

KKR Teach-In

November 2019



Kohlberg Kravis Roberts

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For additional important information, please see the section entitled "Important Information" in Appendix located at the end of this presentation.

Key Strategic Drivers

43 years of

Teamwork

Integrity

Driving Relationships

PARTNERSHIP

Accountability

Innovation

Excellence

Diversity

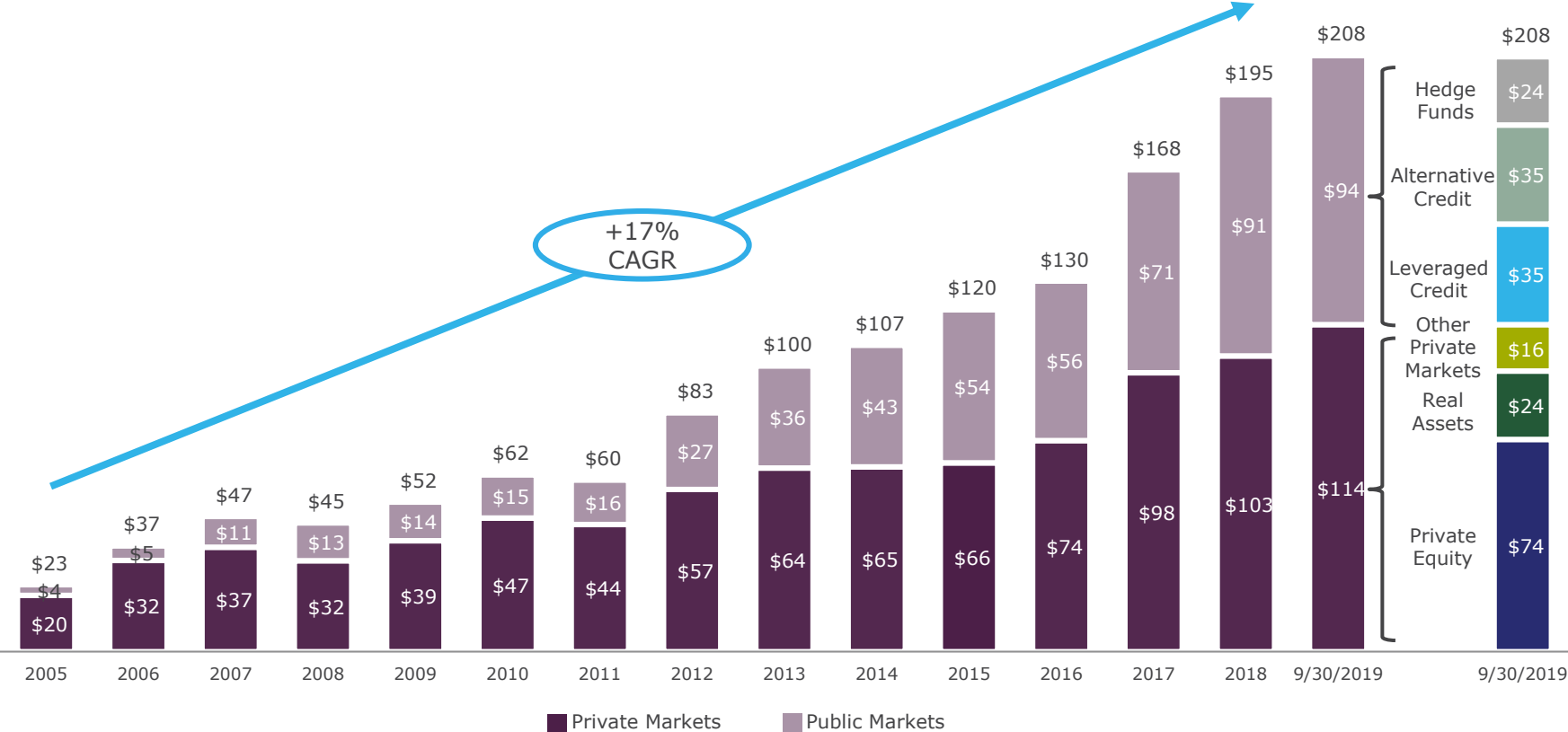
Our Model



Note: Data as of September 30, 2019.

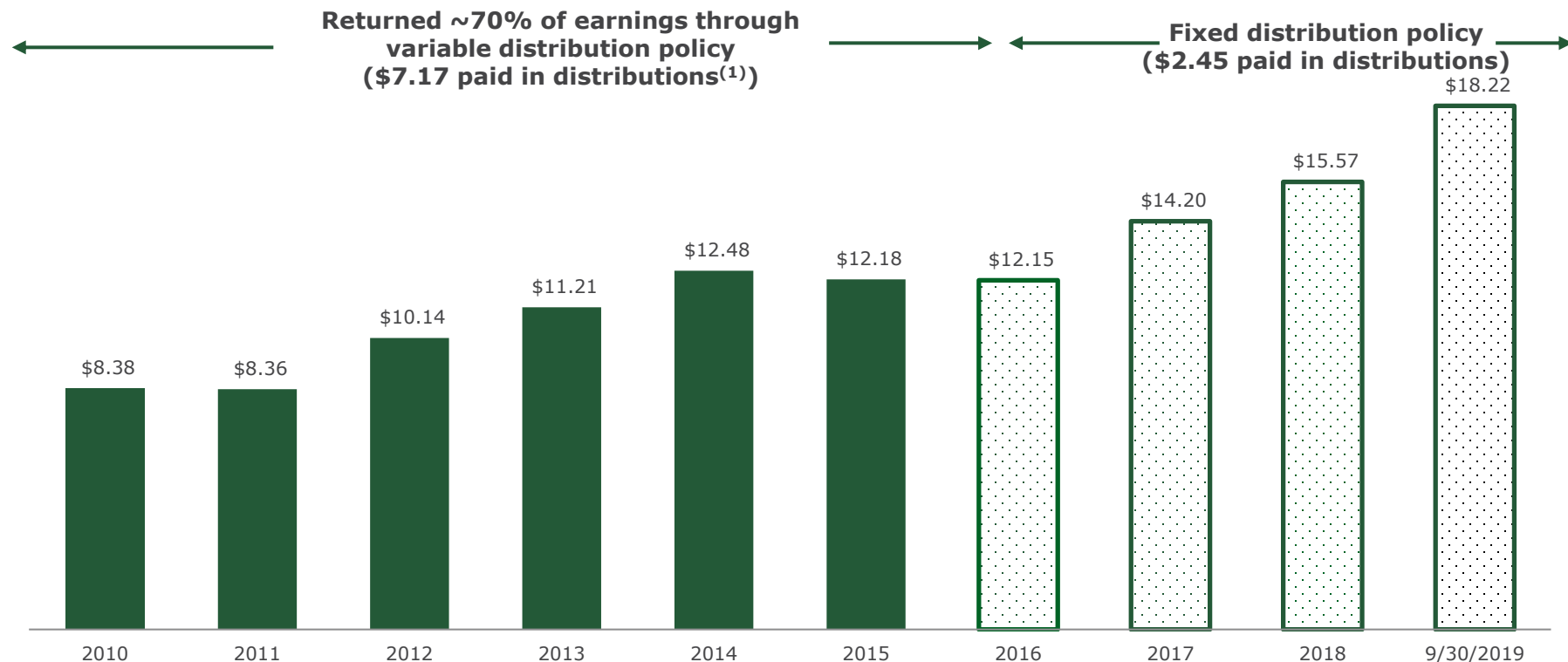
AUM Growth Across Asset Classes

(\$ in billions)



Note: Private Equity includes private markets less Core, Growth and Real Assets. Data as of September 30, 2019.

KKR Book Value Per Adjusted Share Growth



Total distributions since listing: \$9.62 per share

Note: (1) Different patterned bars reflect the change in distribution policy following September 30, 2015. See Appendix for a reconciliation to financial results prepared in accordance with GAAP. Includes Q4 2009.

KKR

Differentiated Culture & Investment Platform

Global



KKR Tool Kit



**Multi-Asset
Capabilities**

One Firm

- 20 offices
- Localized sourcing
- Industry specialists
- KKR Capital Markets
- KKR Capstone
- Global Macro
- ESG
- KKR Global Institute
- Public Affairs
- Private Equity
- Growth Equity
- Core
- Alternative Credit
- Leveraged Credit
- Infrastructure
- Real Estate
- Energy
- Impact

In Order to Double Earnings and Book Value by Year 5...

▶ Last 10 Years (2007 to March 31, 2018):

FPAUM	\$40bn	→	\$133bn ⁽¹⁾	→	13% CAGR
Management Fees	\$265mm	→	\$948mm	→	>\$1bn increase
Capital Markets Fees	\$1mm	→	\$426mm	→	16% CAGR

▶ Looking Forward:

FPAUM Growth Assumption⁽²⁾

• FPAUM – **8% CAGR**

Conservative growth compared to our historical profile

\$25bn of capital commitments in current AUM not yet earning economics (will transition to FPAUM as invested)

Gross Investment Returns Assumptions ⁽²⁾

<ul style="list-style-type: none">• Private Equity• Growth	} 17.5%	<ul style="list-style-type: none">• Real Estate Equity• Infrastructure• Energy	} 13 – 15%
		<ul style="list-style-type: none">• Core• Alternative Credit	
<ul style="list-style-type: none">• Leveraged Credit	5%		

Conservative return assumptions compared to our historical profile

Our Goal is to Exceed This Level of Performance

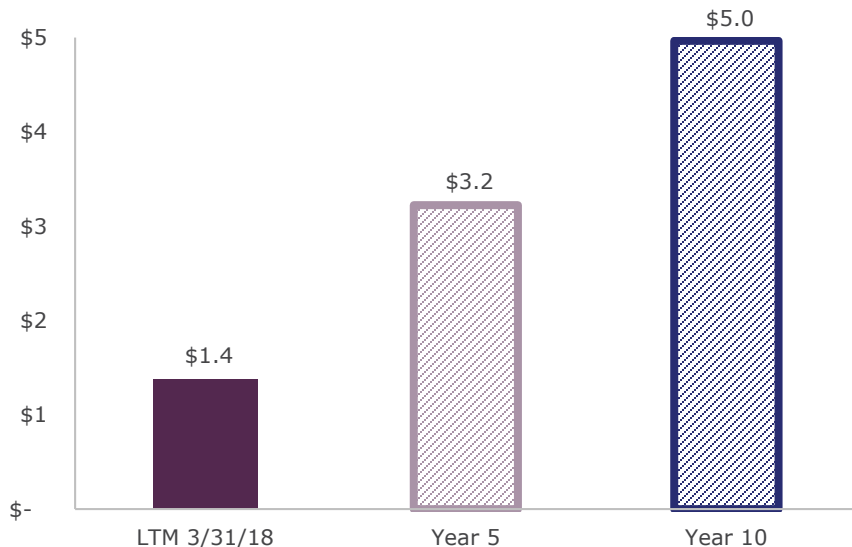
(1) \$133 billion of FPAUM represents \$119.7 billion of FPAUM as reported for the quarter ended March 31, 2018, plus \$13.2 billion of FPAUM attributable to the FS Strategic BDC partnership which closed in April 2018. Throughout this presentation \$133 billion of FPAUM for KKR will be referenced.

(2) The assumptions are for illustrative, informational purposes only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.

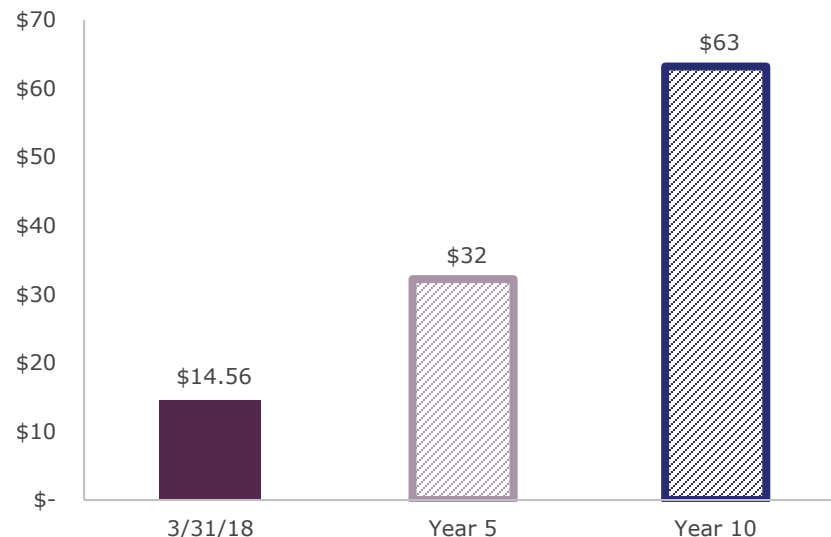
As A Reminder – KKR Looking Forward⁽¹⁾

Pre-Tax Distributable Earnings⁽²⁾

(\$ in billions)



Book Value Per Adjusted Share



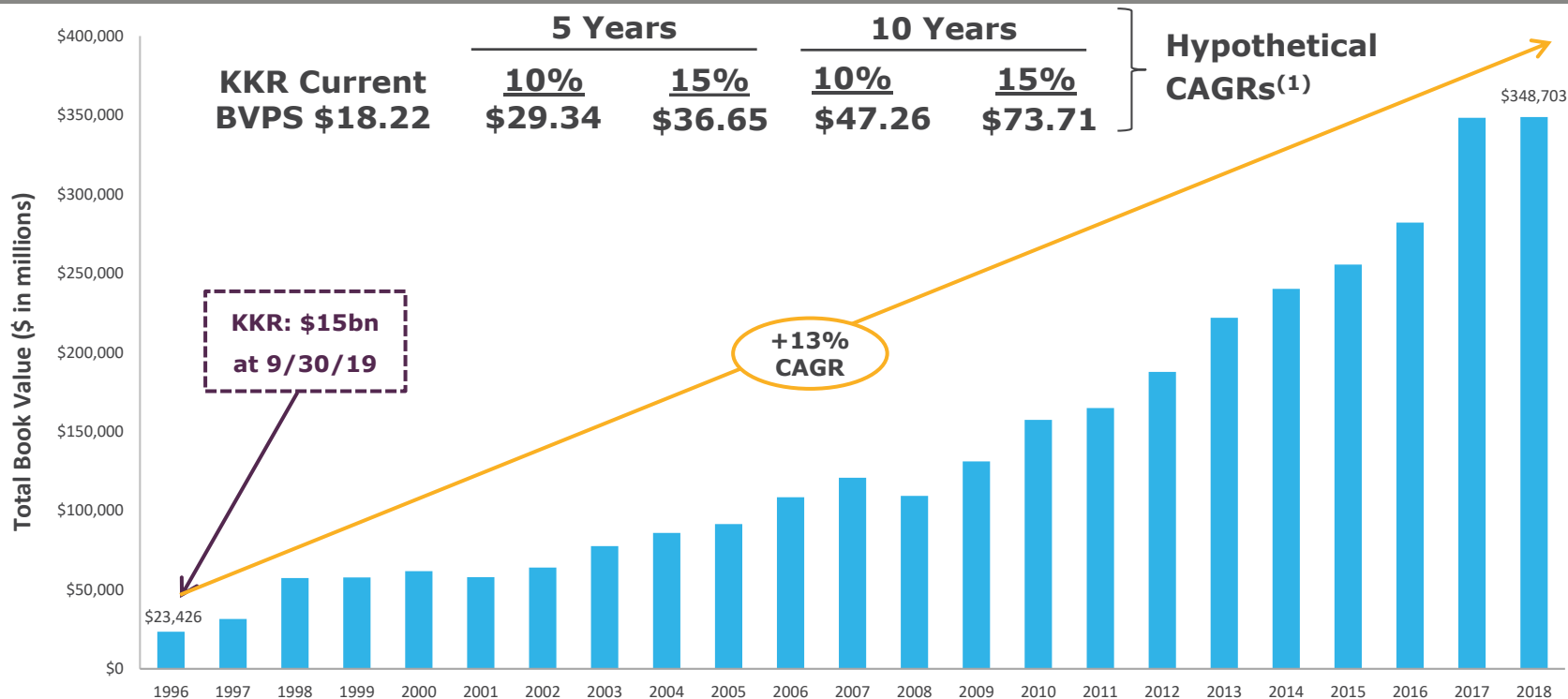
Our Goal is to Exceed This Level of Performance

Note:

- (1) See Appendix for a reconciliation to financial results prepared in accordance with GAAP. The estimated future pre-tax distributable earnings and book value per share are for illustrative, informational purposes only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.
- (2) Distributable earnings throughout this presentation will be defined as the amount of realized earnings of KKR after deducting equity-based compensation that would be distributable to Class A common stockholders for a given reporting period. See Important Information.

Berkshire Hathaway Case Study

BRK's Book Value has increased at a 13% CAGR since 1996



Note
(1)

KKR data as of September 30, 2019.

For illustrative, informational purposes only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical results calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.

KKR

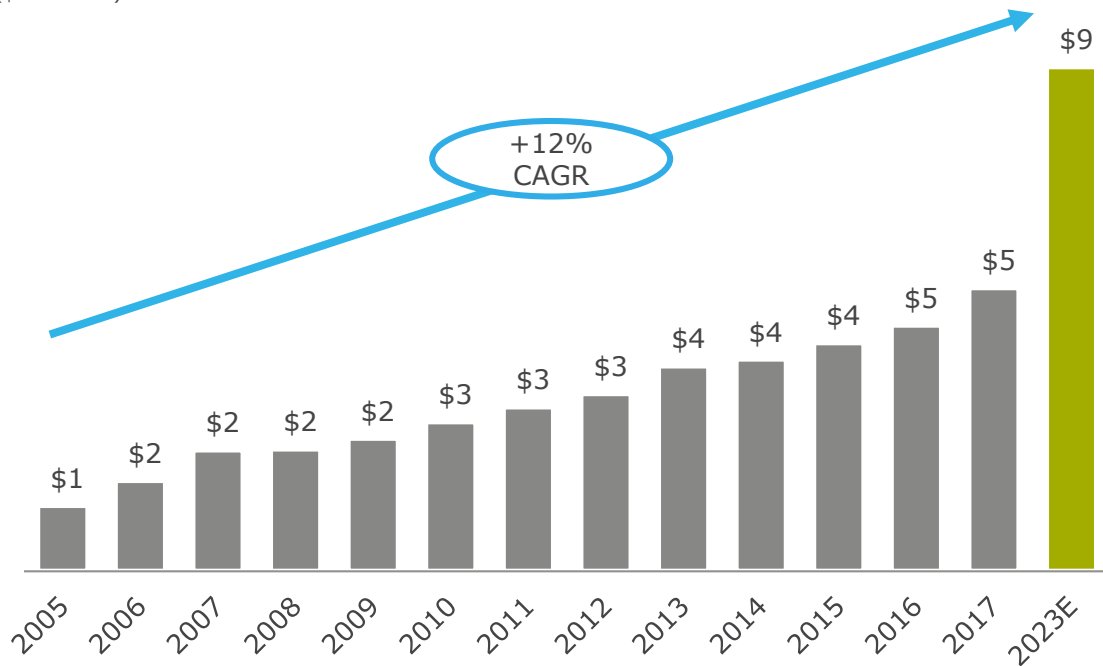
Observations

1 The fundraising environment remains strong

① Our Industry Is Growing

Alternative Asset Industry AUM

(\$ in trillions)



Secular Drivers

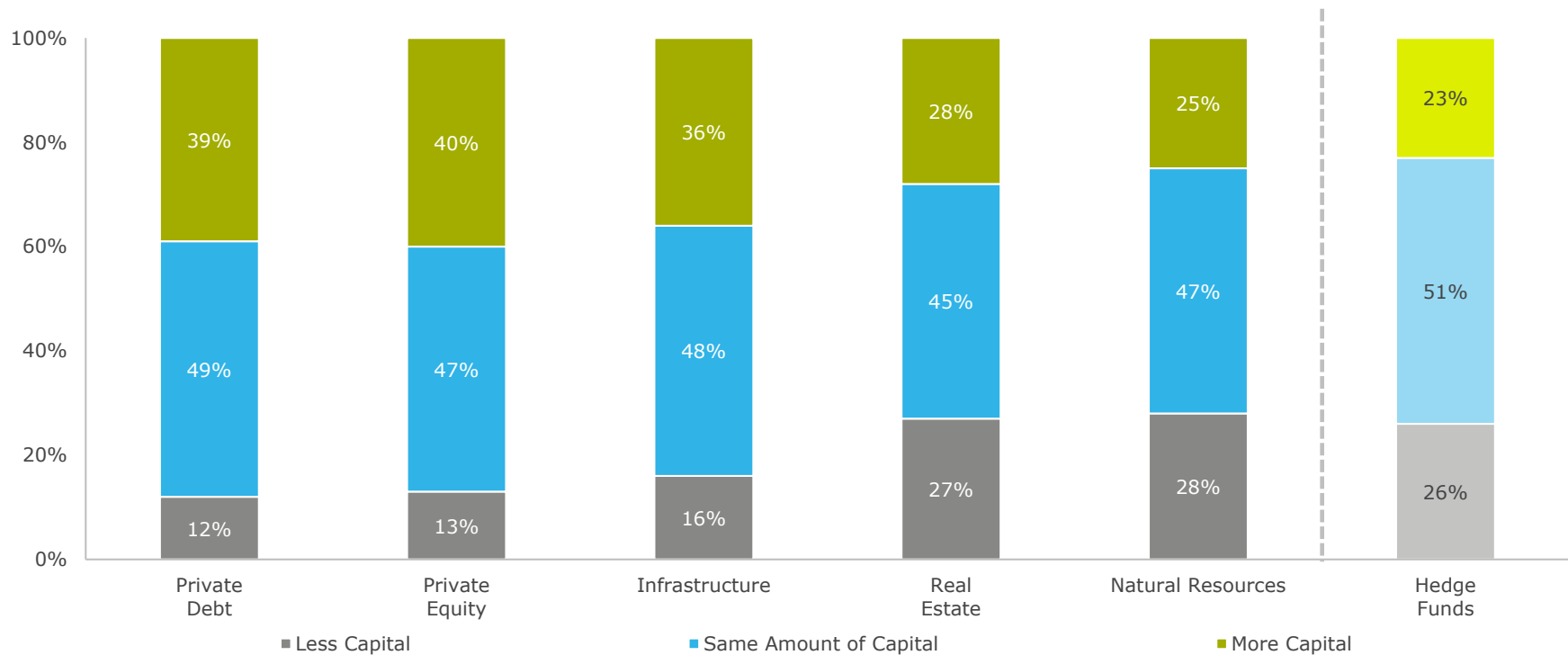
- ✓ Limited Partners' need for investment returns
- ✓ Growth in Sovereign Wealth Funds
- ✓ Growing penetration of Insurance and High Net Worth investors
- ✓ Retrenchment of banks
- ✓ Shareholder activism

Note: AUM includes Private Equity, Infrastructure, Private Debt, Natural Resources and Real Estate. KKR's definition of AUM is different from Preqin's definition of AUM, and therefore the comparison between the two may not be directly comparable.

Source: Preqin – The Future of Alternatives. October 2018.

① Alternative Allocations Expected to Increase Across Most Asset Classes

Expected Capital Commitments Next Twelve Months



- ① **The fundraising environment remains strong**
- ② **We continue to add new clients & cross-sell...**

② Continue to Add New Clients & Cross Sell

	2008	2010	Today ⁽¹⁾
# of Investors	275	344	1,011
Products per Client	?	1.5	1.9
Fund Investors in Multiple Products	?	130	~412

Clients with >\$500mm in commitments are invested in an average of 4.7 products

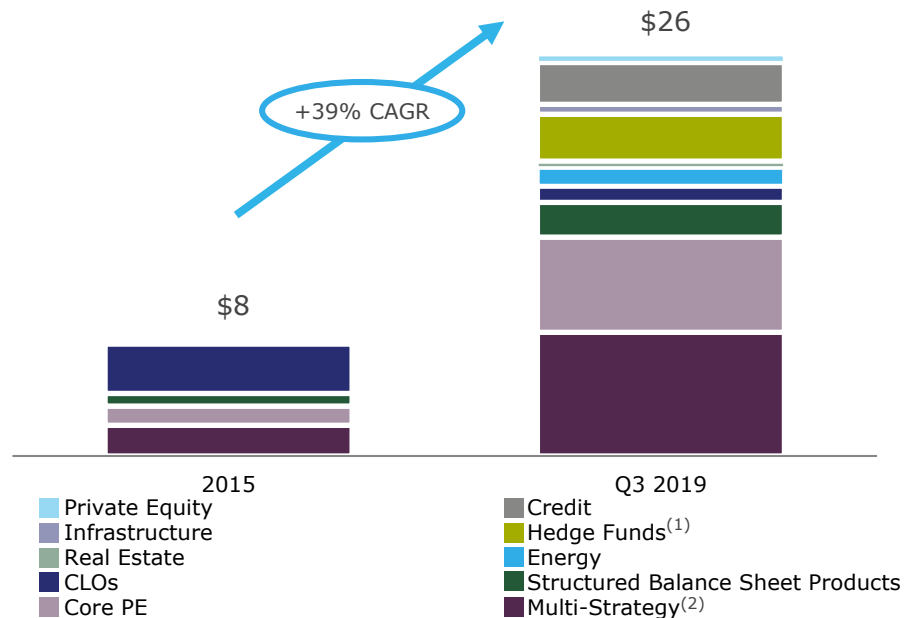
(1) As of September 30, 2019.

