

27 June 2023

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

**KKR CREDIT INCOME FUND (ASX:KKC)**  
**Distribution Guidance for FY2024 and Cessation of Buy-Back**

KKR Australian Investment Management Pty Ltd (the “Manager”) and The Trust Company (RE Services) Limited (the “Responsible Entity”) as responsible entity of the KKR Credit Income Fund (the “Trust” or “KKC”) wish to provide an update to investors in respect of the KKC on-market buy-back and provide distribution guidance for the financial year ending 30 June 2023 (“FY2024”).

**Distribution Guidance FY2024**

The Manager and Responsible Entity are pleased to provide guidance on the targeted distribution for the KKR Credit Income Fund for the financial year ending FY2024.

The targeted distribution is 1.67 cents per unit per month, or 20.0 cents per annum for FY2024. This represents an increase of 52% from the current 1.10 cents per unit per month, or 13.2 cents per annum.

This represents an annualised distribution yield of:

- 8.6% based on the NTA per unit of \$2.3308 as at 31 May 2023
- 10.8% based on the unit price of \$1.86 as at 31 May 2023.

The Manager expects KKC to benefit from increased yields and credit spreads in global credit markets, reflected in the higher income target for FY2024. The current yield on the underlying assets in the KKC portfolio as at 31 May 2023 is 10.2% p.a.

The targeted distribution assumes income levels based on current and future cash flow from the portfolio of assets and fees and costs related to managing KKC. The income forecasts have been derived using the Manager’s expectations of future market conditions, including interest rates, spreads, and currency hedging costs.

**Buy-Back Update**

The Responsible Entity advises that the buy-back has now ceased. The attached Appendix 3C – Notification of buy-back has been issued as a final notification of the KKC on-market buy-back and provides details in respect of the completed buy-back.

The Responsible Entity bought back \$100,402,836.05 of KKC units under the buy-back at a discount to the prevailing net tangible assets (NTA) of the Trust. Both the Manager and Responsible entity remain of the view that the KKC ASX traded unit price does not reflect the

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fair value of the underlying assets held by the Trust and the current ASX traded unit price continues to reflect a trading discount to the NTA of the Trust.

The Manager believes that distributing income received from the Trust's investments and increasing the distribution yield is a more sustainable use of income going forward in place of buying back KKC units. The Manager will continue to investigate other alternatives with a view towards reducing the KKC trading discount.

The Manager is confident that KKC is well positioned to benefit from current market volatility. The underlying concentrated credit investment strategy (GCOF), which represents approximately 57% of the portfolio, has historically outperformed following credit market dislocations, while the European direct lending strategy (EDL), which accounts for the remaining 43% of the portfolio, is expected to have lower volatility and contribute to KKC's income.

#### **Contact Details**

Unit Registry – Boardroom Pty Ltd

Telephone: 1300 737 760 (within Australia)  
+61 2 9290 9600 (outside Australia)

Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

Website: [www.kkcaustralia.com.au](http://www.kkcaustralia.com.au)

Authorised for release by 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", "Manager") and is issued and authorised for release by The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235150 ("TTCRESL", "Responsible Entity"). 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.

The targeted distribution yield is subject to significant economic, market and other uncertainties that may adversely affect the performance of KKC and is not guaranteed.

Before making any investment decisions you should consider the Product Disclosure Statement (PDS) and Target Market Determination (TMD) 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](http://www.kkcaustralia.com.au) or can be obtained by calling 1300 737 760 within Australia.

None of KKR, its affiliates or its related bodies corporate, or any company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of the Trust or the return of an investor's capital. This information does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of the Trust's units. Any term not defined in the document has the same meaning as defined in the PDS.

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