com.au or can be obtained by calling 1300-131-856 within Australia).

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