- ① **The fundraising environment remains strong**
- ② **We continue to add new clients & cross-sell...**
- ③ **...and invest in specialized channels**

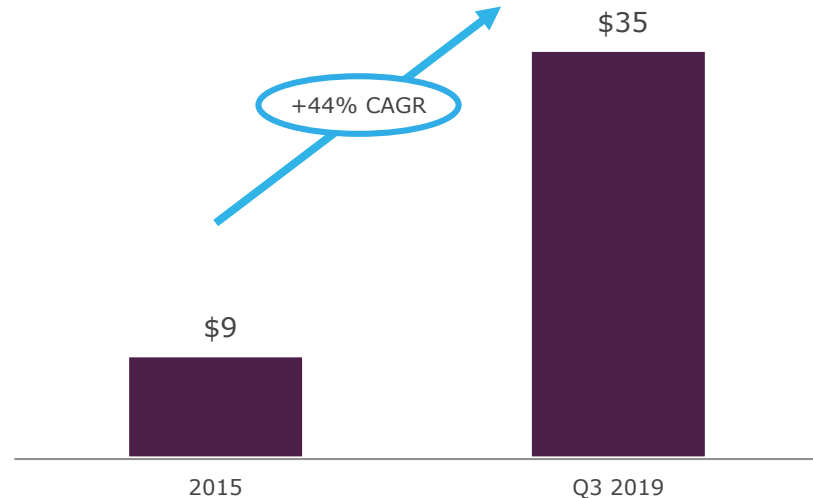
3 Drive Specialized Channel Penetration

(\$ in billions)

Insurance AUM by Asset Class



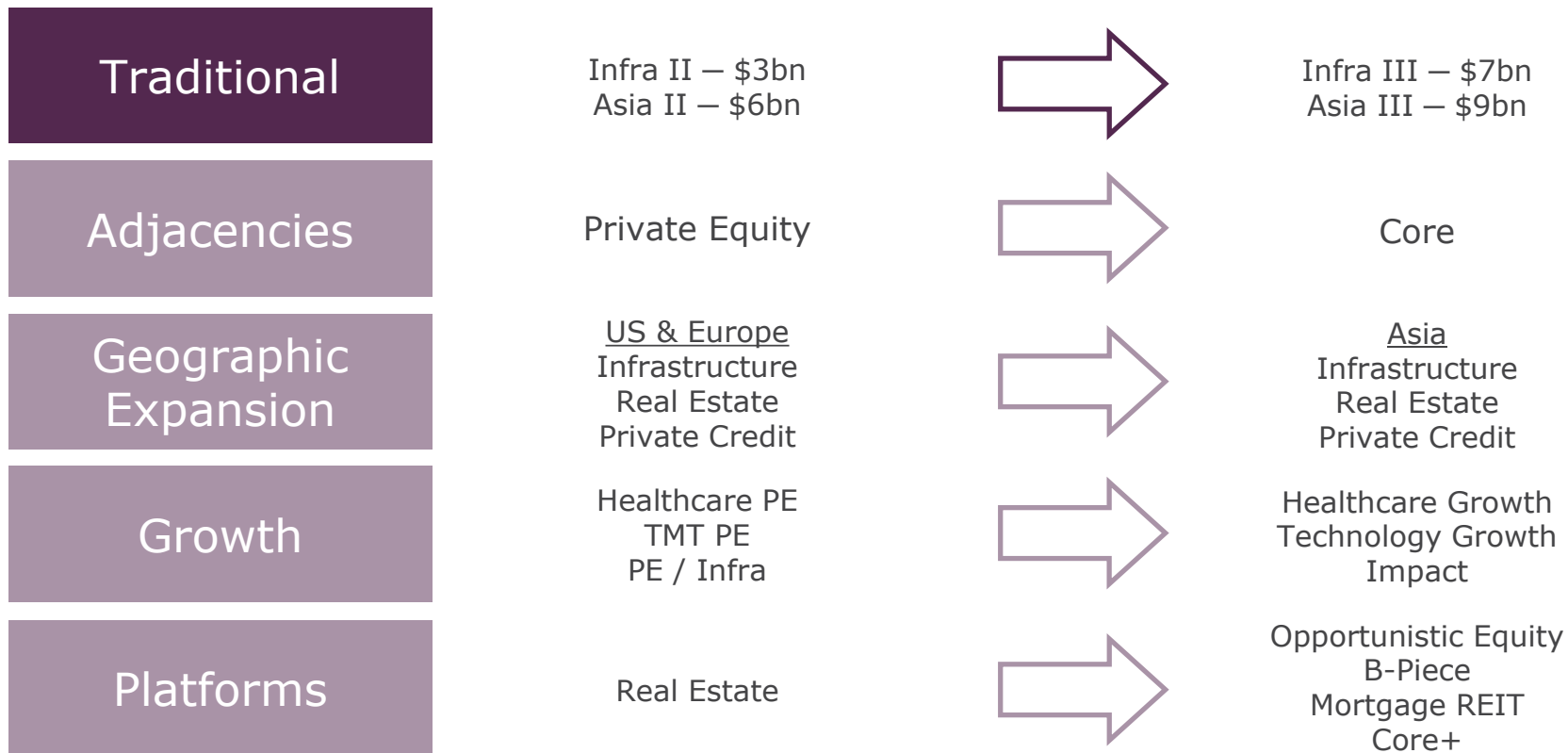
Retail Capital AUM



(1) Hedge Funds AUM reflects KKR's share of Insurance AUM at PAAMCO Prisma and Marshall Wace.
 (2) Multi-Strategy includes insurance partnerships.

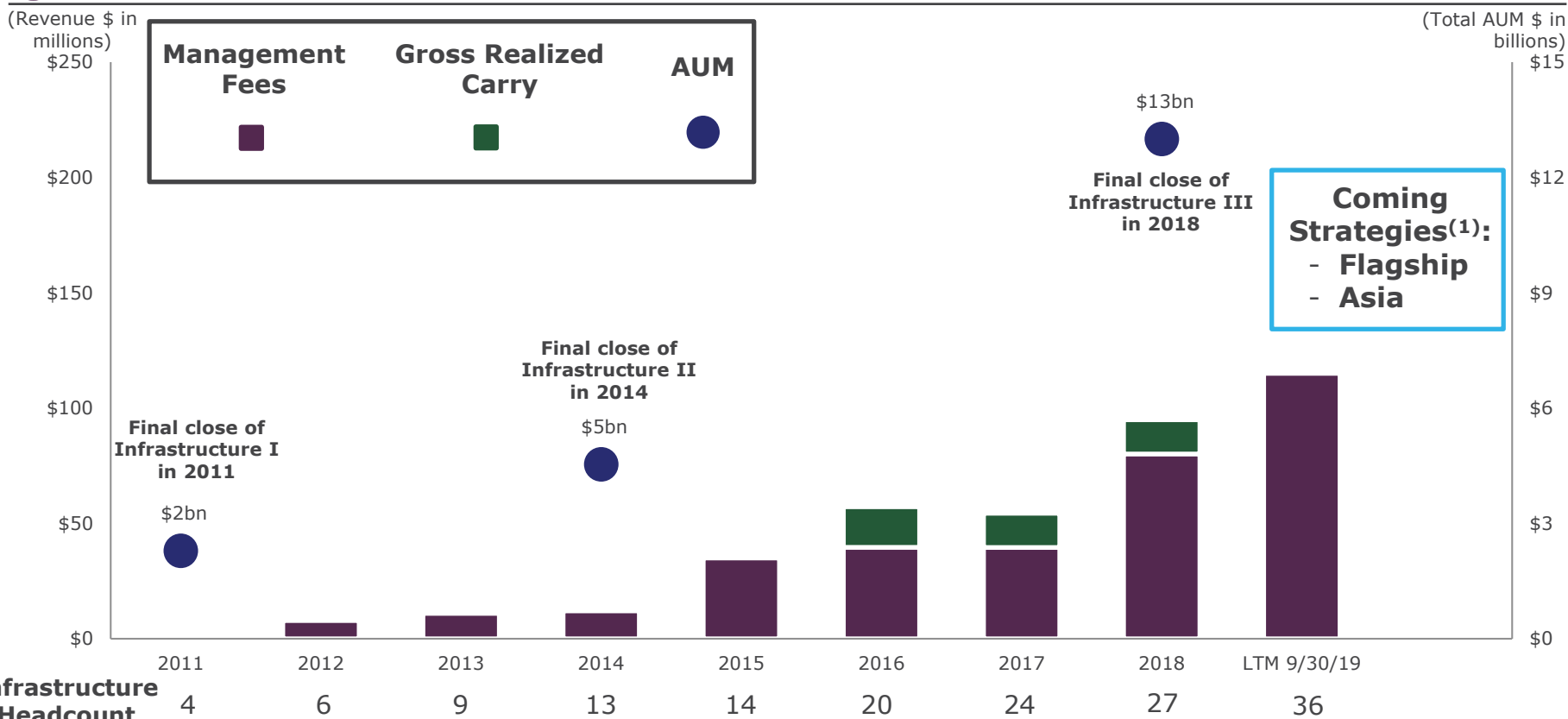
- ① **The fundraising environment remains strong**
- ② **We continue to add new clients & cross-sell...**
- ③ **...and invest in specialized channels**
- ④ **We are scaling in many ways**

④ Ways To Scale & Grow⁽¹⁾



(1) For illustrative, informational purposes only and there is no guarantee that KKR will raise capital for all of the listed strategies. The historical growth in management fees does not guarantee that KKR will achieve similar growth in future periods, which depends on the amount, timing and terms of the funds raised for each strategy. This presentation is not, and should not be construed as, an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities, investment funds, vehicles or accounts.

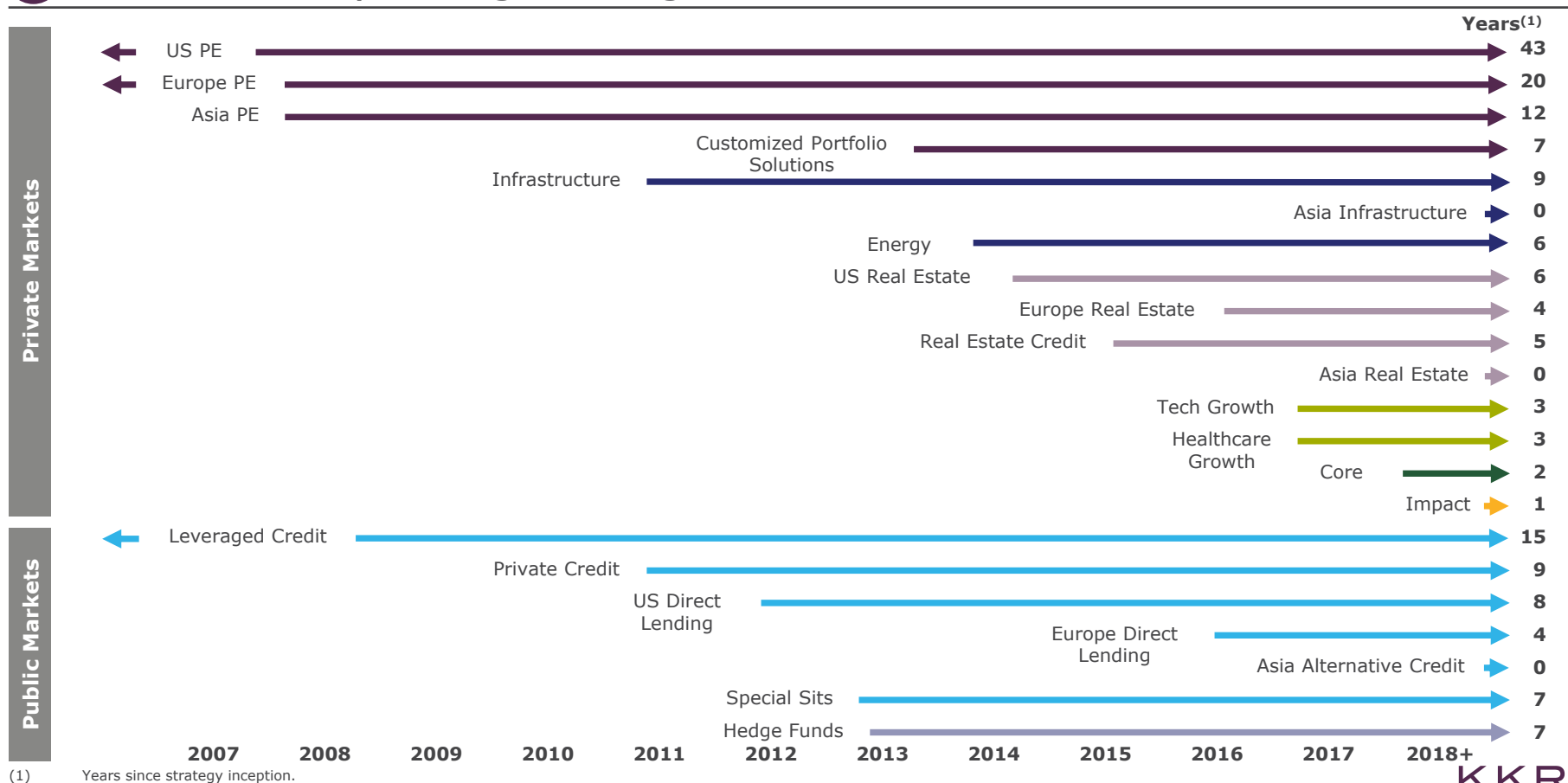
4 It Takes 10 Years To Scale – Infrastructure Case Study



(1)

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4 We Have Many Young Strategies



(1)

4 Significant Scaling Opportunity

(\$ in billions)



Note: KKR data as of September 30, 2019. Market Leader represents most recently available as of November 1, 2019.

(1) Represents gross AUM, not KKR's pro rata portion of AUM.

4 The Asia Platform Continues to Perform and Evolve

Greater China

34 Executives

Korea

11 Executives

Australia

20 Executives

Japan

25 Executives

India

44 Executives

Southeast Asia

15 Executives

20 Regional / Generalist Executives

Deep Local Expertise

- Network & Relationships
- Sourcing & Filtering
- Diligence & Execution
- Political & Regulatory
- Key Influencers
- Macroeconomic
- Local Customs & Practices

Asian Fund – 2007 (\$4.0 billion)

- 22 transactions across 8 countries

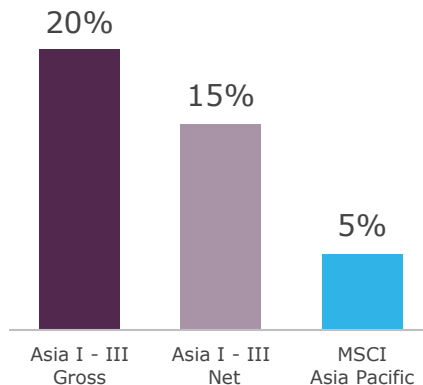
Asian Fund II – 2013 (\$5.8 billion)

- 29 transactions across 9 countries

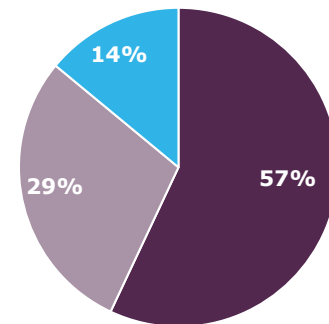
Asian Fund III – 2017 (\$9.0 billion)

- 22 transactions across 9 countries
(~65% invested or committed)

Overall PE Returns



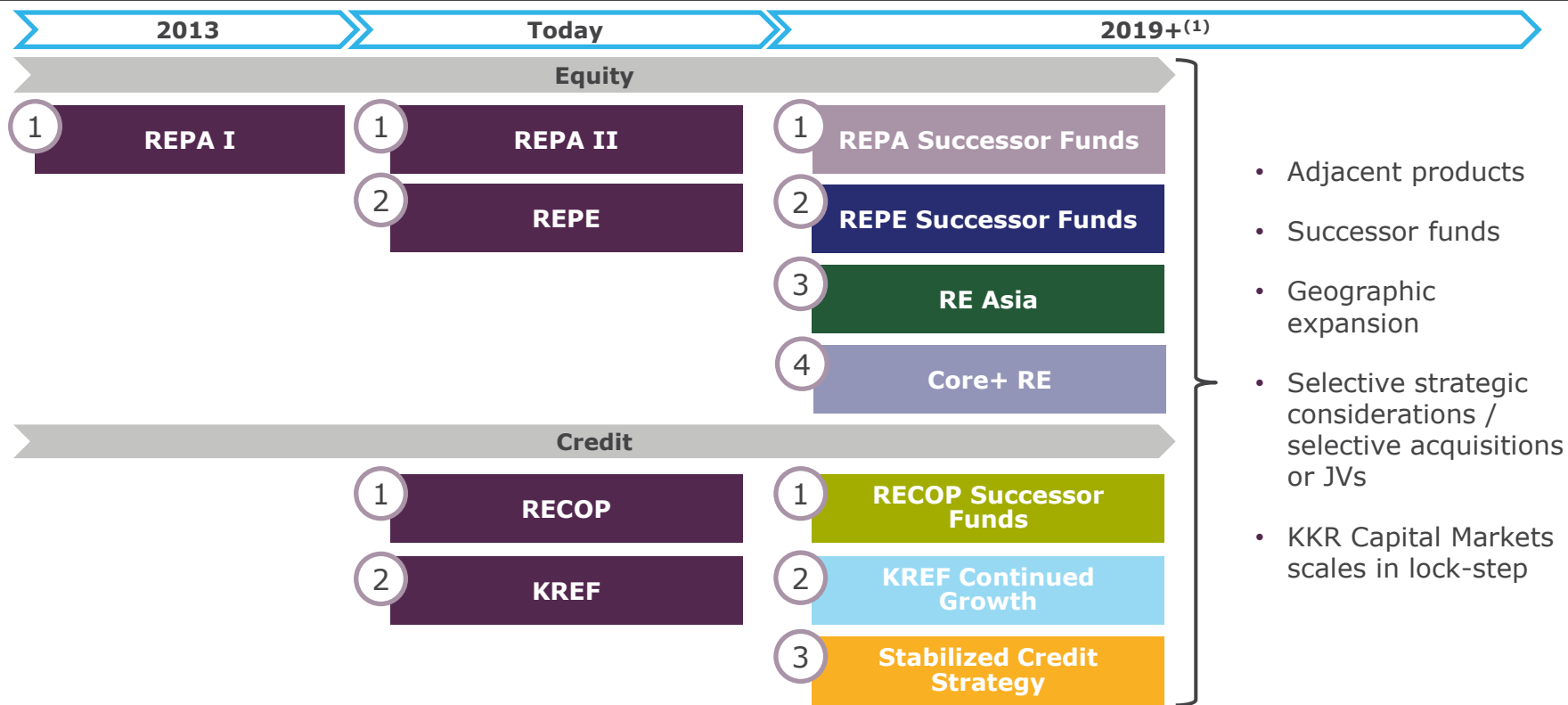
Asia PE Sourcing



■ Proprietary ■ Limited Process ■ Auction

Note: As of September 30, 2019. Past performance is no guarantee of future results.

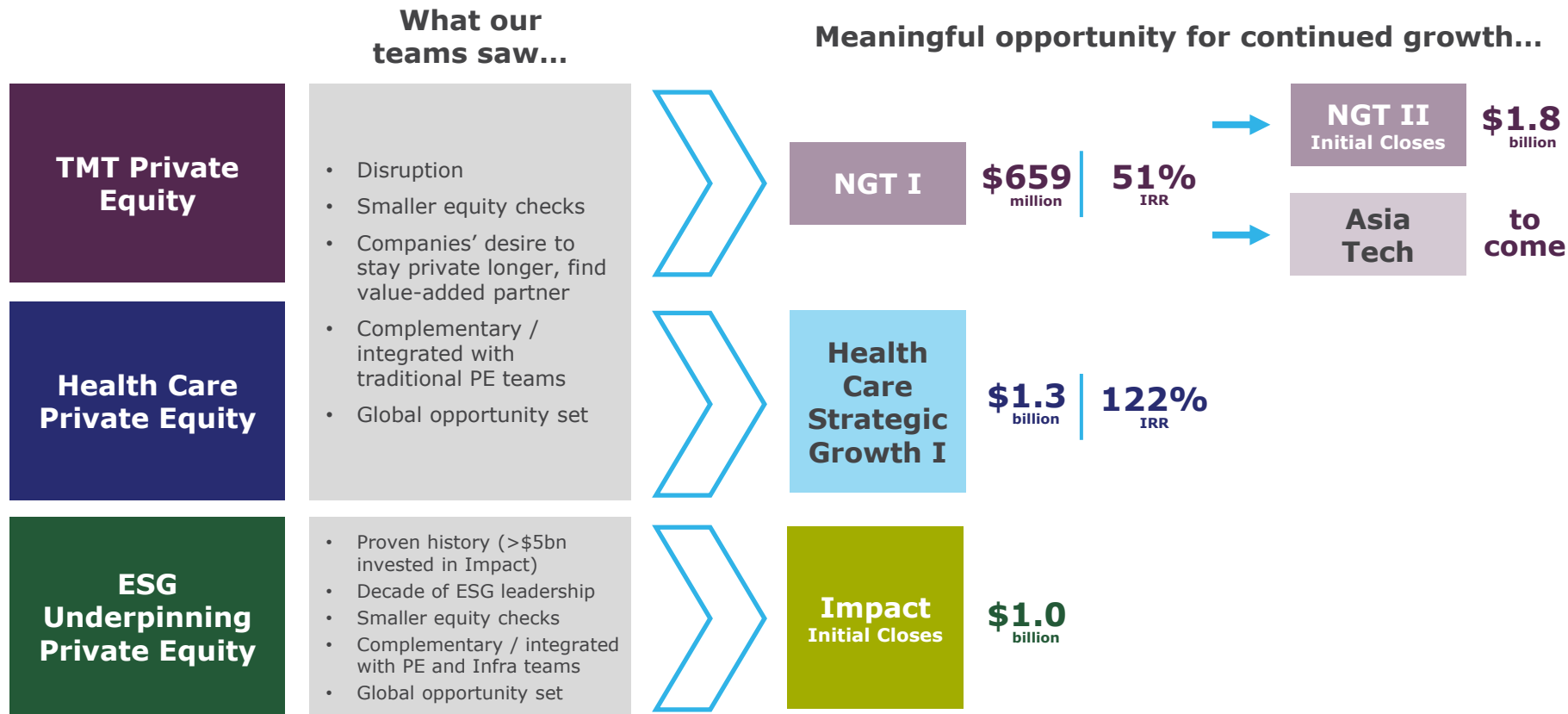
4 Real Estate – A Plan For Growth



Path To Scale: Performance + Brand + Culture + Balance Sheet + KKR Capital Markets

(1) The list does not indicate any actual or potential capital raise in a particular fund, and is not, and should not be construed as, an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities, vehicles or accounts.

4 Growth Equity – A Platform of Its Own

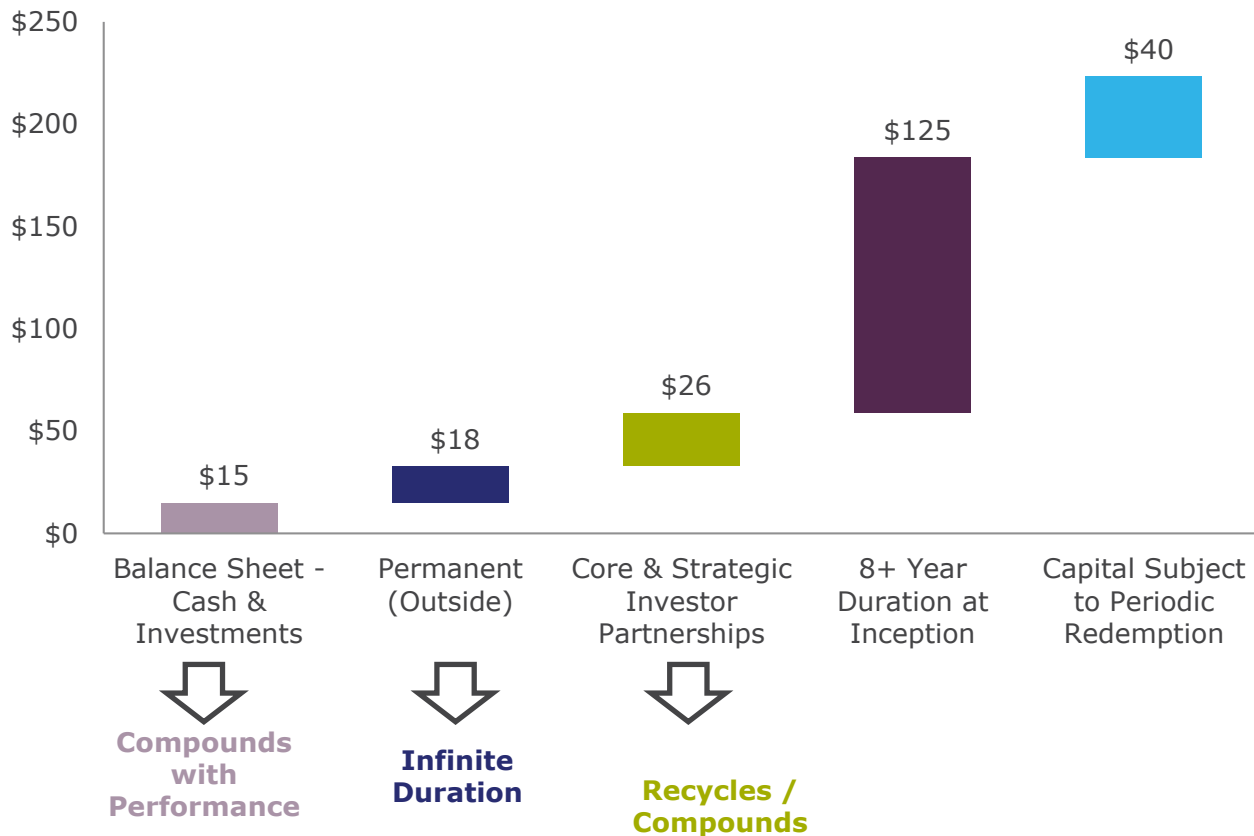


Note: Data as of September 30, 2019 except IRR detail. Gross IRR detail for NGT I and Health Care Strategic Growth as of June 30, 2019.

- ① **The fundraising environment remains strong**
- ② **We continue to add new clients & cross-sell...**
- ③ **...and invest in specialized channels**
- ④ **We are scaling in many ways**
- ⑤ **Compounding and increased duration create value**

5 Increased Duration of Our Capital

(\$ in billions)



\$208bn ^{of AUM}
+ Balance Sheet



- Aim to grow all types of capital
- Over time, we want a higher portion of Permanent and Core & Strategic Partnership Capital

Note: Data as of September 30, 2019.

5 Core Investing

Long Duration



Cash Generative
Businesses



Less Cyclical



Lower Leverage
Over Time



More Limited
Disruptors



Control

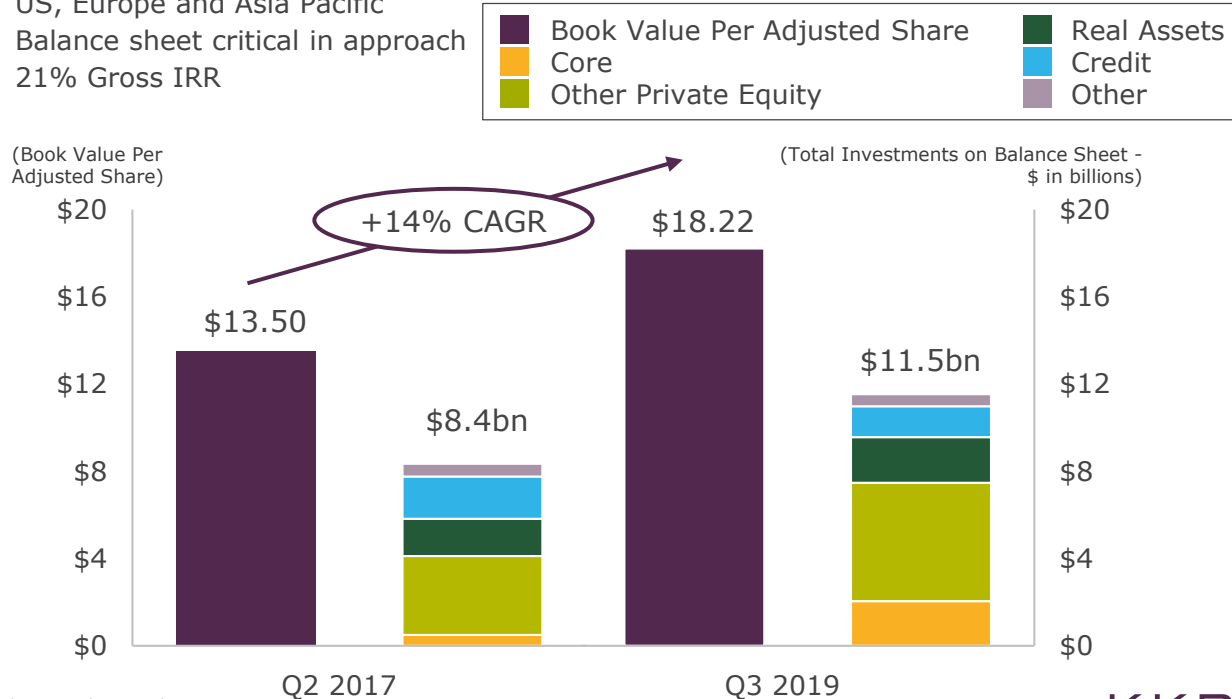


High-Quality
Management



How Our Approach Is Playing Out

- Over \$10.5 billion of AUM today
- First investment closed in Q2 2017, with 5 additional investments in 2 years across the US, Europe and Asia Pacific
- Balance sheet critical in approach
- 21% Gross IRR



Note: See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

KKR

Fundraising Environment

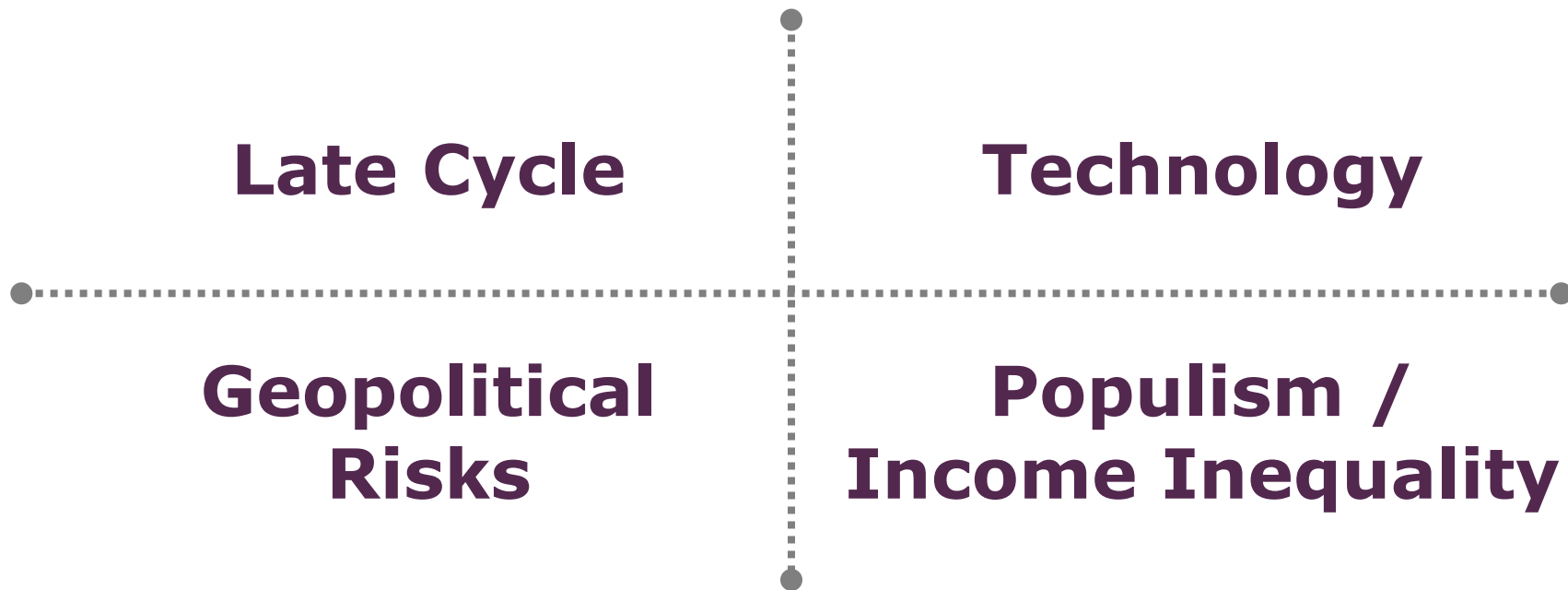


Book Value Compounding Alongside



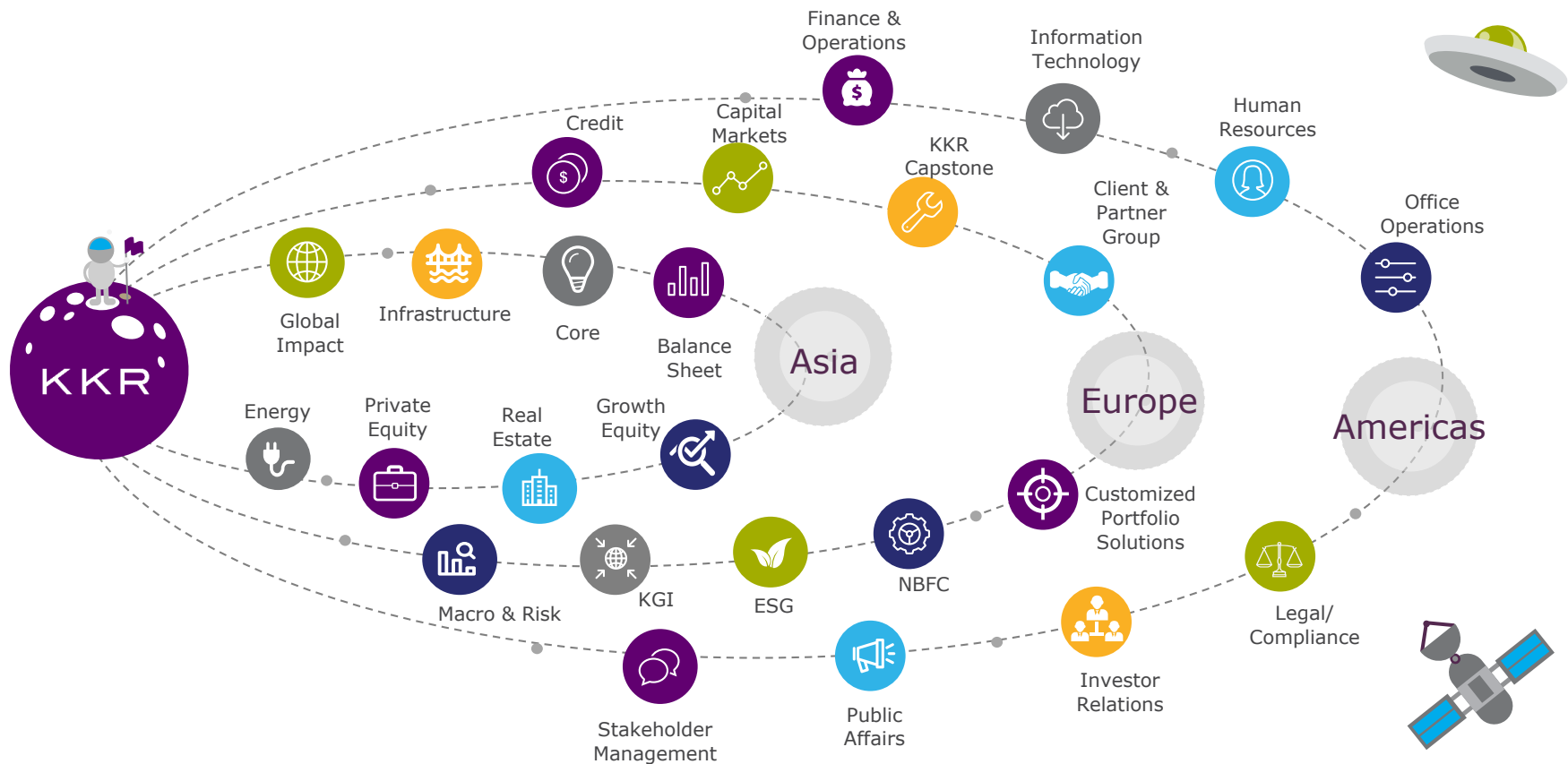
The Current Environment

We Believe the Next 10 Years Will Be More Complex



What is our playbook for the road ahead?

Connect the Dots – Building on Our Foundation



**Capitalizing on
Dislocation**

**Winning in
Technology**

**Leaning into
Emerging
Investment
Themes**

**Leading
Responsible
Investment**

Global Macro & Asset Allocation, Balance Sheet and Market Risk

We Run an Integrated Model Focused on Connecting the Dots...

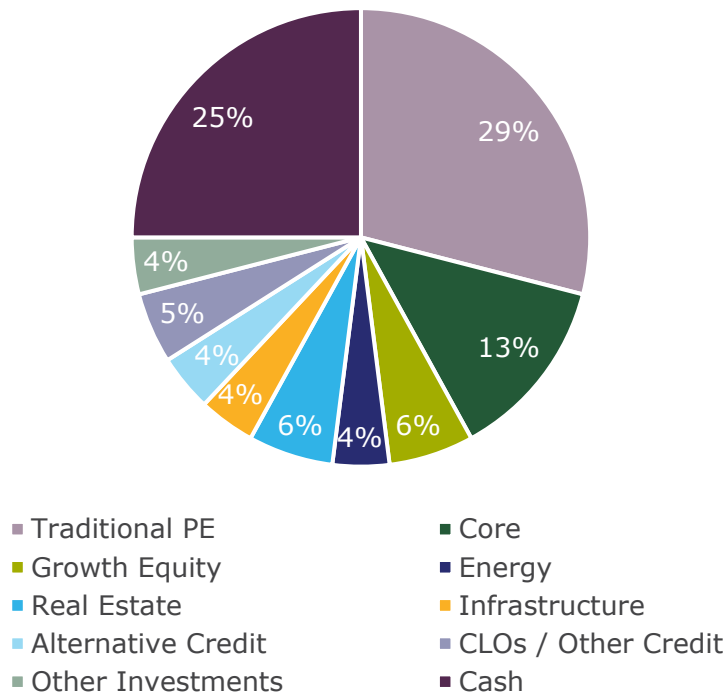


The KKR Balance Sheet

KKR

Current Asset Allocation and Top 5 Investments

Exposure By Asset Class⁽¹⁾



Top 5 Investments

(\$ in millions)

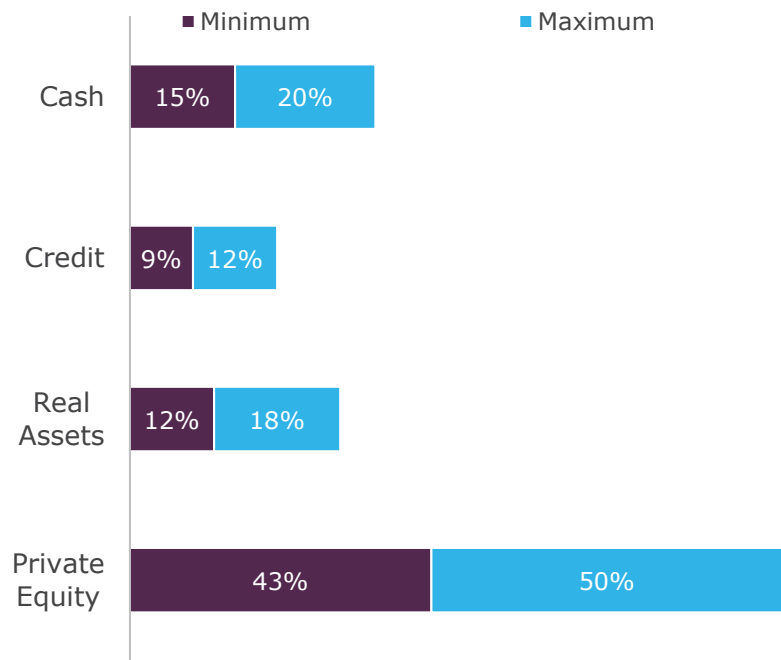
		Fair Value	% of Total (ex. Cash)
Fiserv	PE	\$1,709	14.8%
USI	Core	750	6.5%
Heartland Dental	Core	393	3.4%
PetVet	Core	365	3.2%
KREF	RE	317	2.7%
Top 5 Positions		\$3,534	30.6%

Note: As of September 30, 2019.
(1) As a percentage of cash and investments.

Asset Allocation Targets and Current Exposure

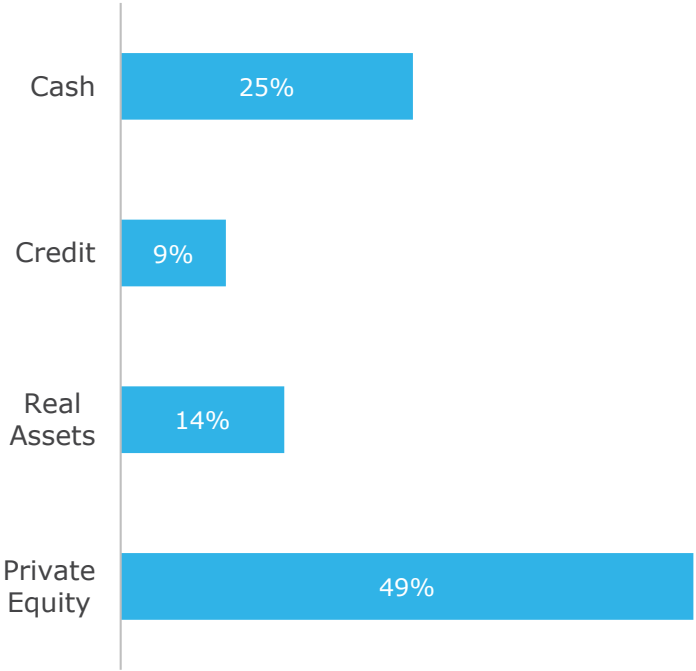
Asset Allocation Target Ranges

KKR Balance Sheet Target Asset Allocation as a % of Total Investments and Cash



Current Gross Investment Exposure

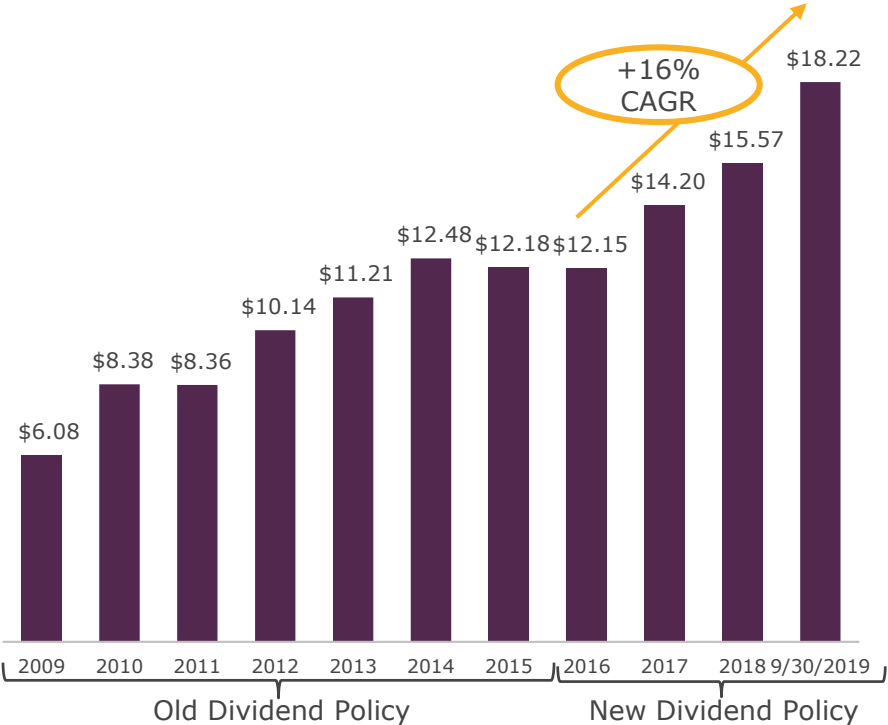
KKR Balance Sheet Current Investment Exposure by Asset Class, %



Note: As of September 30, 2019.

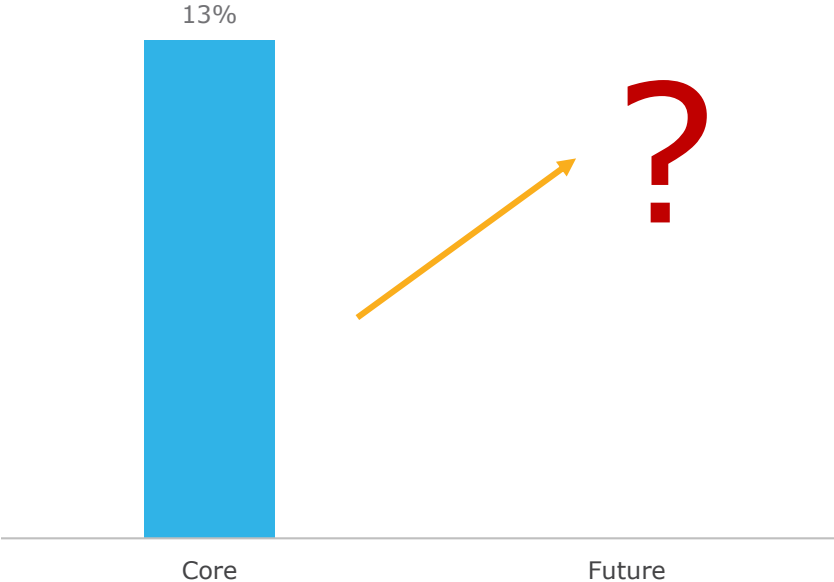
Growth of the Balance Sheet Over Time

Growth of Book Value Per Adjusted Share Over Time



In the Future, We Expect Core Assets Under Management To Be Much Higher

Gross Investment Exposure as a Percentage of Cash & Investments

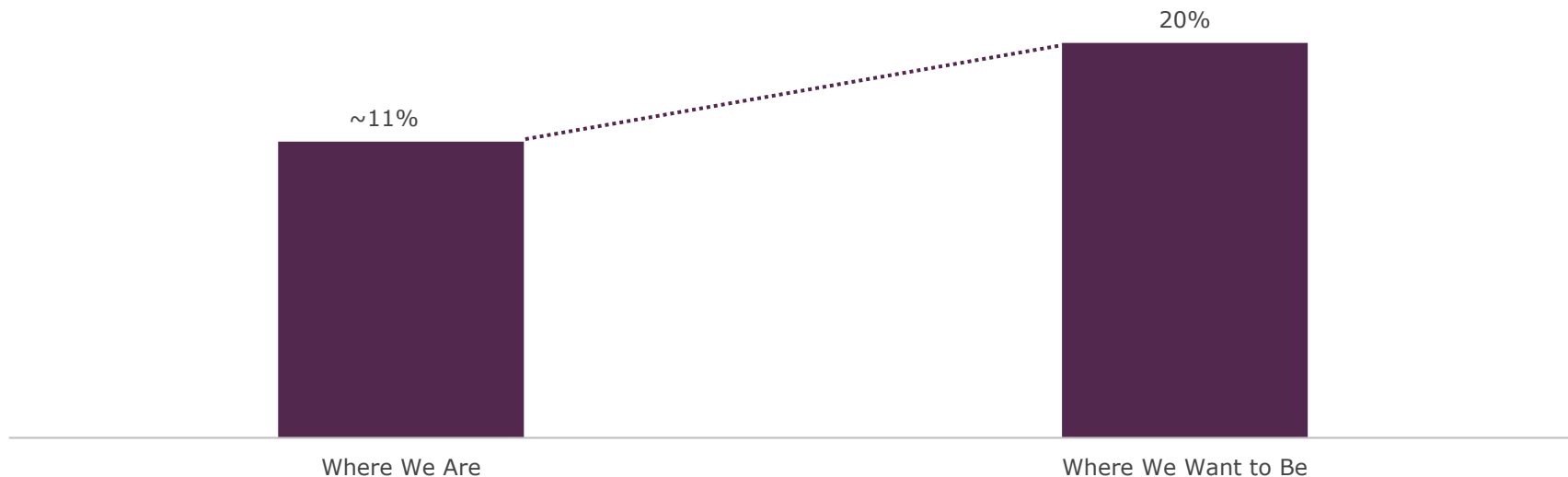


Note: See Appendix for reconciliations to GAAP.

KKR Invests Alongside All of Our LPs As We Are Big Believers in Supporting Our Businesses and in the Local Talent

We Formed the Balance Sheet in Late 2009 to Seed New Businesses and Invest Alongside Our LPs. For Example, We See More Potential Ahead in Asia, Our Near-Term Goal Is 20% of Our Balance Sheet Assets in Asia

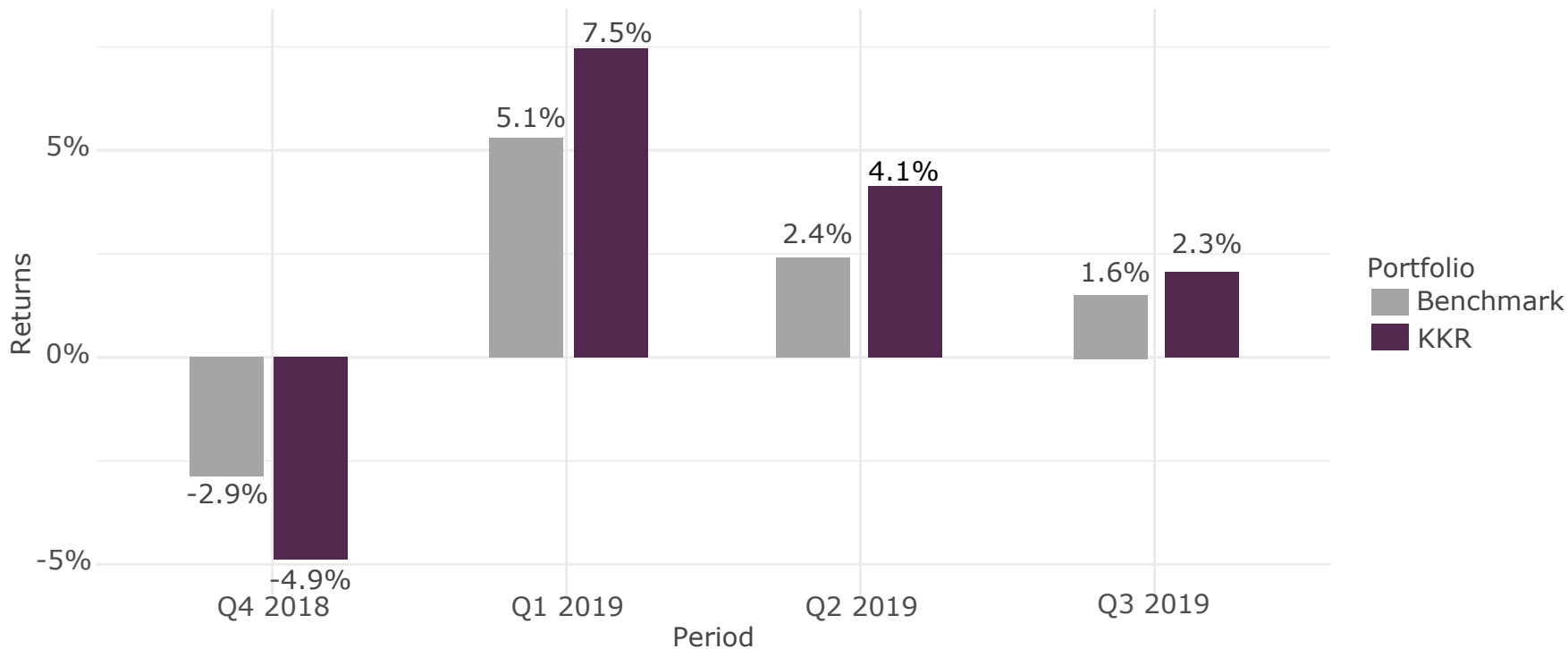
Balance Sheet Allocation to Asia



Note: As of September 30, 2019.

We Measure Ourselves Each Quarter But We Are Focusing Our Performance Efforts On the Long-Term

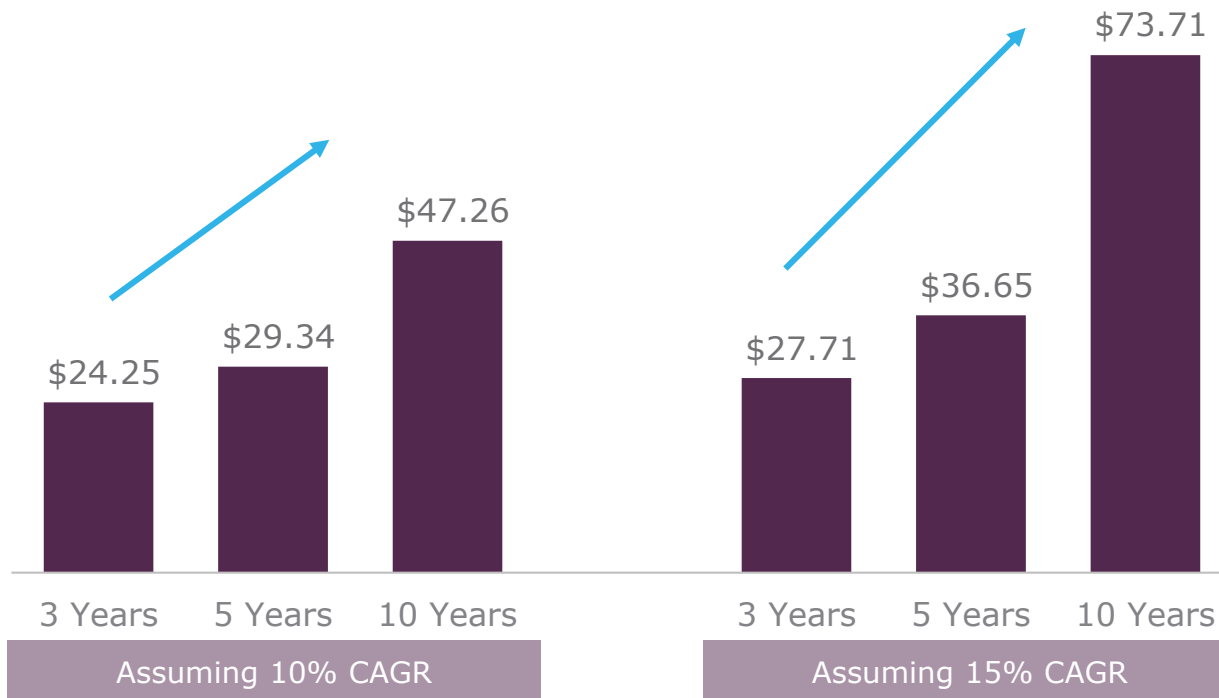
Quarterly KKR Balance Sheet Performance vs. Benchmark, %



Note: As of September 30, 2019. All figures are net of cash drag.

We Continue to See Strong Potential Growth in Book Value and Returns

Future Book Value Per Adjusted Share Potential



Note:
(1)

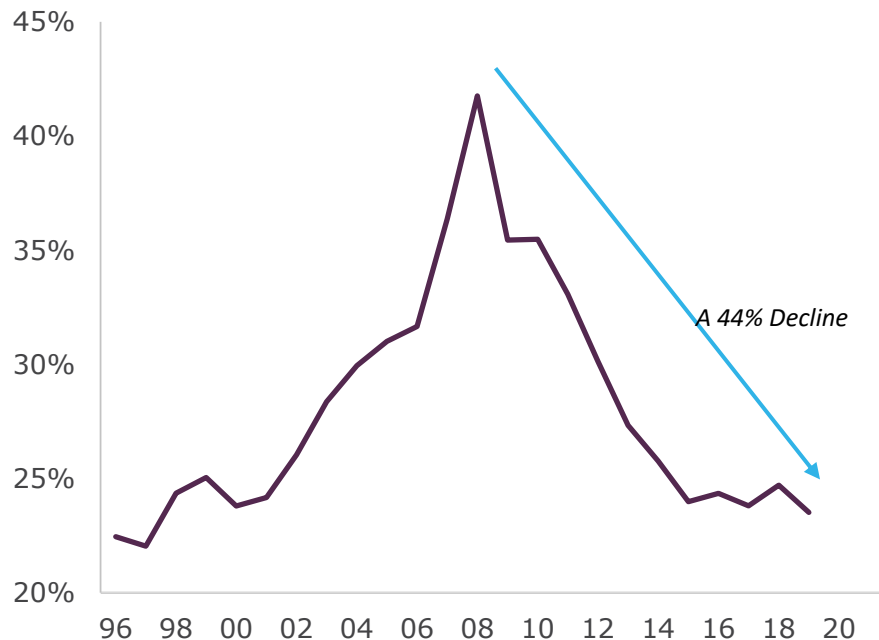
See Appendix for a reconciliation to financial results prepared in accordance with GAAP. For illustrative, informational purposes only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical results calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.

Macro Trends

Topic #1: How Should We Think About Globalization? Our Message Remains the Same

Cross-Border Capital Flow Trends, a Traditional Proxy for Globalization, Are Reversing as Protectionism Ramps Upwards⁽¹⁾

Global Cross Border Bank Lending as a % of GDP



(1)

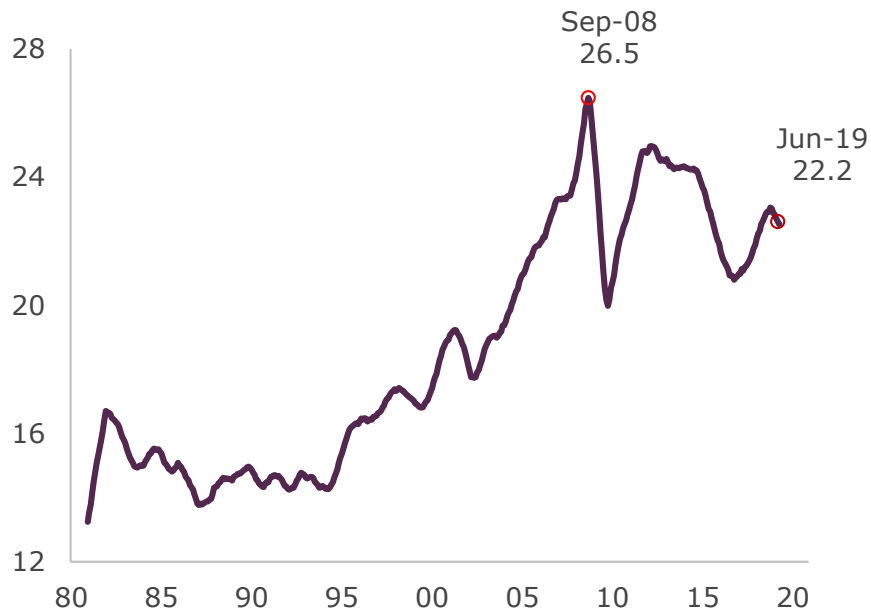
As of May 31, 2019. Source: BofA Merrill Lynch and Bloomberg.

(2)

As of June 30, 2019. Source: IMFWEQ and Haver Analytics.

Trade as a Percentage of Global GDP
Peaked Several Years Ago⁽²⁾

Global Merchandise Exports as a % of Global GDP



What Countries Are Taking Share from China? Lots of Moving Pieces at the Product Level

Change in U.S. Import Market Share, Today vs. 2017, ppt

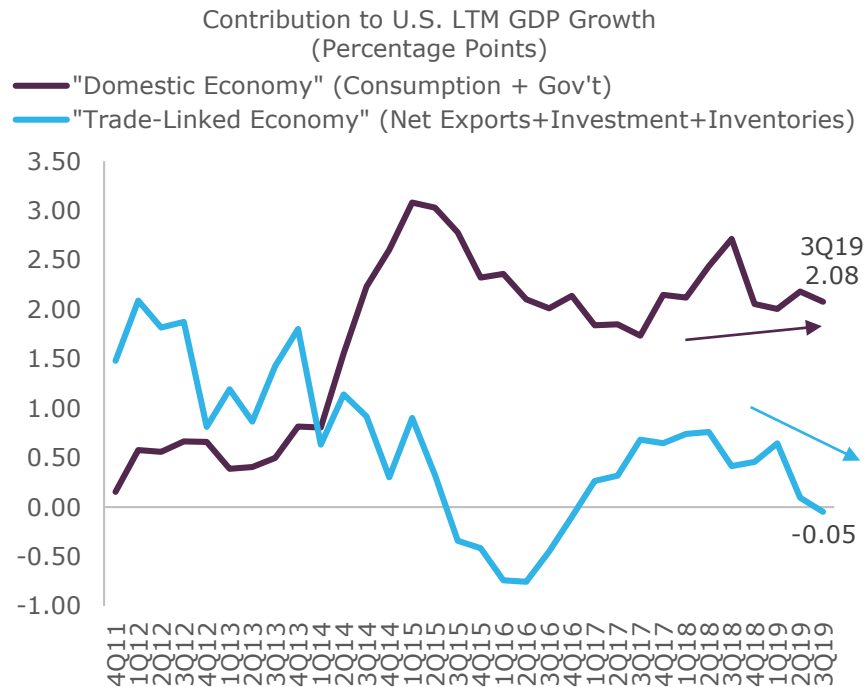
Product	U.S. Imports from China in 2018 (\$bn)	China	Euro Area	Japan	Korea	India	Vietnam	Malaysia	Taiwan	Other
Computer & Electronic Products	187.5	(7.7%)	0.8%	0.2%	(0.3%)	0.1%	2.2%	(0.3%)	1.9%	0.9%
Computer Equipment	60.0	(4.4%)	0.6%	0.0%	(0.2%)	0.0%	0.2%	(0.2%)	2.4%	(1.2%)
Communications Equipment	77.9	(4.2%)	0.2%	0.2%	(1.7%)	0.2%	7.5%	(1.0%)	1.0%	(1.6%)
Audio & Video Equipment	13.5	0.4%	0.1%	(0.8%)	0.2%	0.0%	(1.2%)	0.5%	(0.2%)	0.6%
Semiconductors	24.5	(15.1%)	0.1%	1.6%	2.9%	0.1%	0.3%	3.1%	5.3%	(0.4%)
Navigational/Measuring	6.7	(4.5%)	2.4%	(0.6%)	0.1%	0.1%	0.7%	0.6%	0.6%	0.2%
Electrical Equipment	50.2	(4.3%)	0.5%	(0.4%)	0.3%	0.1%	0.8%	0.7%	0.5%	1.0%
Electric Lighting Equipment	11.1	(1.0%)	(0.1%)	(0.0%)	(0.1%)	(0.1%)	0.1%	0.0%	0.0%	(0.7%)
Household Appliances	16.4	0.3%	0.5%	0.2%	(0.1%)	(0.0%)	(0.4%)	(0.5%)	0.0%	(1.1%)
Electrical Equipment	7.4	(2.9%)	0.9%	(0.4%)	(0.4%)	0.2%	0.7%	0.1%	0.2%	(0.7%)
Electrical Equipment/Components	15.3	(7.1%)	(0.3%)	(1.5%)	1.4%	0.2%	1.8%	2.3%	1.1%	3.8%
Misc. Manufacturing Commodities	43.8	(0.2%)	0.3%	(0.1%)	0.1%	0.2%	0.1%	0.2%	0.1%	(1.1%)
Medical Equipment & Supplies	5.9	(0.5%)	0.6%	(0.5%)	0.0%	0.0%	(0.1%)	(0.1%)	(0.3%)	0.8%
Sporting/Athletic Goods	5.4	(0.8%)	(0.5%)	(0.1%)	(0.2%)	0.0%	0.6%	0.1%	1.1%	(0.2%)
Dolls, Toys, Games	18.5	(0.4%)	0.1%	0.2%	(0.0%)	(0.0%)	0.8%	0.2%	(0.1%)	(0.6%)
Machinery ex-Electrical	38.8	(3.7%)	(0.1%)	1.1%	(0.2%)	0.2%	0.0%	(0.0%)	0.2%	1.4%
Industrial Machinery	6.7	(8.8%)	0.1%	7.4%	(1.3%)	0.0%	0.2%	(0.3%)	1.1%	1.1%
HVAC / Refrigeration Equipment	6.0	(5.5%)	0.3%	0.1%	0.5%	0.1%	0.0%	0.4%	0.0%	(0.2%)
Apparel & Accessories	29.8	(3.4%)	0.3%	0.0%	(0.0%)	0.3%	0.8%	(0.0%)	(0.1%)	2.5%
Fabricated Metal Products	26.4	(2.1%)	(0.4%)	(0.4%)	0.7%	0.3%	0.4%	0.1%	0.1%	1.3%
Furniture & Fixtures	25.8	(8.1%)	0.4%	(0.0%)	0.0%	0.1%	4.1%	0.3%	0.2%	1.1%
Transportation Equipment	22.0	(0.5%)	(0.3%)	(0.9%)	(0.4%)	0.3%	0.1%	0.0%	0.0%	(0.3%)
Motor Vehicle Parts	15.4	(1.1%)	(0.9%)	(1.1%)	0.9%	0.1%	0.2%	0.0%	(0.0%)	(0.2%)
Chemicals	21.4	(1.8%)	3.8%	0.1%	(1.0%)	0.1%	0.1%	(0.2%)	(0.2%)	(0.4%)
Plastics & Rubber Products	20.2	(2.2%)	0.2%	0.1%	0.5%	0.4%	0.3%	0.1%	0.0%	1.6%
Leather & Allied Products	20.0	(7.6%)	1.1%	(0.0%)	(0.0%)	0.2%	2.5%	0.0%	0.0%	4.2%
Textile Mill Products	12.7	0.3%	(0.2%)	0.0%	0.1%	0.1%	0.4%	0.0%	0.1%	(0.8%)
NonMetallic Mineral Products	9.2	(4.0%)	(0.3%)	0.2%	0.2%	1.3%	0.3%	(0.0%)	0.2%	0.9%
Food & Kindred Products	4.2	(1.9%)	0.1%	0.0%	0.1%	0.1%	(0.1%)	(0.0%)	0.0%	3.1%
Agricultural Products	0.6	(0.4%)	(0.0%)	0.0%	0.0%	(0.4%)	(1.0%)	(0.0%)	(0.0%)	0.3%
Other	27.5	(0.4%)	1.1%	0.6%	0.6%	0.1%	(0.1%)	(0.2%)	0.2%	(4.6%)

Methodology: The products listed rank in the top 15 of US imports from China in 2018 by dollar amount, cross-referenced with China's market share. Agricultural products is outside of the top 15 but added here as reference. The heatmap measures the change in each country's market share of US imports by product / category.

Source: Haver Analytics and Census Bureau.

Because of Trade, the Global Economy Is Bifurcating

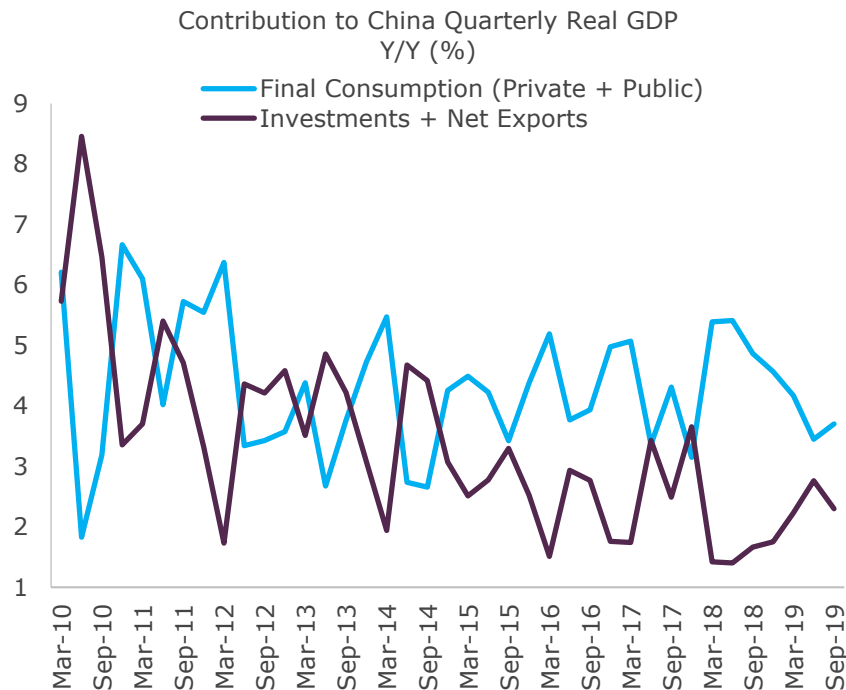
In the U.S., Weakness In the Trade-Linked Economy Is Being Offset by Fiscal Spending and Consumption⁽¹⁾



(1) As of September 30, 2019. Source: BEA and Haver Analytics.

(2) As of September 30, 2019. Source: IMFWEO and Haver Analytics.

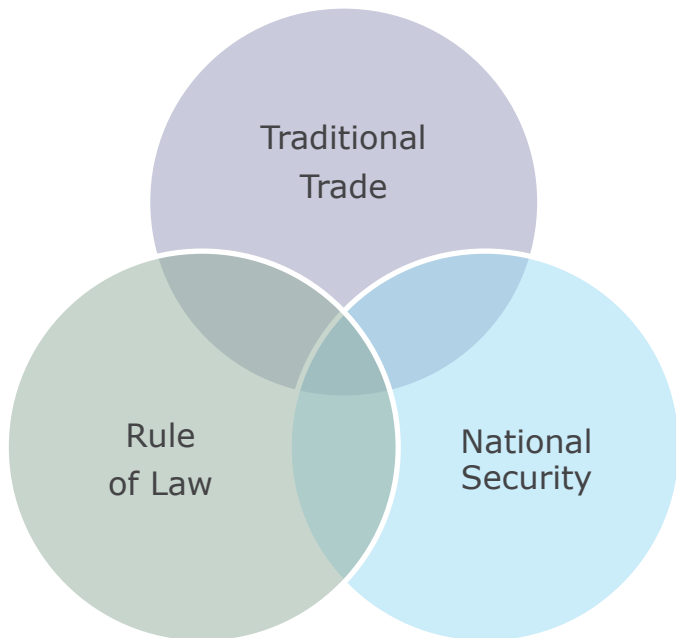
A Similar Story Holds True in Asia, China in Particular⁽²⁾



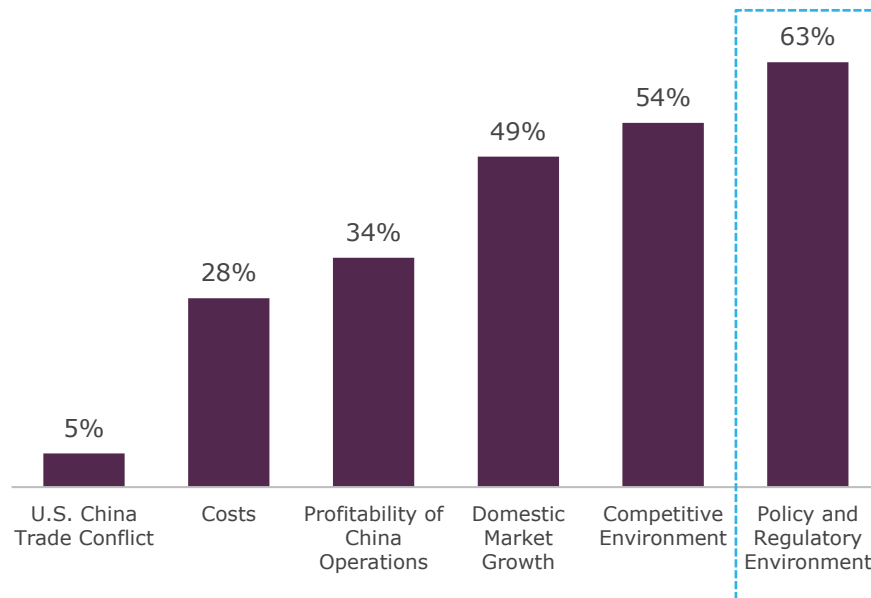
Our Bottom Line: This Is a Secular, Not a Cyclical, Shift in Many Areas of the Global Economy

National Security Is Now Bundled With Rule of Law and Trade Negotiations⁽¹⁾

We Are Most Focused on Rule of Law for KKR and its LPs⁽²⁾



Issues Impacting Five-Year Outlook, U.S.-China Business Council Survey, 2018



(1)
(2)

As of May 29, 2019.

As of May 31, 2019. Source: BofA Merrill Lynch and Bloomberg.

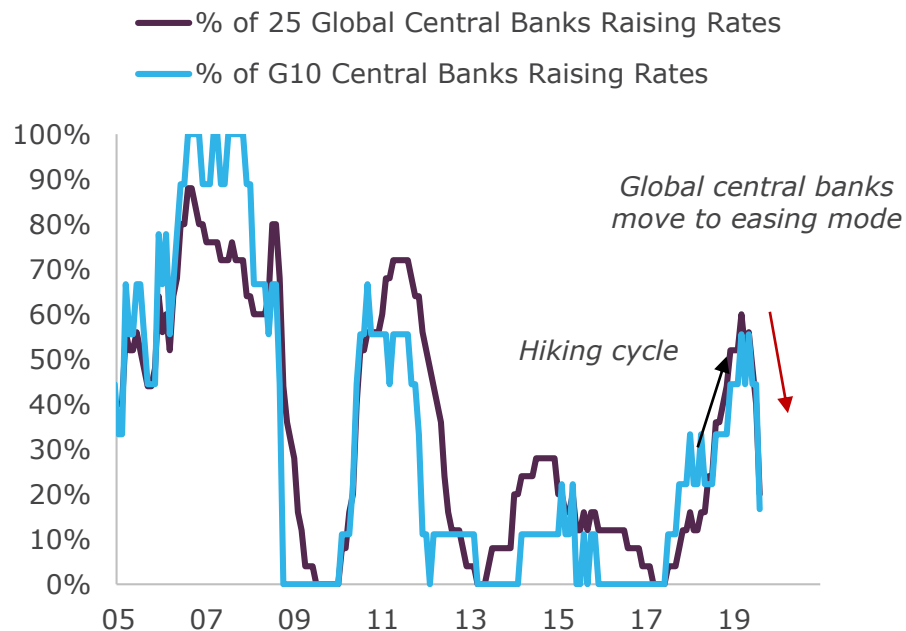
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Topic #2: We Are Now in a Global Easing Cycle

2-Year Yields Are Well Below the Current Fed Funds Target. Historically, the Fed Has Always Cut Under Such Circumstances...(1)

83% of the G10 Central Banks Are in Easing Mode; G25 is Not Far Behind(2)

	2yr Yield - Fed Funds Target (Basis Pts)	12mo Fwd Change in Fed Funds Target (Basis Pts)	12mo Fwd Change in US 10yr Yield (Basis Pts)	12mo Fwd S&P 500 Total Return	Months Until Official Onset of Next Recession
Apr-89	-53	-150	2	11%	16
Aug-98	-59	-25	93	40%	32
Sep-00	-52	-350	-120	-27%	7
Sep-06	-54	-50	-5	16%	16
Aug-19	-63	???	???	???	???
Median	-54	-100	-2	13%	16

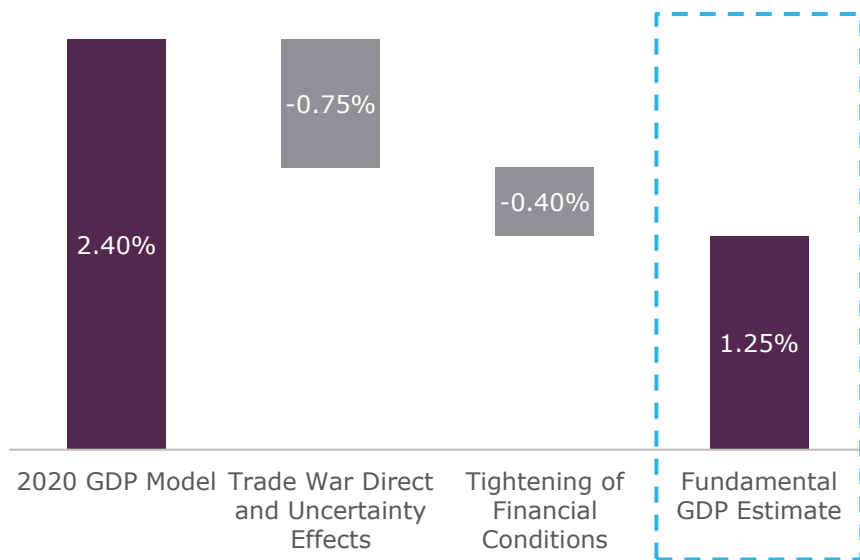


(1) Dates represent the first month in a cycle in which two-year yields were more than 50 basis points below the fed funds rate. As of September 9, 2019. Source BEA and Haver Analytics.
 (2) As of August 20, 2019. Source: Haver Analytics and statistical agencies of Global Central Banks.

We Still Are Using a 2020 or Beyond Slowdown As Our Base Case. However, We Do Not See a 2007-Type Event Occurring

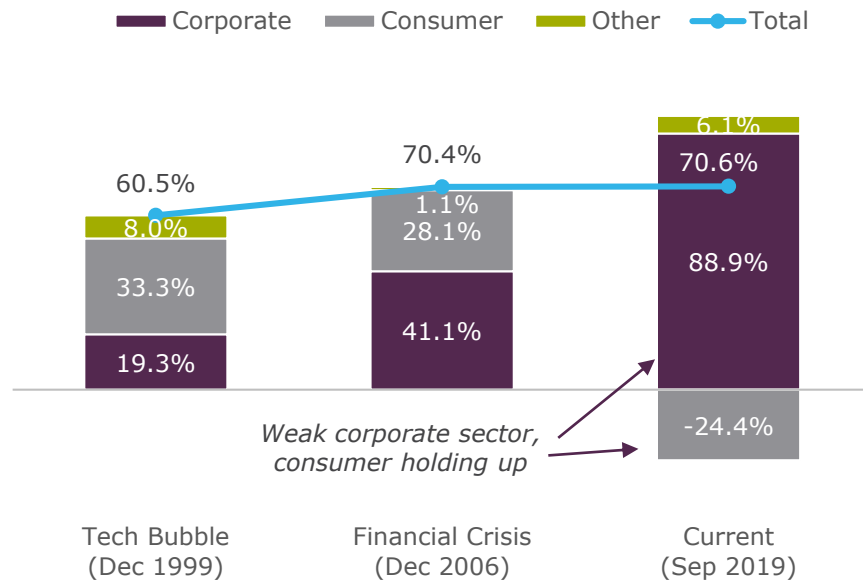
We Are Watching for Trade War Direct and Indirect Effects As Well As A Further Tightening of Financial Conditions to Impact U.S. GDP Growth⁽¹⁾

KKR GMAA 2020E U.S. Real GDP, %



The Key to Any Potential Recession in 2020 or Beyond Is How the Consumer Performs⁽²⁾

Drivers of a Probability of Recession in 12 Months, %



(1)

As of September 10, 2019. Source Federal Reserve, Bureau of Labor Statistics, National Association of Realtors, ISM, Conference Board and Bloomberg.

(2)

As of October 11, 2019.

What Does It All Mean? It Likely Means Lower Returns, More Volatility, and Increasing Value of the Illiquidity Premium

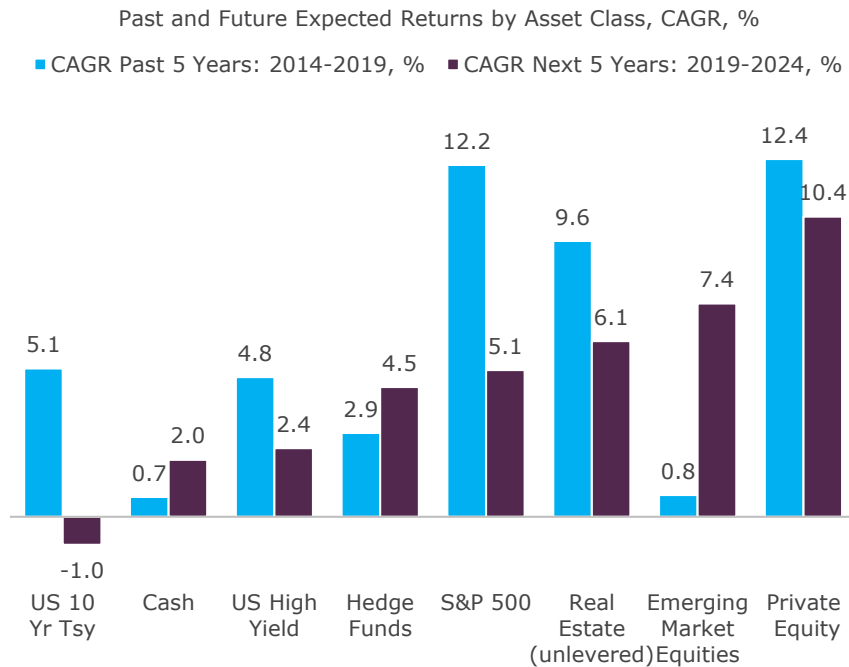
While the Global Monetary Base Is Still Outsized, It Is Now Headed Lower. We Expect More Volatility Ahead⁽¹⁾



(1) As of July 31, 2019. Source Federal Reserve, ECB, BoJ, PBOC and Haver Analytics.

(2) As of September 18, 2019. Fiscal stimulus includes value added tax cuts, personal income tax cuts, personal income special deductions, social insurance reduction, infrastructure spending, and other various tax cuts implemented since May 2018. The targeted reserve required ratio cut refers to the May 2019 policy response to the latest escalation in tariffs.

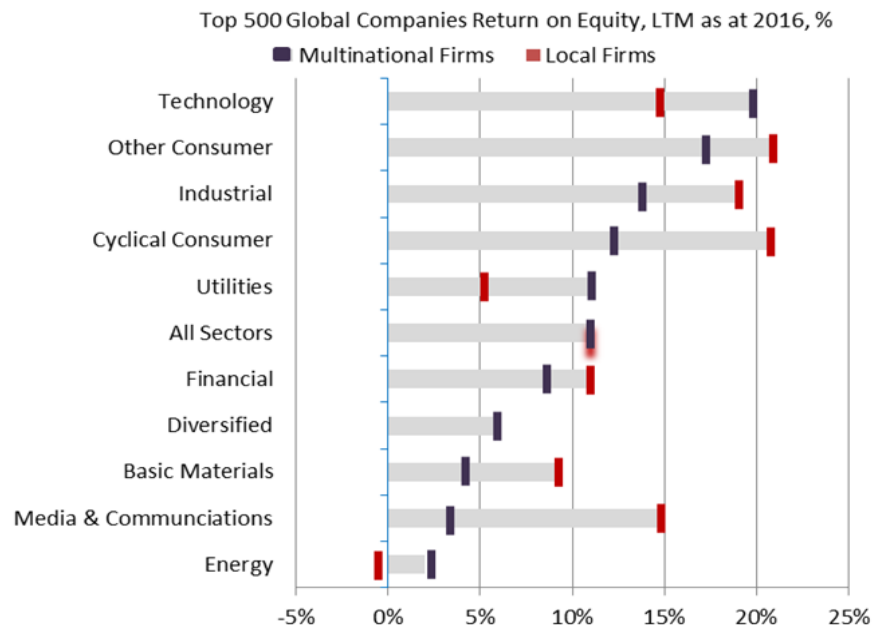
We Are Likely Entering a Period of Lower Returns with Wider Dispersions⁽²⁾



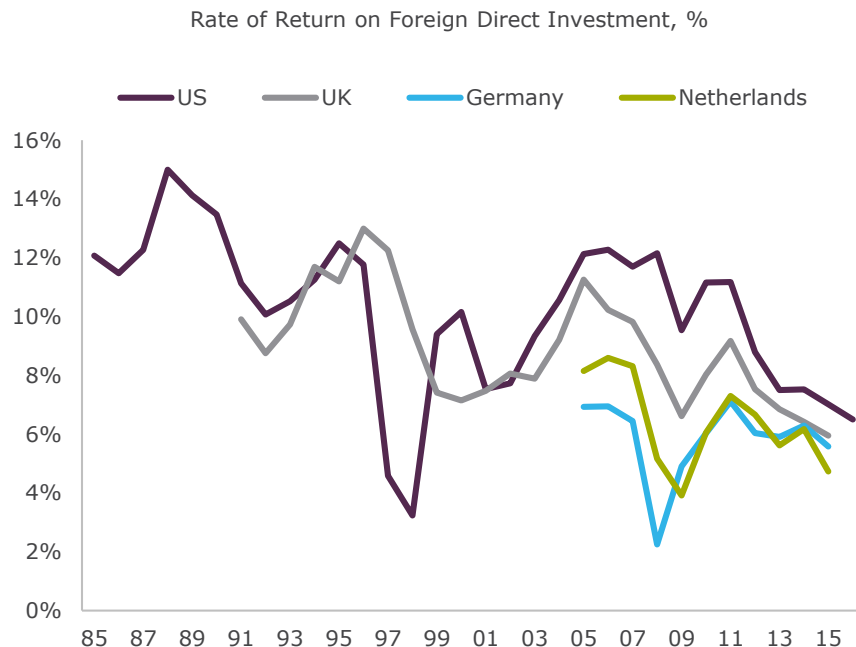
Key Investment Themes

#1: Corporates Shedding Assets or Operational Improvement Stories Are Creating Opportunities

Local and Regional Competitors Are Increasingly Challenging the Returns of the Multinational Firms⁽¹⁾



Rate of Returns for FDI Declining in Many Areas of the Global Economy⁽²⁾



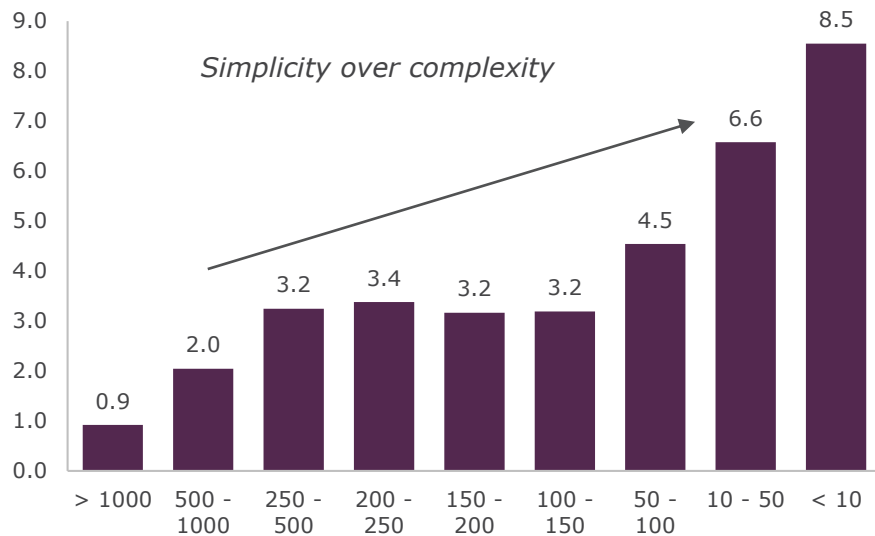
(1) As of December 31, 2017. Source: The Economist.
(2) As of January 31, 2017. Source: National Statistics, OECD and Haver Analytics.

What Are We Watching? Corporate Restructurings Are At All Time Highs and KKR Has a Demonstrated History of Success

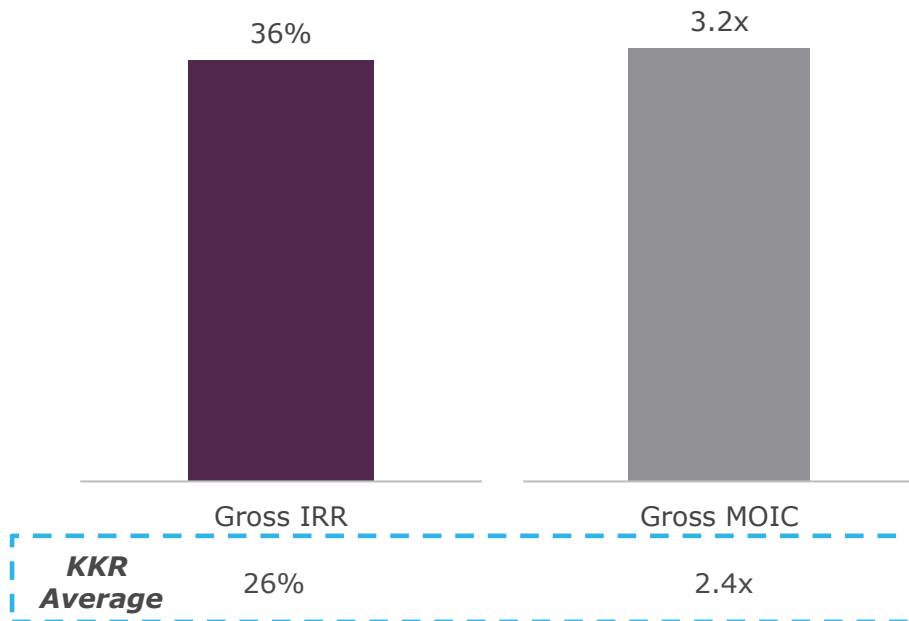
We Continue to Advocate Buying Complexity Where There is the Potential to Create Simplicity Through Operational Improvements

KKR Has A Successful Track Record of Completing Carve-out Transactions, As Demonstrated by Our Historical Returns in These Deals

MSCI Europe: Average P/B By Number of Subsidiaries



Fully Monetized Carve-Out Investments

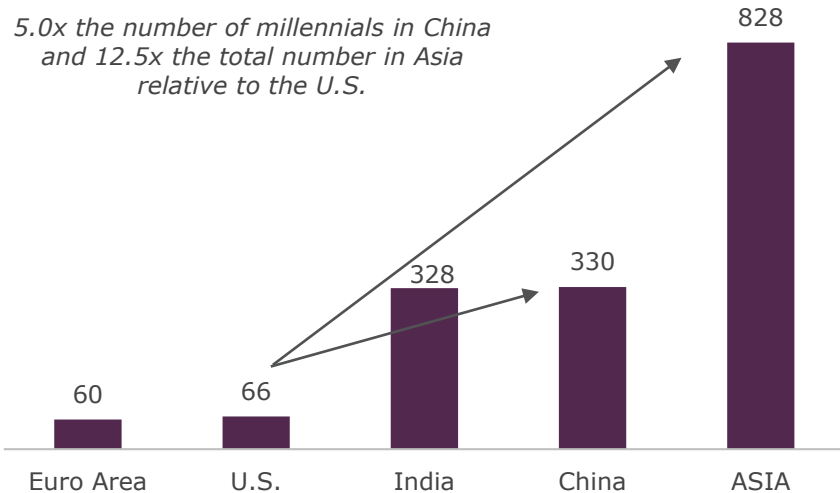


Source: Capital IQ as of September 30, 2019.

#2: Experiences Over Things, or Services Over Goods, As Value Added Consumption and Services Become A Bigger Part of GDP Growth

There Are Now More than 6x as Many Millennials in Asia Than in U.S. and Europe Combined⁽¹⁾

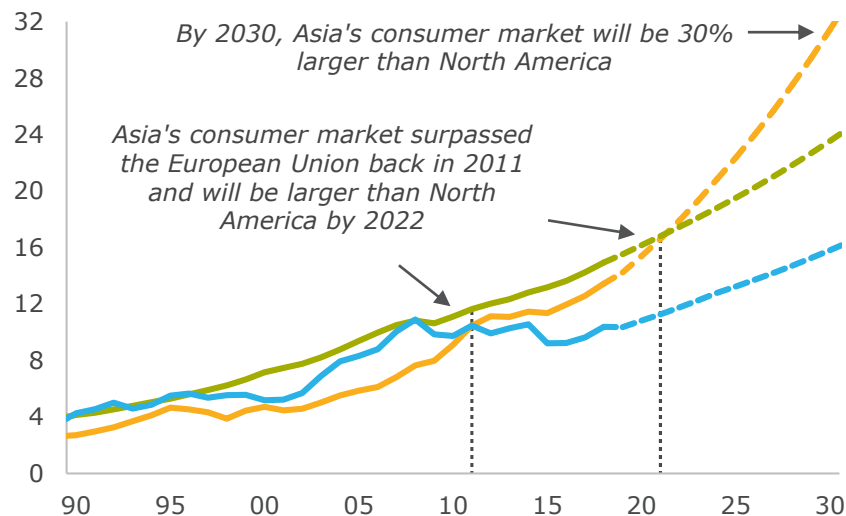
2017: Number of Millennials Born 1980-1994 (Millions)



Asian Consumer Spending Has Already Surpassed Europe and Soon Will Be Larger Than U.S. Consumer Spending⁽²⁾

Private Consumption in US\$ Trillions

Asia Pacific North America Europe

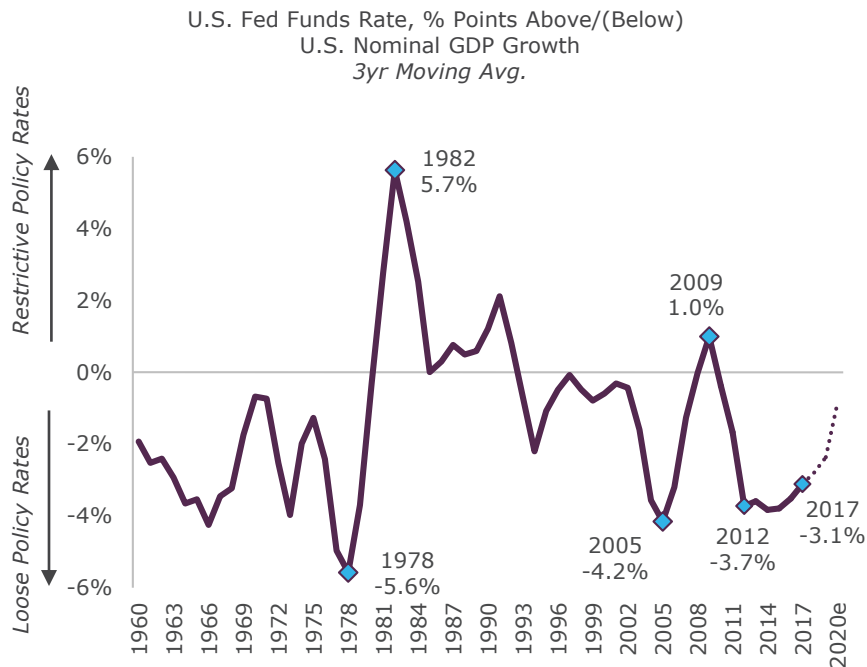


(1) As of December 31, 2018. Source: China National Bureau of Statistics and Haver Analytics.

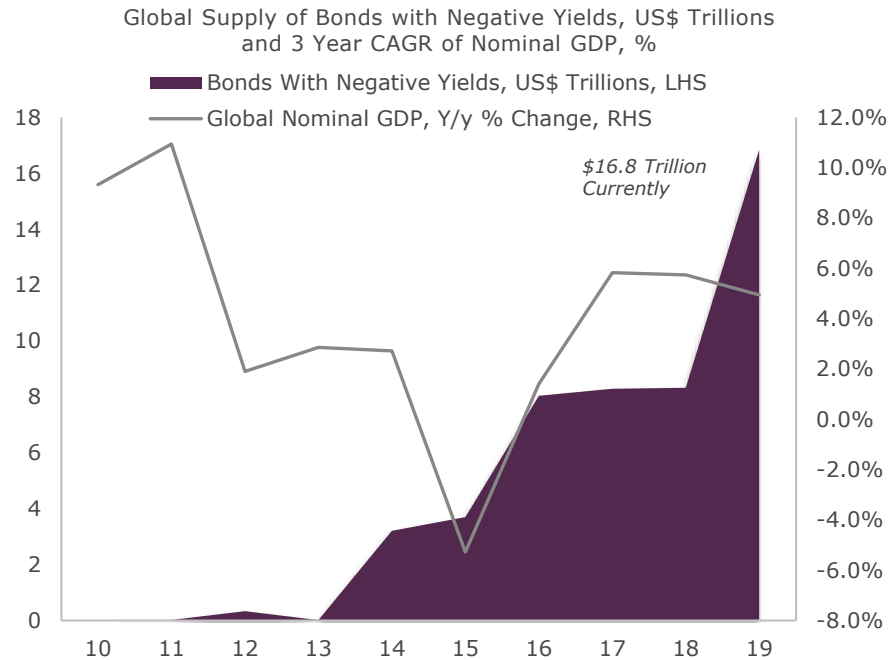
(2) As of June 29, 2019. Source: IMF, World Bank, National Statistical Agencies and Haver Analytics. Asia includes China, Hong Kong, Taiwan, India, Japan, Korea, and ASEAN (Indonesia, Malaysia, Philippines, Thailand, Singapore, Vietnam).

#3: We Are Focused on Owning Collateral-Based Assets

The Government Has Focused On Stimulating Nominal GDP Through Monetary Policy⁽¹⁾



More Fiscal Stimulus Is Needed, As Nominal GDP Remains Weak⁽¹⁾



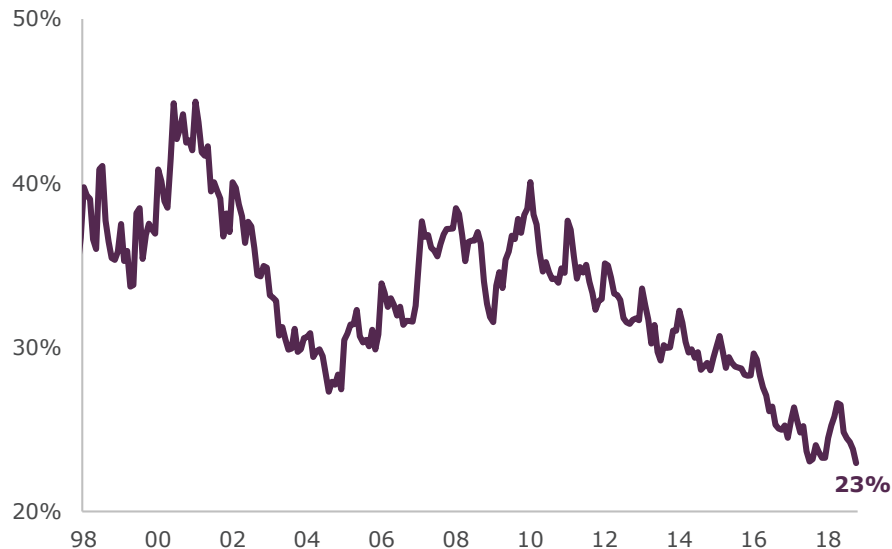
(1) As of May 18, 2018. Source: Bloomberg.

#4: Own Some Secular Growth With High Free Cash Flow Conversion

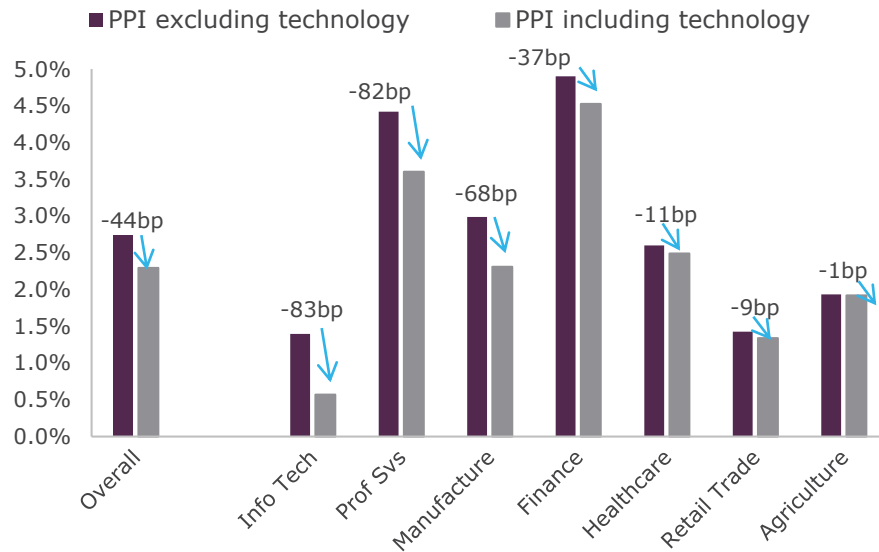
Few Companies Generate Top-Line Growth These Days

Technology's Effect on Prices by Industry Has Been Significant in Recent Years

% of MSCI World Companies with Expected Sales Growth of Greater Than Eight Percent

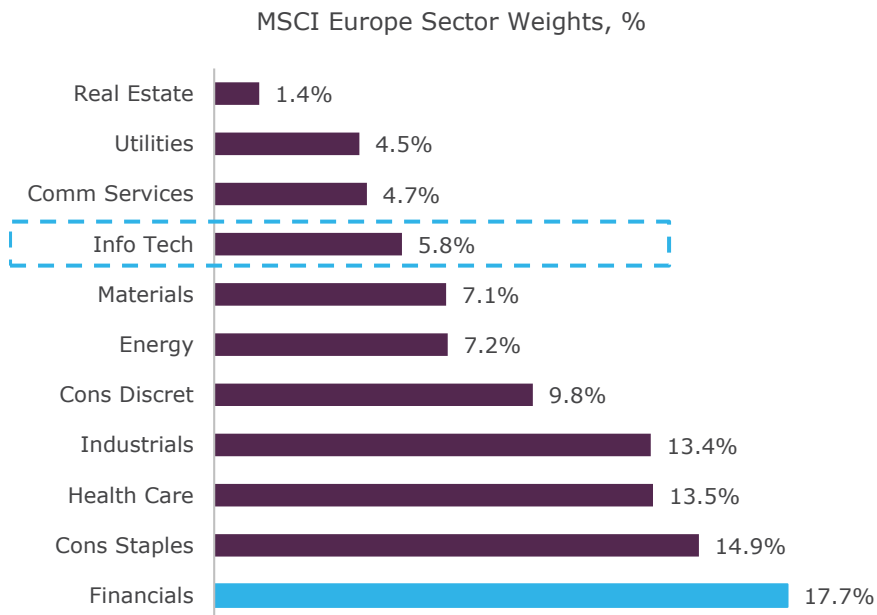


Technology's Effects on Price, by Industry (Annualized %chg in PPI, 2005-2018)



#5: We Continue to Focus on Arbitraging the Public Markets...

Europe Public Market Indices Are Heavily Overweight Financials and Underweight Tech

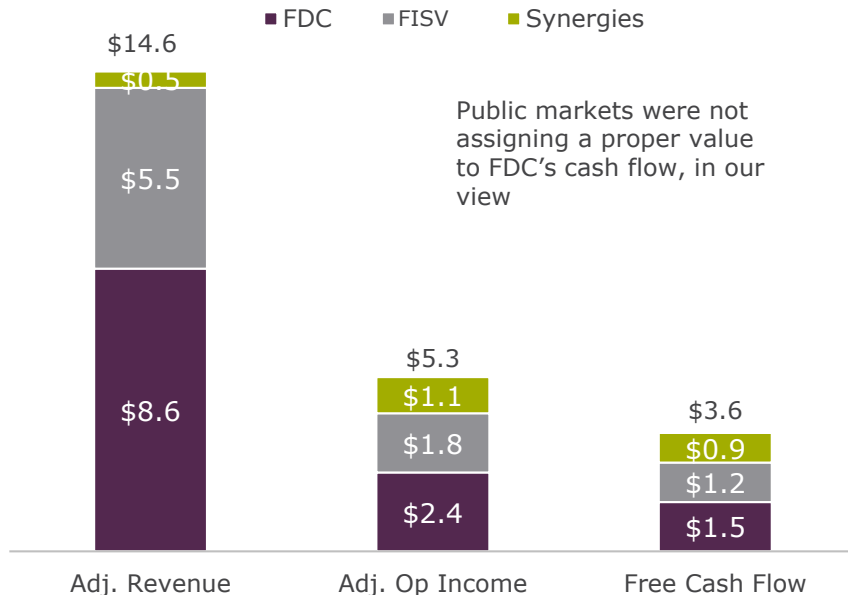


It's a Similar Story in Indonesia Which Has No Tech Exposure in the Public Market Index

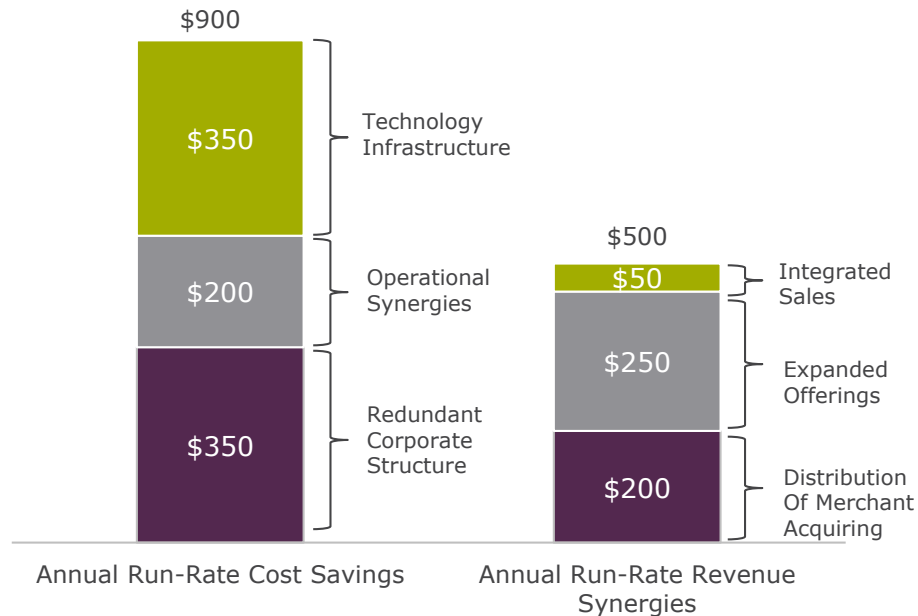


...Using a Variety of Strategies, Including M&A^(1,2,3,4)

Compelling Financial Profile, US\$ Billions



Meaningful Synergy Opportunity, US\$ Millions



Note: LTM September 30, 2018. Estimated synergy opportunities are provided for illustrative, informational purposes only and do not guarantee future results. The estimated synergies are based on various material assumptions. If any assumptions underlying these estimates change, actual results may differ materially from estimates presented herein.

(1) Adjusted revenue for Fiserv, as reported on a stand-alone basis; Segment revenue shown for First Data, as reported on a stand-alone basis.

(2) Adjusted operating income includes proportional reporting for First Data, encumbered by stock-based compensation expense.

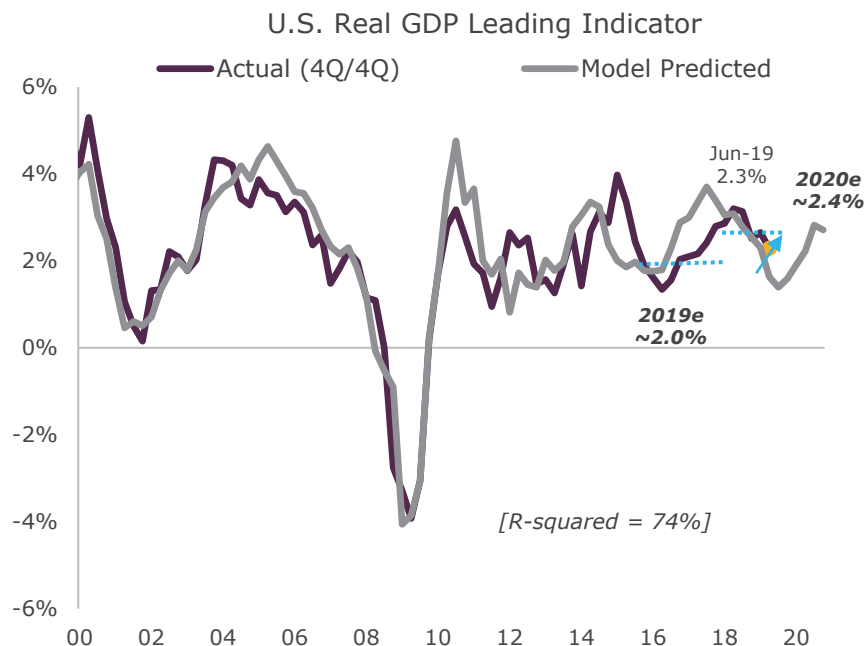
(3) Free cash flow defined as cash flow from operations, less capex, less distributions to non-controlling interests and adjusted for one-time items.

(4) Includes anticipated run-rate revenue synergies of \$500 million run-rate (at 45% margin) and run-rate cost savings of \$900 million.

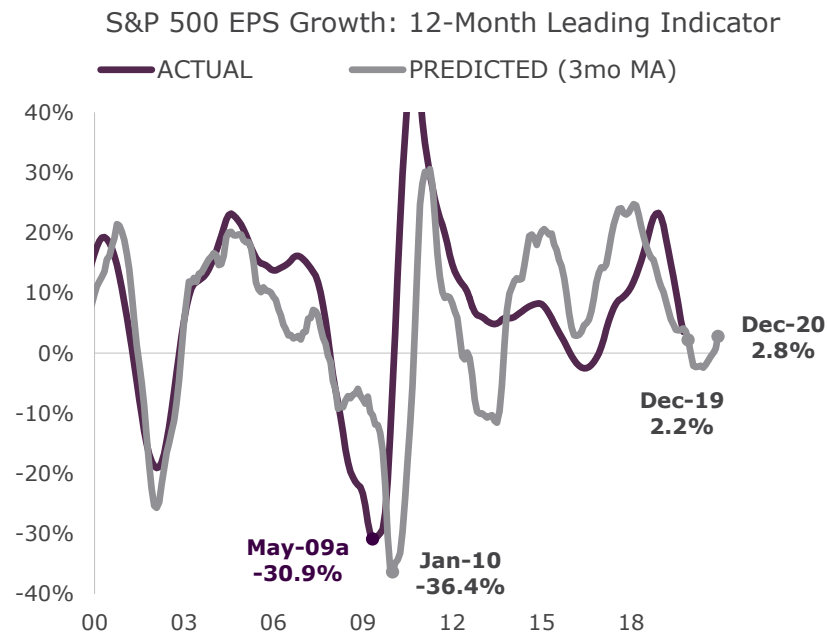
The KKR Competitive Advantage

#1: We Use a Lot of Predictive Models...

Our GDP Model Has Served Us Well Over Time⁽¹⁾



We Feel the Same Way About Our Earnings Growth Lead Indicator (EGLI)⁽²⁾



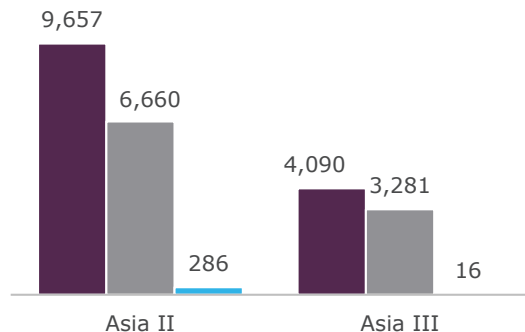
(1) As of September 10, 2019. Source: Federal Reserve, Bureau of Labor Statistics, National Association of Realtors, ISM, Conference Board and Bloomberg.
(2) As of October 11, 2019. Source: Federal Reserve, Bureau of Labor Statistics, National Association of Realtors, ISM, Conference Board and Bloomberg.

...As Well As Proprietary Survey Work^(2,3,4,5)

Current Weighted Average⁽¹⁾ Exposure by Asia PE Fund (USD in millions, unless otherwise noted)

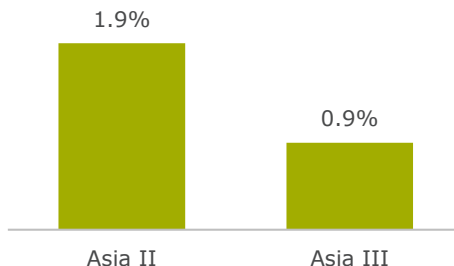
Remaining Value

- Fund Total Value (\$ in US millions)
- Fund Remaining Value (\$ in US millions)
- Remaining Value of Portfolio Companies With Tariff Exposure (Weighted by Higher of Revenue or COGS Exposure)



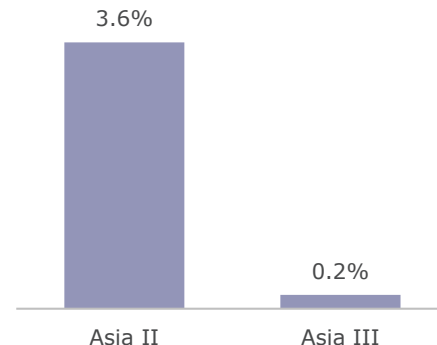
Revenues

Estimated % Revenue with US-China Tariff Exposure⁽¹⁾



COGS

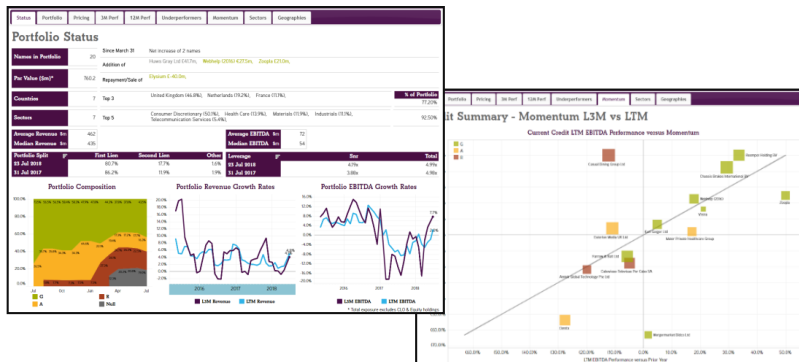
Estimated % COGS with US-China Tariff Exposure⁽¹⁾



- (1) Estimated percentage of Revenue or COGS exposure for companies with exposure or with primary operations in China.
 (2) Remaining value as of March 31, 2019 for all portfolios.
 (3) LTM revenue and COGS as of Q1 2019, except for Juda, Outfitters and Yoyo as of the end of 2018 with only half-year financials.
 (4) Weighted by valuation of remaining investment with exposure or primary operations in China as of 1Q19; Asia II excludes Haier; Asia III excludes KCF and Kokusai which signed exits in June 2019.
 (5) Assumed the following revenue and COGS exposures: CK-MM 12%, NEC 12%, Pioneer DJ 3%.

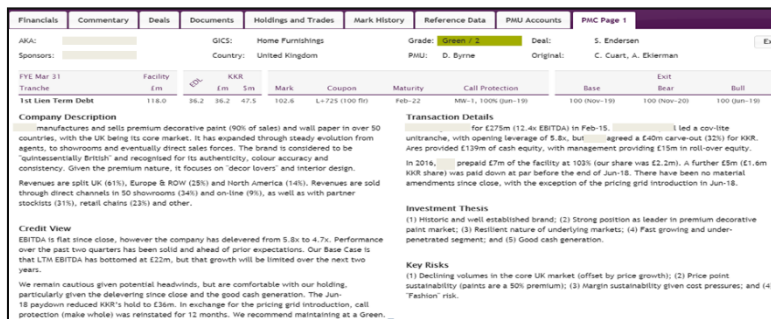
#2: CreditQB Is A Proprietary Technology System Designed By KKR

Portfolio Overview



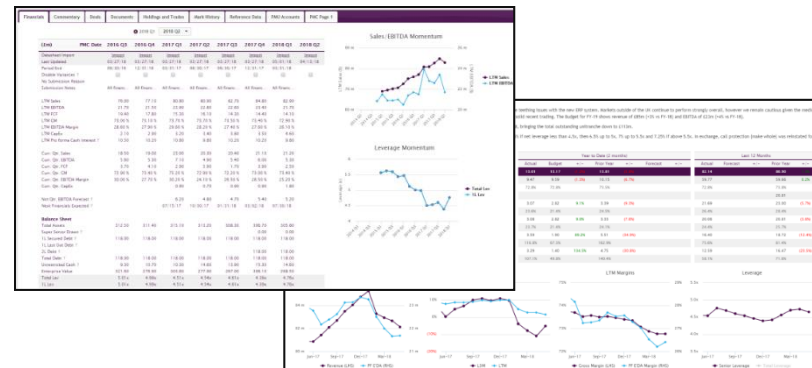
Allows PMs to see portfolio composition in real-time

Portfolio Management Committee



Monthly PMU commentary is captured in the system

Ongoing Portfolio Monitoring/PMU



Central repository for financial data

Bespoke Views



Custom views can be created for PMs, PMU or sales team

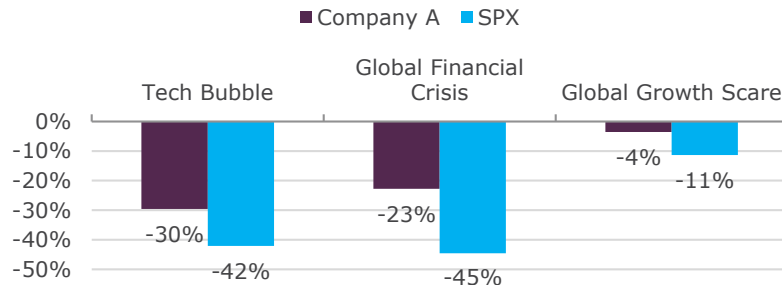
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#3: Portfolio Construction Has Become Increasingly Important to Private Markets

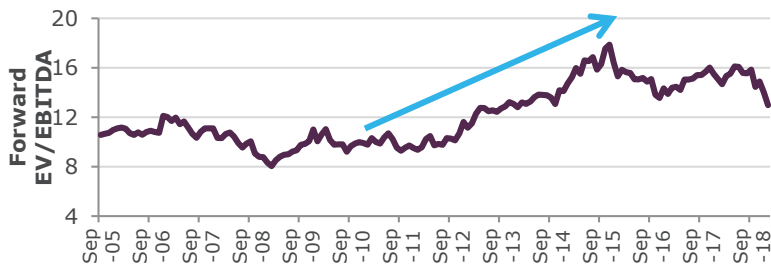
Low Correlations With Portfolio Companies

Portfolio Company	Correlation	Fund Correlation	Pre-Investment	Post-Investment
Company B	26%	Consumer Discretionary	74%	75%
Company C	19%	Consumer Staples	51%	51%
Company D	21%	Energy	47%	46%
Company E	41%	Financials	60%	60%
Company F	30%	Healthcare	66%	68%
Company G	28%	Industrials	65%	65%
Company H	32%	Information Technology	70%	71%
Company I	20%	Materials	65%	65%
Company J	16%	Telecom	37%	36%
Company K	21%	Utilities	11%	11%
Company L	23%			

Less Cyclically Sensitive Than The Market



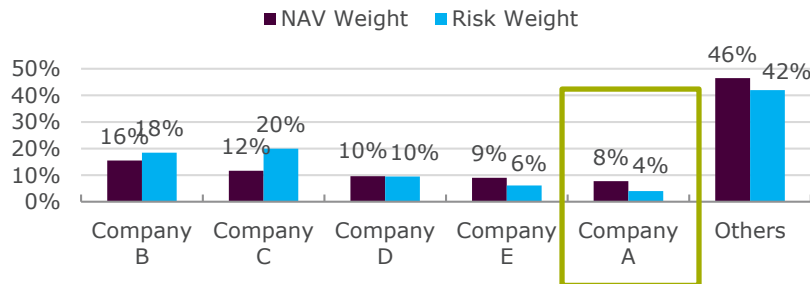
Comp Valuations Remain Elevated



Investment Conclusion:

- Company A exhibits attractive qualities from a portfolio construction perspective, including low correlation with existing fund investments and what seems like low cyclicality (to be confirmed further in diligence)
- Valuation seems like the more important consideration for this investment, as we think it is important that we transact at levels that reflect what we view as a recent healthy correction in industry multiples

Diversifies Current Portfolio Investments



Note: For illustrative purposes only. Based on KKR's proprietary Daily Valuation algorithms. Green dots indicate positive aspects of due diligence; yellow dots indicate neutral or modest concerns in due diligence. Red dots (not shown) would indicate a significant concern in due diligence.

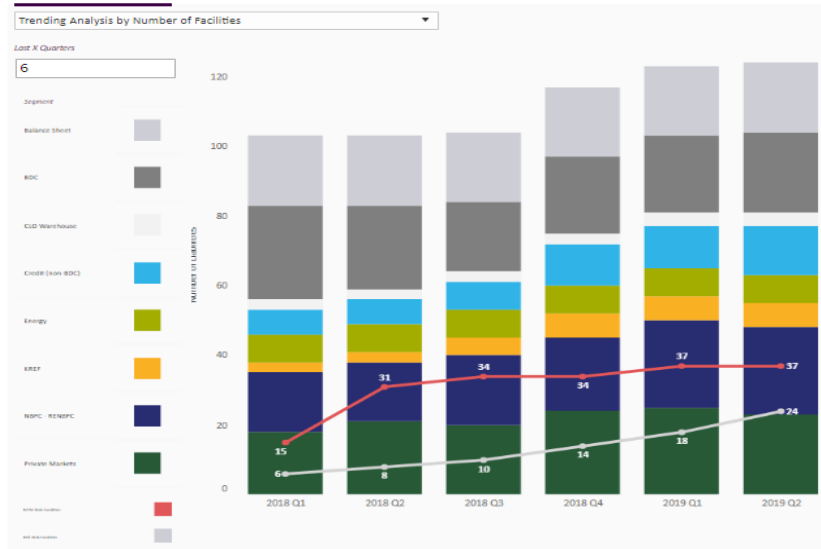
#4: Rethinking Liability Management

Liability Reporting Dashboard

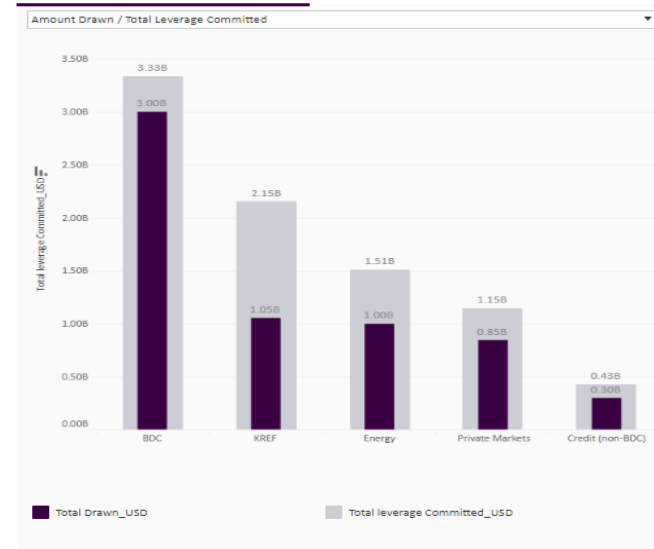
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Quarter	2019Q2	Segment	(Multiple values)
Months to Maturity			
KPIs			
	Total	12	
Number of Liabilities	124		
Total leverage Committed_USD	29.70B	5.14B	8.56B
Total Drawn_USD	20.79B	5.51B	6.20B
Drawn % of Total	70.00%	61.05%	72.44%
			66.99%

Trend Analysis



Facilities with MTM Risk



#5: Exit Analysis – Projecting Deal and Portfolio Cash Flows

Project Each Deal
Future Cash-Flows
Up/Down/Base

Deal Teams & Portfolio
Monitoring Team

Simulate Cash-
Flow For New
Assets

Liabilities
Draw/Repayment
Projections

Hedging & Liability
Management Team

- ✓ **Fund On Track For IRR/MoM?**
- ✓ **Appropriate Resourcing On Riskier Deals?**
- ✓ **Contribution Of Assets, Cash, Liabilities?**
- **Course-correct**

Fund	Current				Mar-19			Gross IRR			Gross MoM			Bridge to	Contribution to	Impact to Fund IRR if met	
	Deployed	Realized	MV	MoM				Base	Upside	Downside	Base	Upside	Downside	Base Case MoM	MoM Base Case	Upside	Downside
Deal A	\$ (189.6)	\$ -	\$ 214.7	1.1x				22.9%	36.4%	1.2%	2.0x	2.9x	1.0x	0.9x	7.6%	76 bps	-89 bps
Deal B	\$ (179.5)	\$ 19.8	\$ 212.1	1.3x				20.2%	24.3%	9.0%	2.2x	2.7x	1.4x	1.0x	8.5%	28 bps	-55 bps
Deal C	\$ (128.6)	\$ 8.0	\$ 202.2	1.6x				37.8%	71.4%	4.5%	2.6x	3.0x	1.2x	1.0x	7.9%	50 bps	-98 bps
Deal D	\$ (274.8)	\$ 127.6	\$ 178.8	1.1x				31.5%	43.9%	12.7%	2.3x	3.2x	1.4x	1.2x	13.3%	89 bps	-93 bps
Deal E	\$ (238.4)	\$ 80.2	\$ 176.1	1.1x				17.3%	22.7%	-1.9%	1.4x	1.5x	1.0x	0.3x	3.5%	15 bps	-41 bps
Deal F	\$ (115.1)	\$ (0.5)	\$ 149.2	1.3x				7.6%	11.3%	5.3%	1.4x	1.6x	1.3x	0.1x	2.5%	15 bps	-8 bps
Deal G	\$ (132.8)	\$ 24.6	\$ 145.2	1.3x				15.2%	18.0%	11.9%	1.7x	1.6x	1.6x	0.4x	3.3%	6 bps	-10 bps
Deal H	\$ (100.1)	\$ 2.9	\$ 142.9	1.5x				16.9%	26.7%	10.6%	1.9x	2.6x	1.5x	0.4x	3.2%	33 bps	-18 bps
Other Open Positions	\$ (958.6)	\$ 207.5	\$ 659.3	0.9x				5.1%	11.2%	-6.8%	1.2x	1.5x	0.8x	0.3x	0.2%	126 bps	-133 bps
Uncalled Capital	\$ 0.0	\$ -	\$ -	0.0x				15.0%	15.0%	15.0%	1.5x	1.5x	1.5x	1.5x	15.5%	0 bps	0 bps
Total Open Positions	\$ (2,836.9)	\$ 523.2	\$ 2,601.3	1.1x													
Total Closed Positions	\$ (1,053.9)	\$ 1,098.9	\$ 2.1	1.0x													
FUND	\$ (3,890.9)	\$ 1,622.0	\$ 2,603.4	1.1x				13.8%	18.5%	5.2%	1.5x	1.8x	1.2x	0.4x	100.0%	502 bps	-765 bps

Note: For illustrative purposes only.

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Incentivizing Employees & Creating Value

History of Hourly Employee Relations



Misaligned Incentives

Employer

- Quality
- Cost
- On-time delivery



VS



Hourly Employee

- Rework OK
- Falling behind OK
- Number of hours worked

Current Engagement Model

Employer

- Set expectations
- Monitor



Employee

- Meet minimum
- Evade oversight

Lack of mutual investment
Low worker morale





800 Total
Employees



**600 Hourly
Employees**





**600 Hourly
Employees**



**54 Truck Drivers
(Paid Per Mile)**





**600 Hourly
Employees**



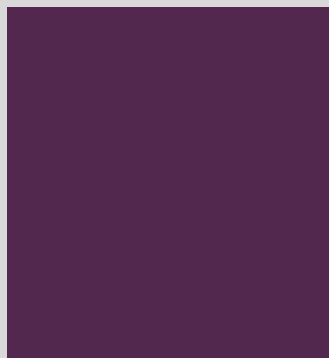
18 Received payout at
initial KKR acquisition

54 Truck Drivers
(Paid Per Mile)



Total Recordable Incident Rate

14.0



CHI 2015 TRIR¹

4.5

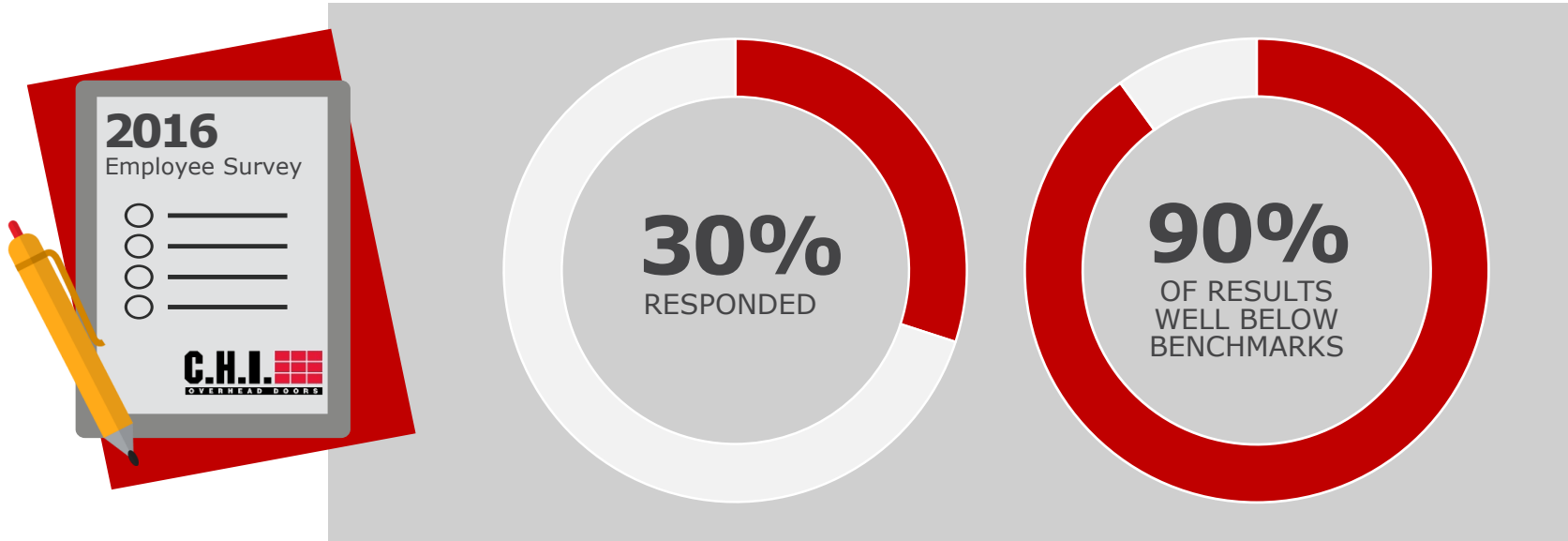


OSHA Industry Benchmark²

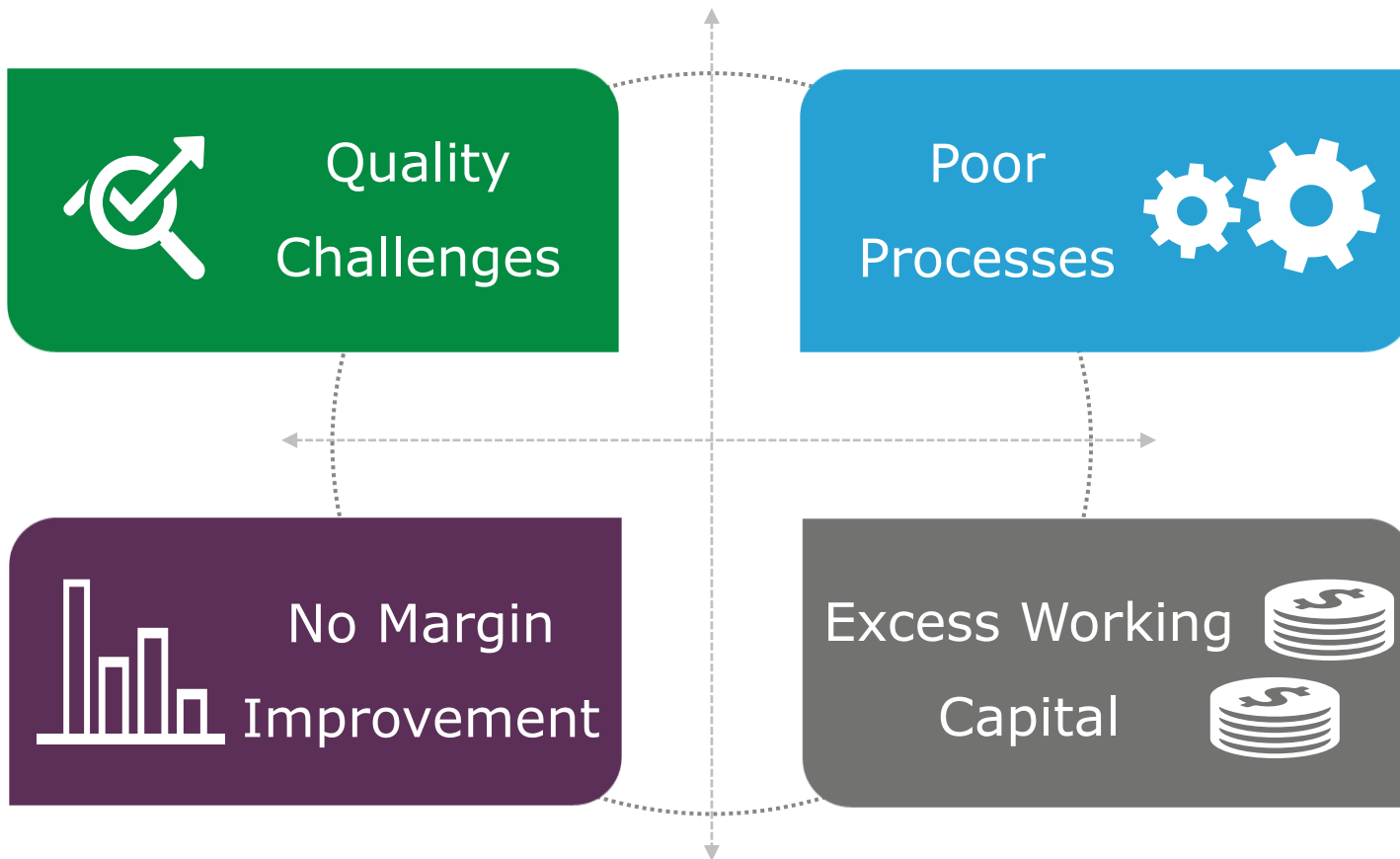


14 out of every
100 workers
were injured on the
job each year

(1) Total recordable incident rate, a metric that takes into account how many OSHA recordable incidents a company has per number of hours worked.
(2) Source: Bureau of Labor Statistics. Benchmark industry is NAICS 332000 – “Fabricated metal product manufacturing” as of 2015.



Most said survey would have no impact

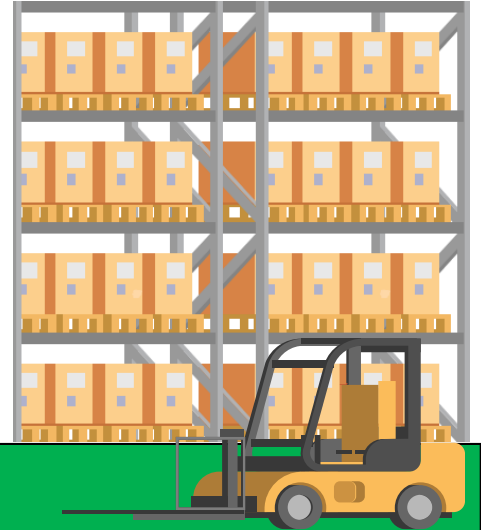




- ✓ New Leadership
- ✓ New Priorities
- ✓ Process Orientation



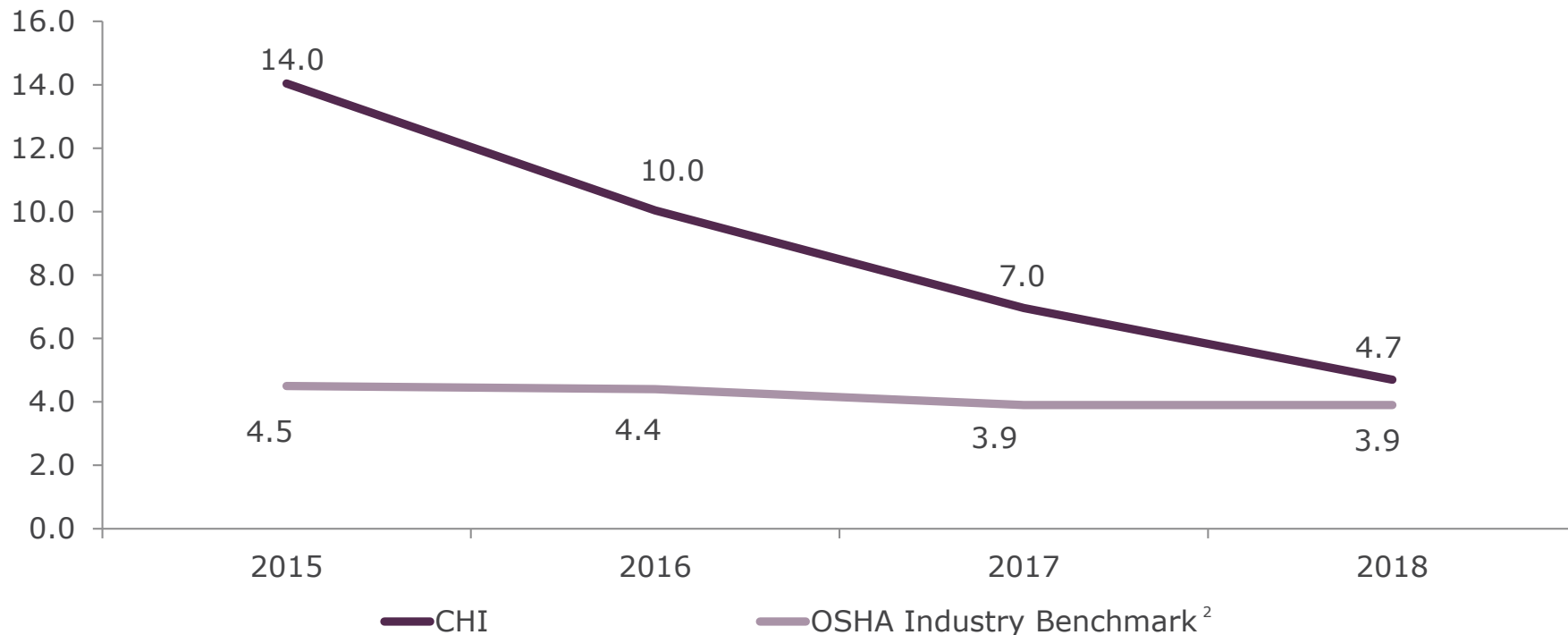
**Roll-out of Employee
Engagement Model**



Our Employee Engagement Model



Total Recordable Incident Rate¹

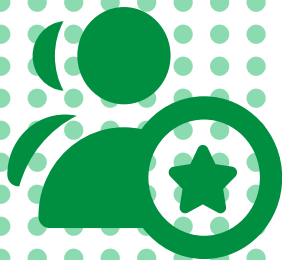


(1) Total recordable incident rate, a metric that takes into account how many OSHA recordable incidents a company has per number of hours worked.

(2) Source: Bureau of Labor Statistics OSHA report for 2015 and 2016. Benchmark industry is NAICS 332000 – "Fabricated metal product manufacturing." Note 2018 data not yet reported, thus have assumed flat with 2017 for indicative purposes.

Engagement: Making Everyone an Owner





**All Employees Became
Owners Under KKR**

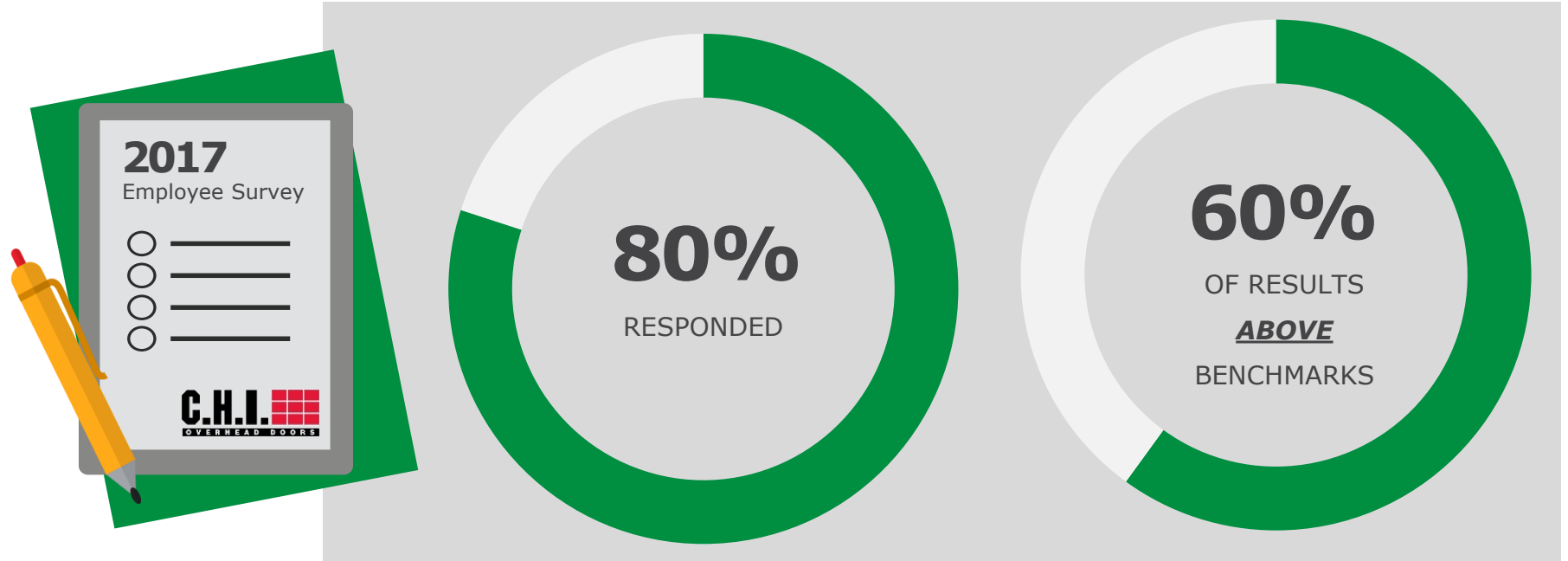


CHI's First Dividend in 2017



Community Involvement Engenders Pride in the Company





Engagement: Practical Example of Changed Behavior



Larry | Truck Driver at CHI

Engagement: Practical Example of Changed Behavior



Total Profitability of: Gladstone, Michigan Delivery

- Total Doors Delivered: **1**
- Total Rental Miles Driven: **200**
- Total Rental Stops: **1**
- Revenue: **\$0**

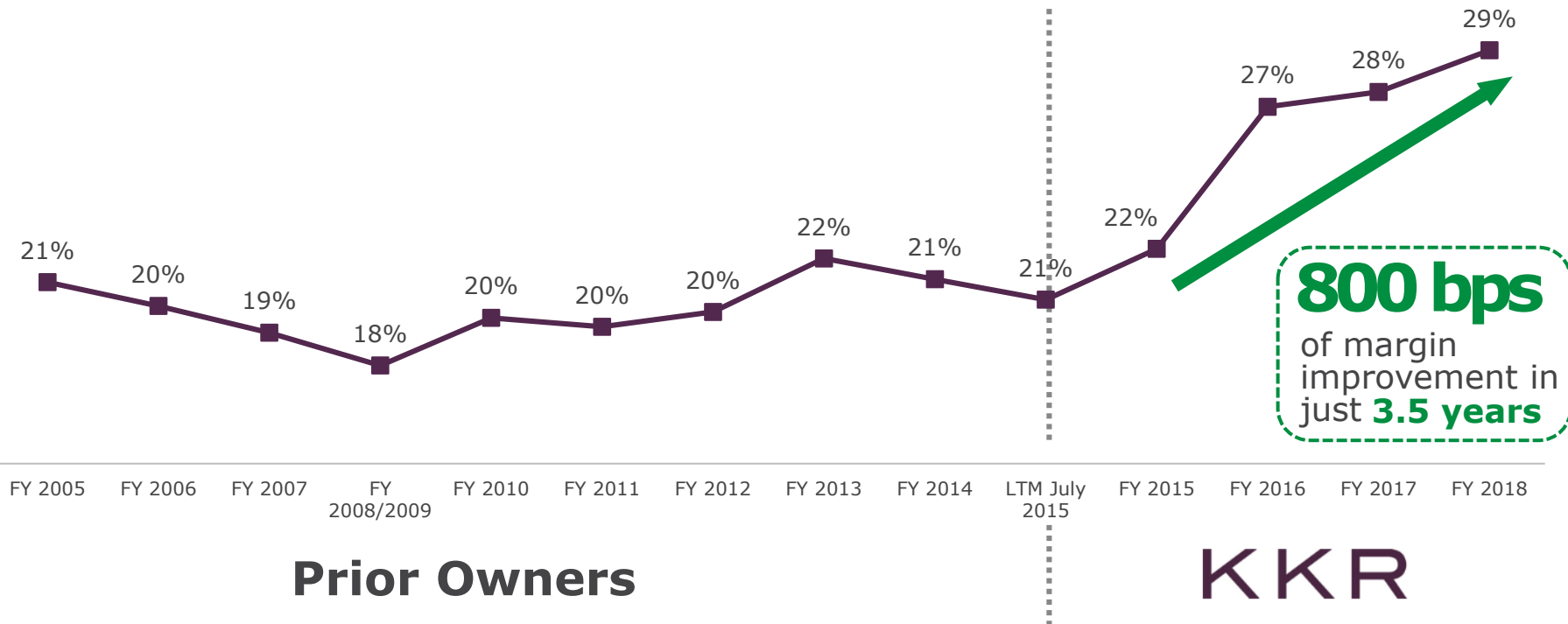
Rough Gross Profit per Door

- Sales Commission
- Delivery Costs

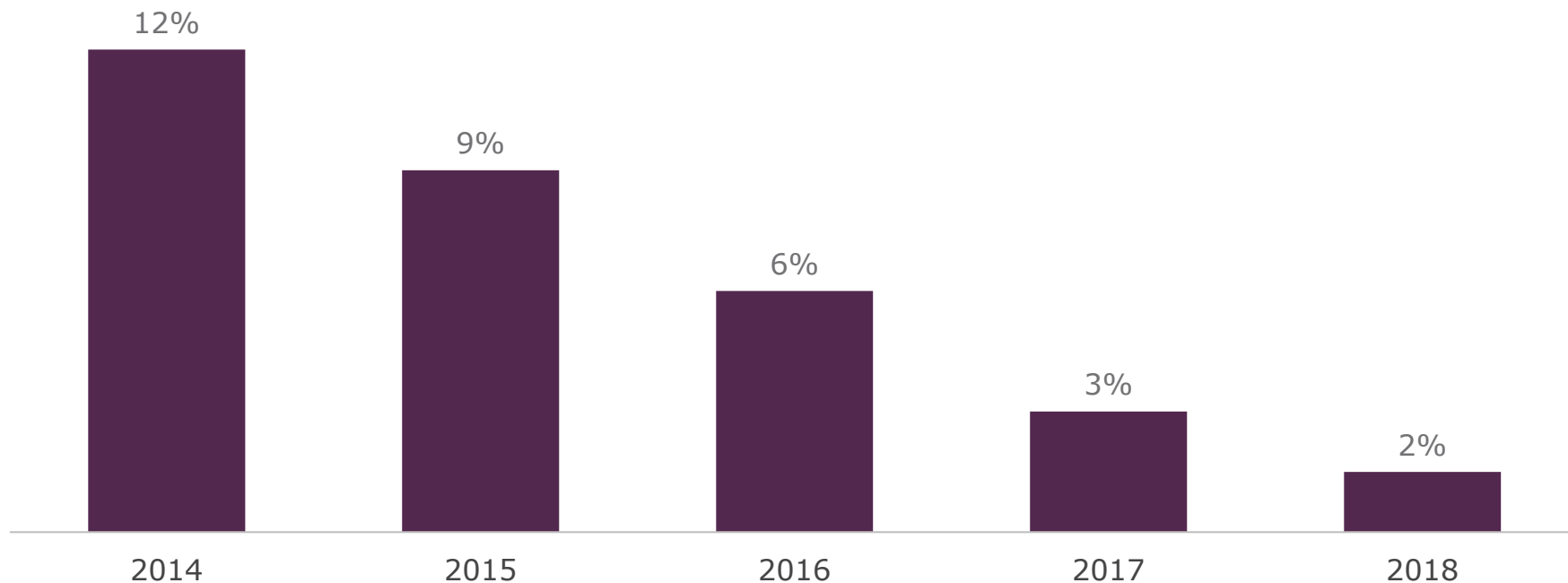
=

\$0

EBITDA Margin



Net Working Capital as % of Revenue



Potential Macro Impact of this Engagement Model



Inequality



Productivity



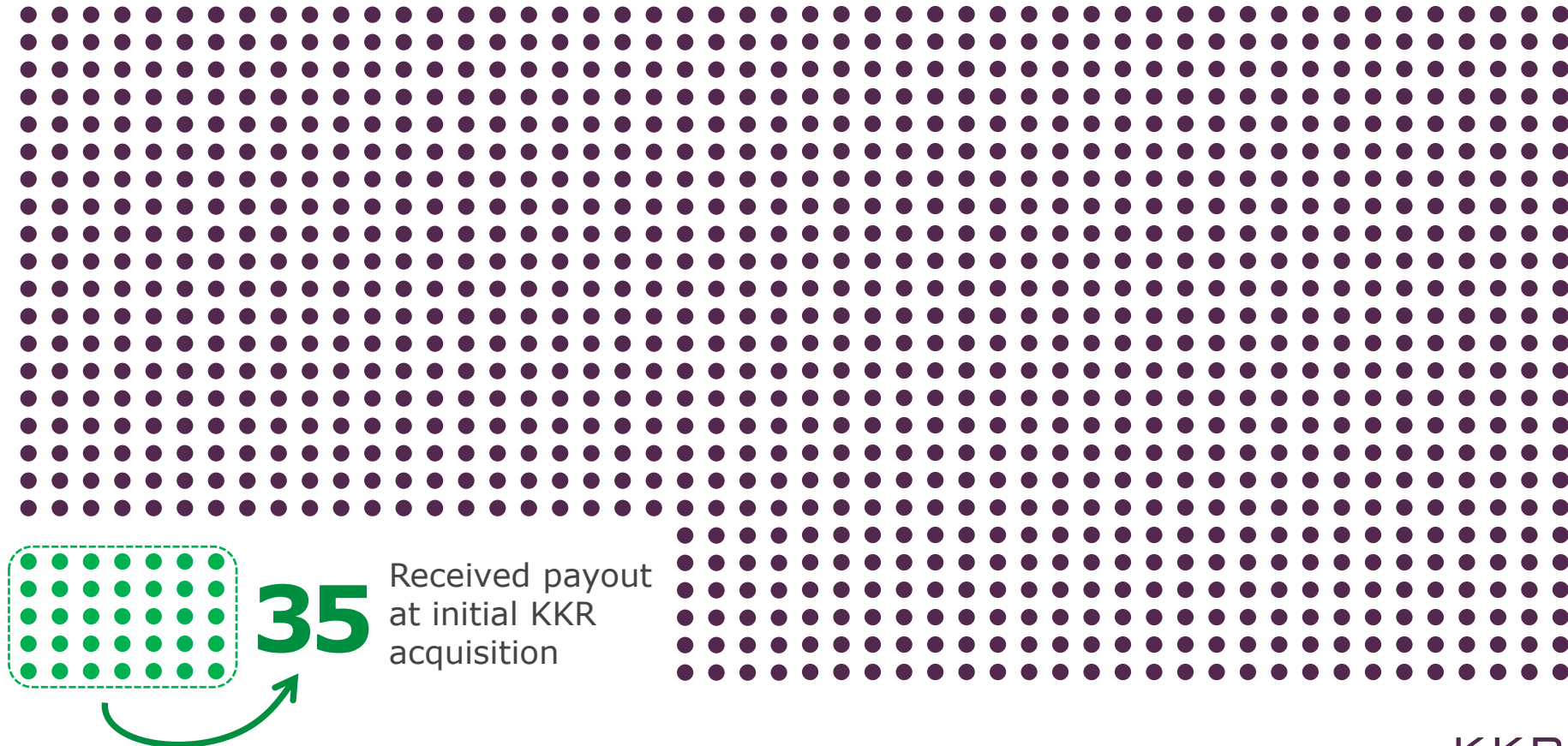
Technology Disruption



Employee Ownership Prior to KKR



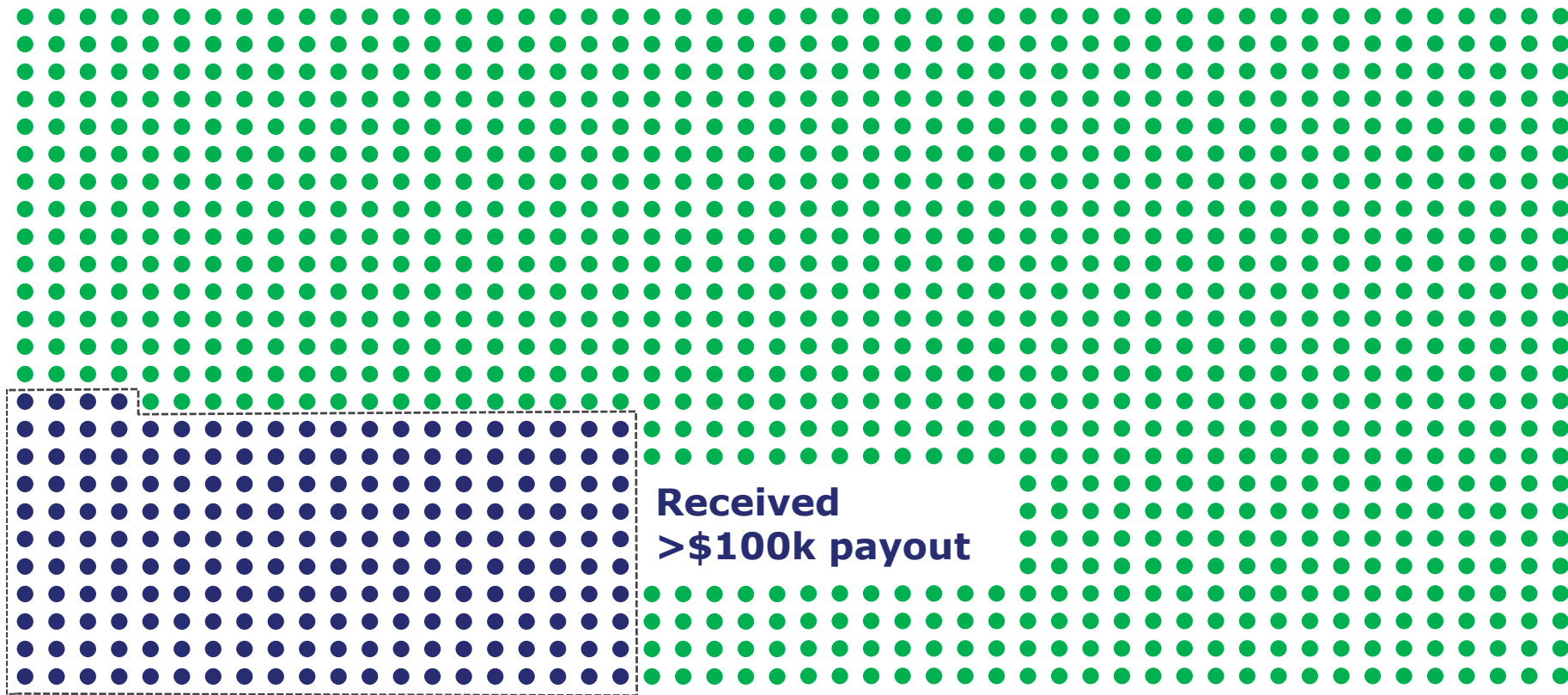
Inequality

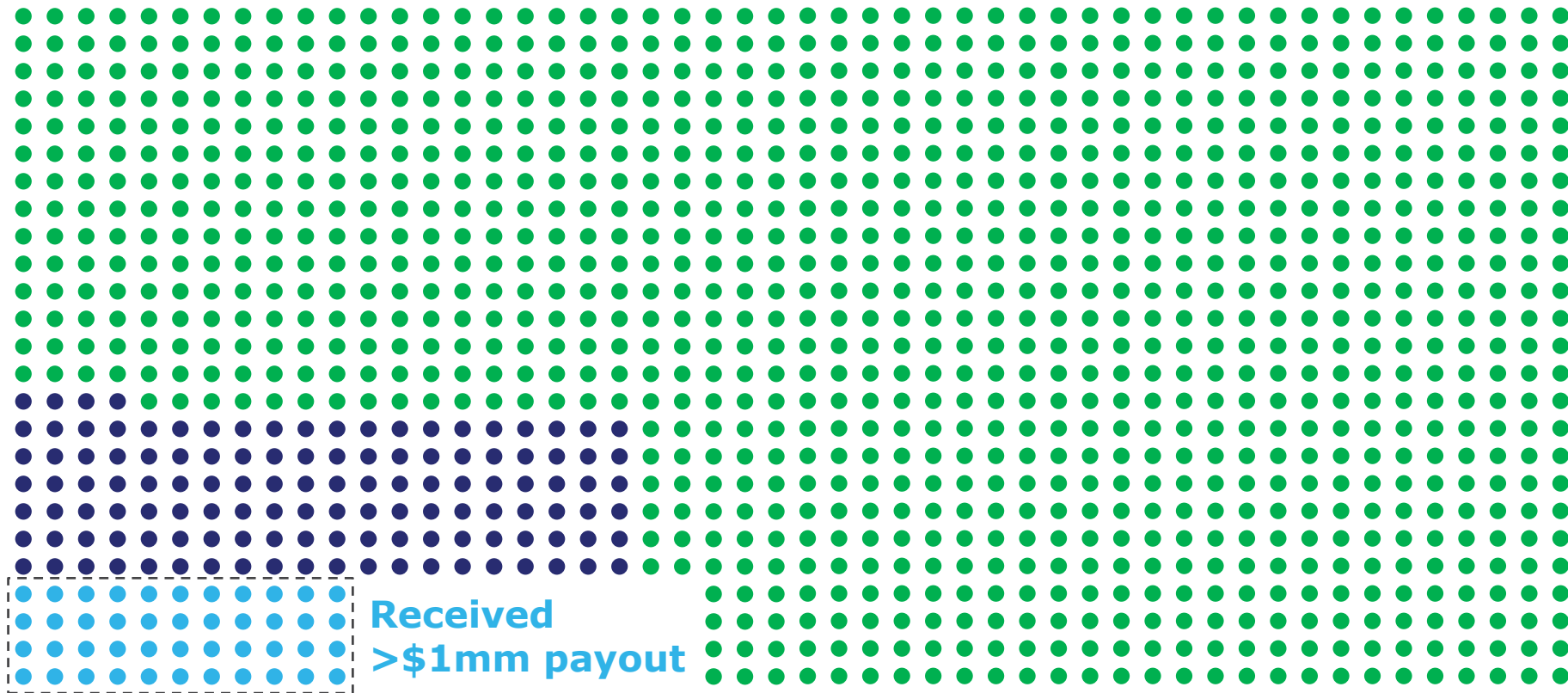


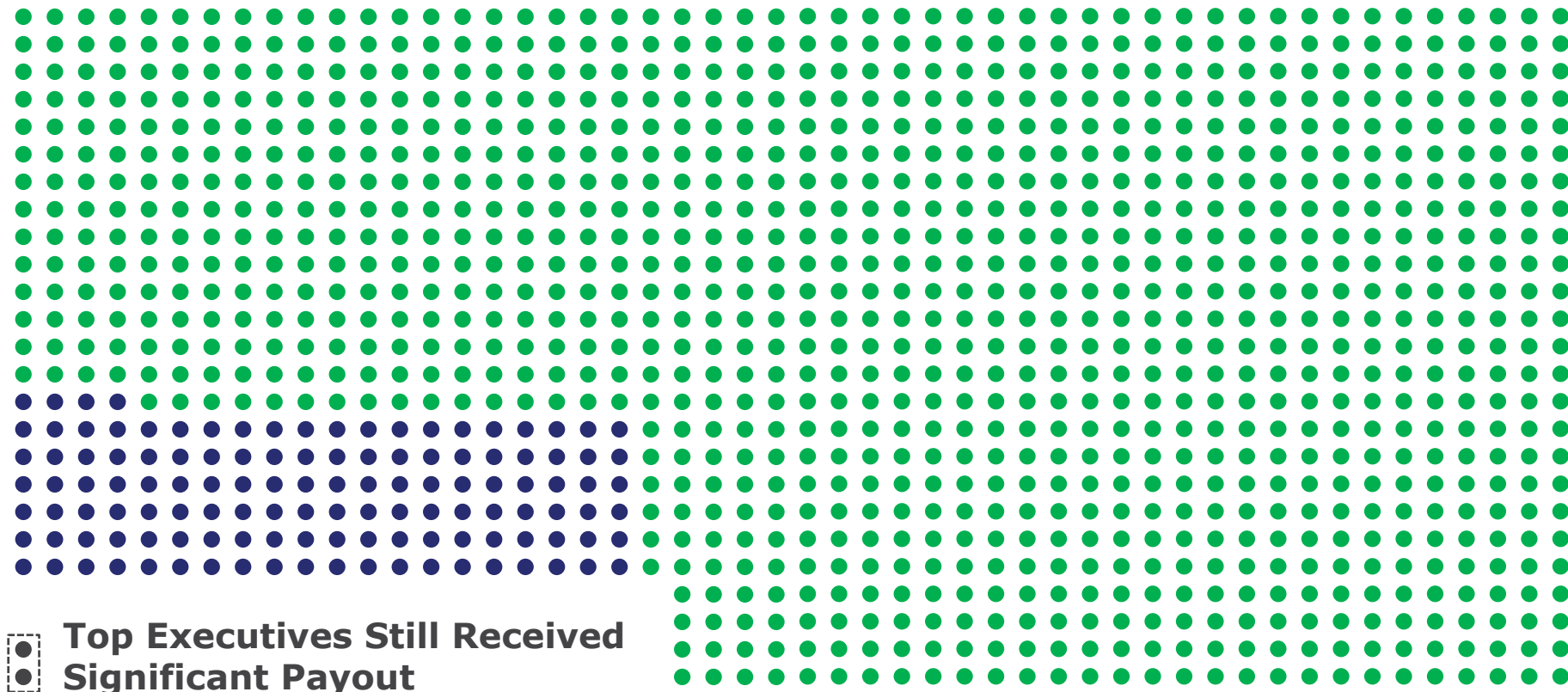
KKR



**All Employees Became
Owners Under KKR**

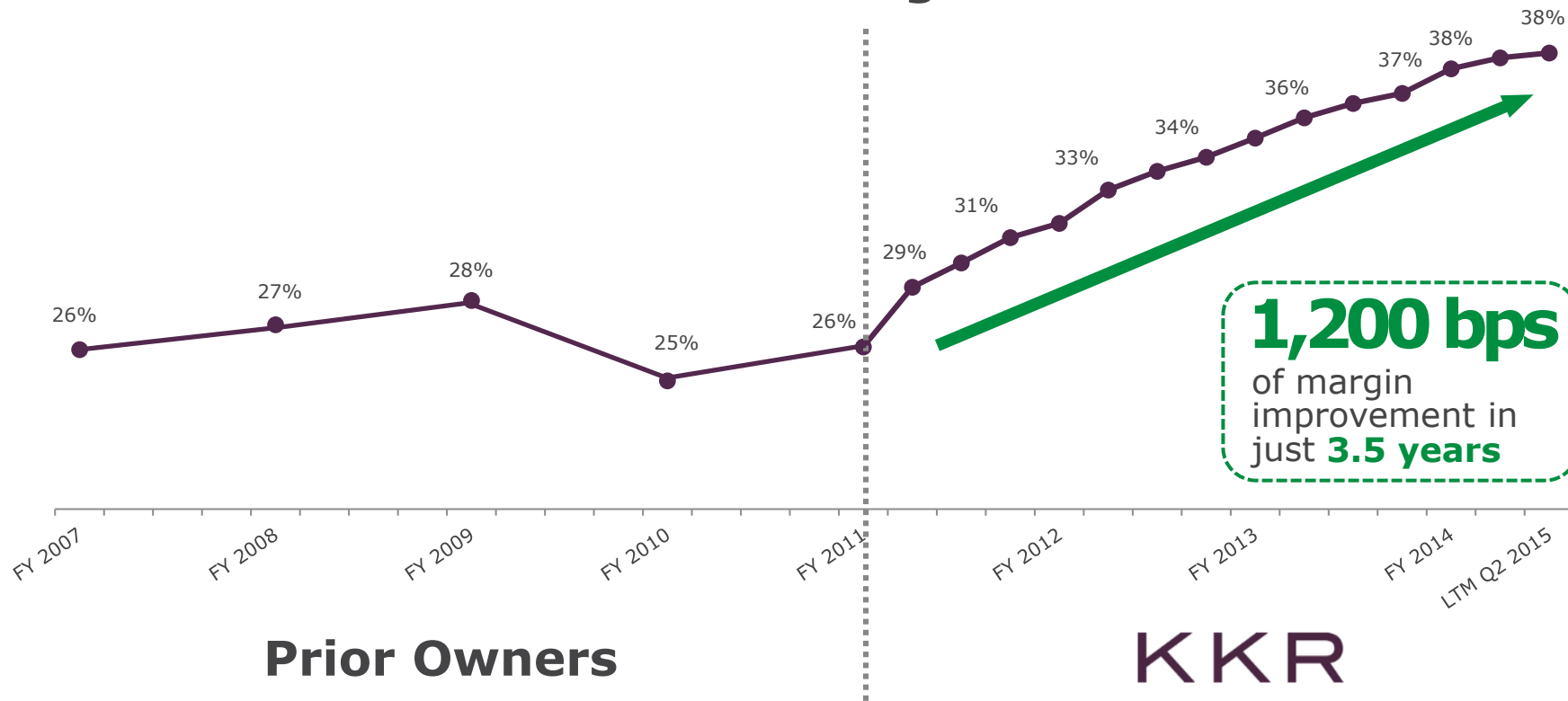






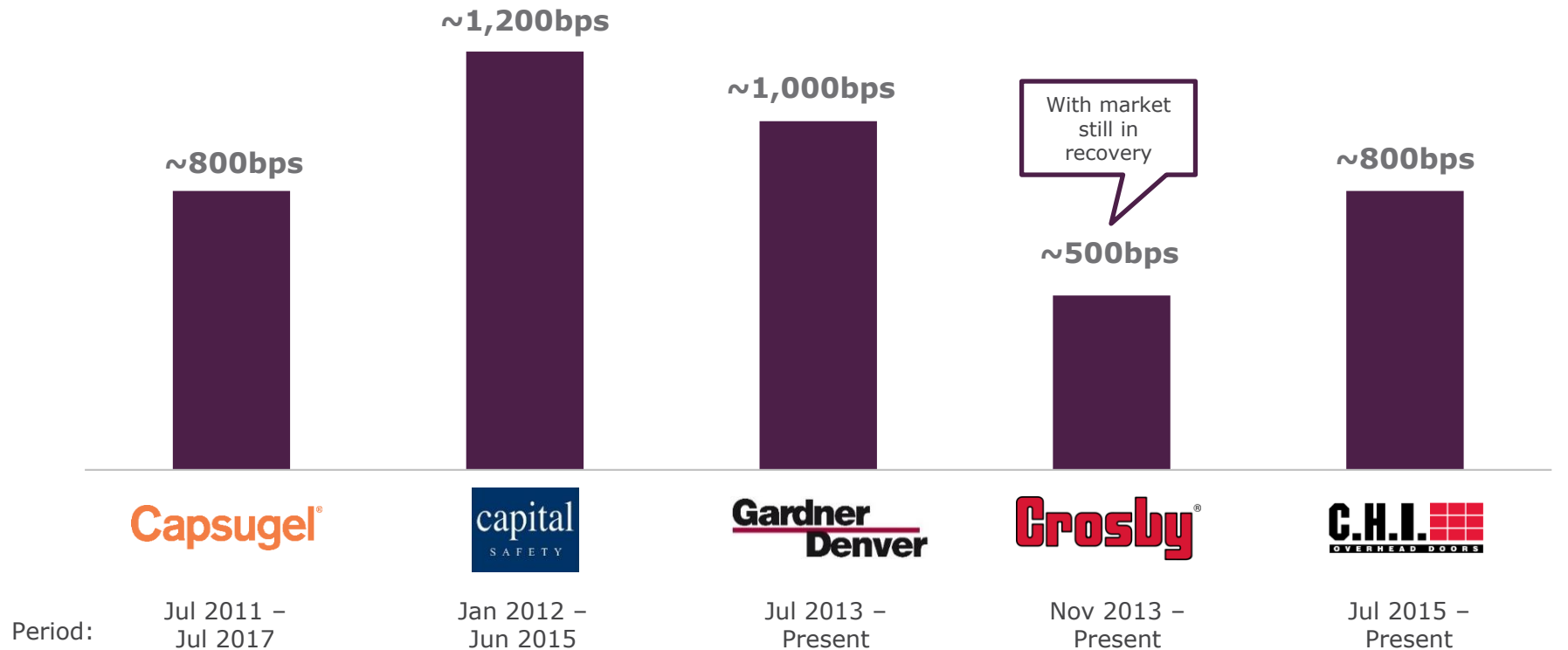


EBITDA Margin



Operational Transformations: A Broader Set of Results

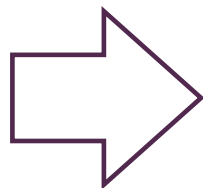
EBITDA Margin Expansion







NWC⁽¹⁾ AS A
"PROOF POINT"



Everyone touches NWC



Easily understood concepts



Room for Improvement

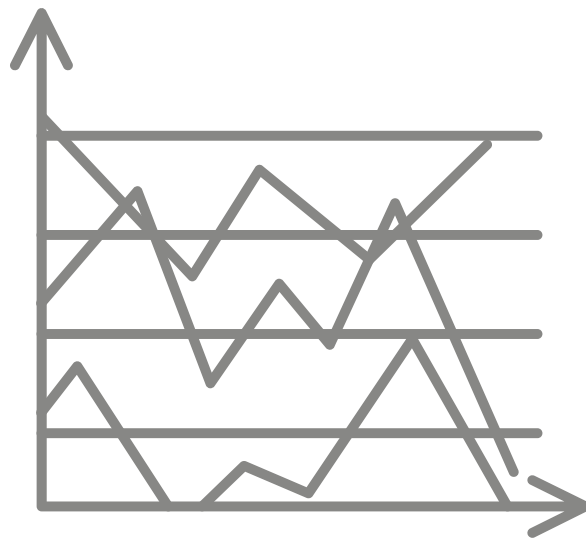


Meaningful Impact

(1) NWC stands for "net working capital," defined as accounts receivable + inventory – accounts payable.



**“Train the Trainer”
Approach**



**Extensive Measurement
and Reporting**



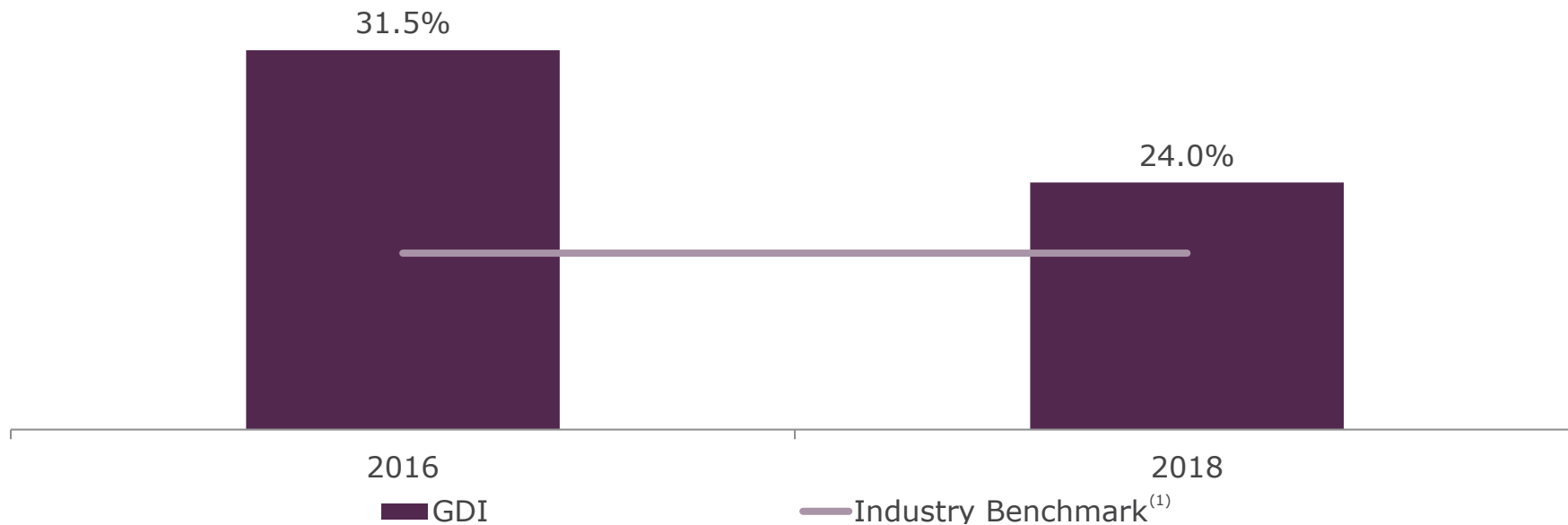
**Ongoing
Communication**



Holly | Sales Office Manager at Gardner Denver UK



Net Working Capital as % of Revenue



(1) Represents the approximate three year average NWC as % of revenue for Atlas Copco, Weir, and Flowserve. From company filings.



Larry | Truck Driver at CHI



- Identifying improvement opportunities
- Unloading doors at every stop
- Providing competitive intelligence
- Serving as a feedback loop on quality
- Strengthening customer relationships





HARVARD
UNIVERSITY



RUTGERS

Private Credit

KKR



\$70bn AUM

KKR Credit

\$39bn

Leveraged Credit

- Loans & Bonds
- Opportunistic Credit
- Revolving Credit

\$24bn

Private Credit

- Direct Lending
- Subordinated Debt
- Asset-Based Finance

\$8bn

Special Situations

- Deep Value
- Distressed
- Capital Solutions

\$2.4bn Balance Sheet & Employee Capital Committed

Note: All information as of September 30, 2019 unless otherwise noted. \$24 billion Private Credit AUM includes \$13 billion of BDC Private Credit assets. Total BDC assets are \$16 billion, of which \$13 billion is invested in Private Credit assets and \$3 billion is invested in Leveraged Credit assets. Special Situations AUM include \$0.8 billion of AUM from "other" strategies.

KKR Private Credit Overview

\$24 billion
Private Credit Assets

(~20 Investment Committee
average years of experience 60+ investment
professionals)



Direct Lending

- Directly Originated First and Second Lien, Unitranche Loans
- Upper Middle Market Corporate Borrowers



Private Opportunistic Credit

- Directly Originated Subordinated Lending
- Asset-Based Finance (Specialty Finance Platforms, Financial Assets, Hard Assets, Structured Credit)

***One of the
Largest Private Credit Platforms
in a Space Where Size and Scale Matters***

▶ Partner of Choice for
Companies and Sponsors

▶ Integrated Global
Resources

▶ Tapping into KKR
'Library' of 1,000+ Issuers

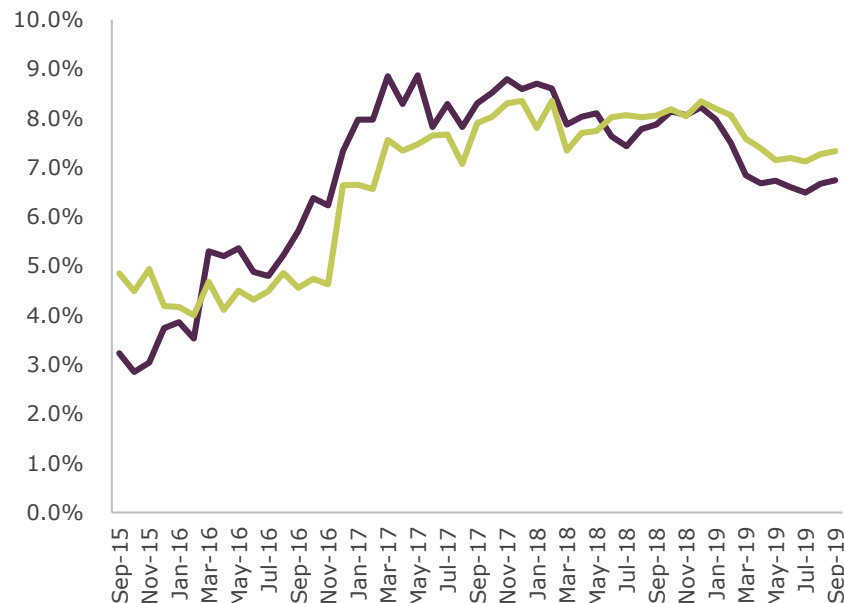
Note: All information as of September 30, 2019 unless otherwise noted. \$24 billion Private Credit AUM includes \$13 billion of BDC Private Credit assets. Total BDC assets are \$16 billion, of which \$13 billion is invested in Private Credit assets and \$3 billion is invested in Leveraged Credit assets.

KKR

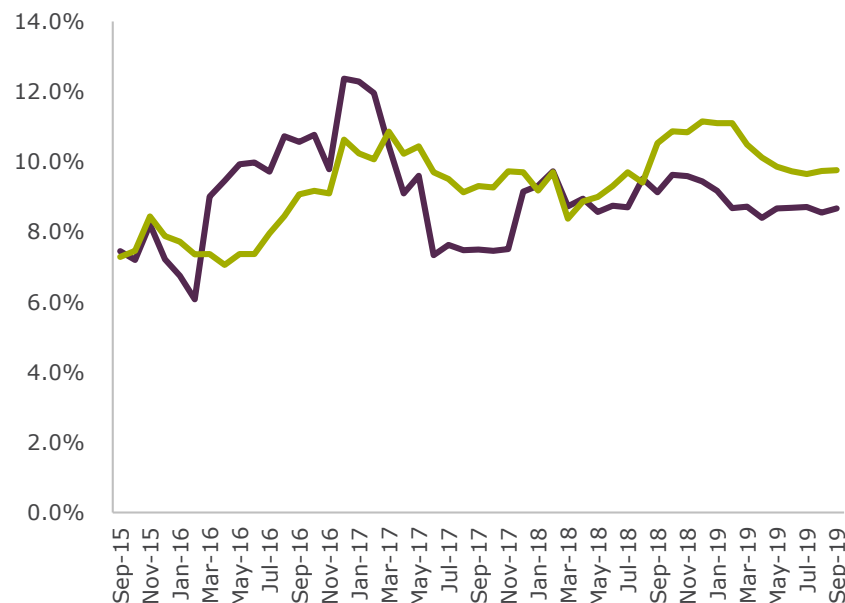
Macro: While Company Fundamentals Are Holding Up...

...We Are Seeing A Deceleration In Global Growth

Revenue Growth (KKR Global Leveraged Credit)



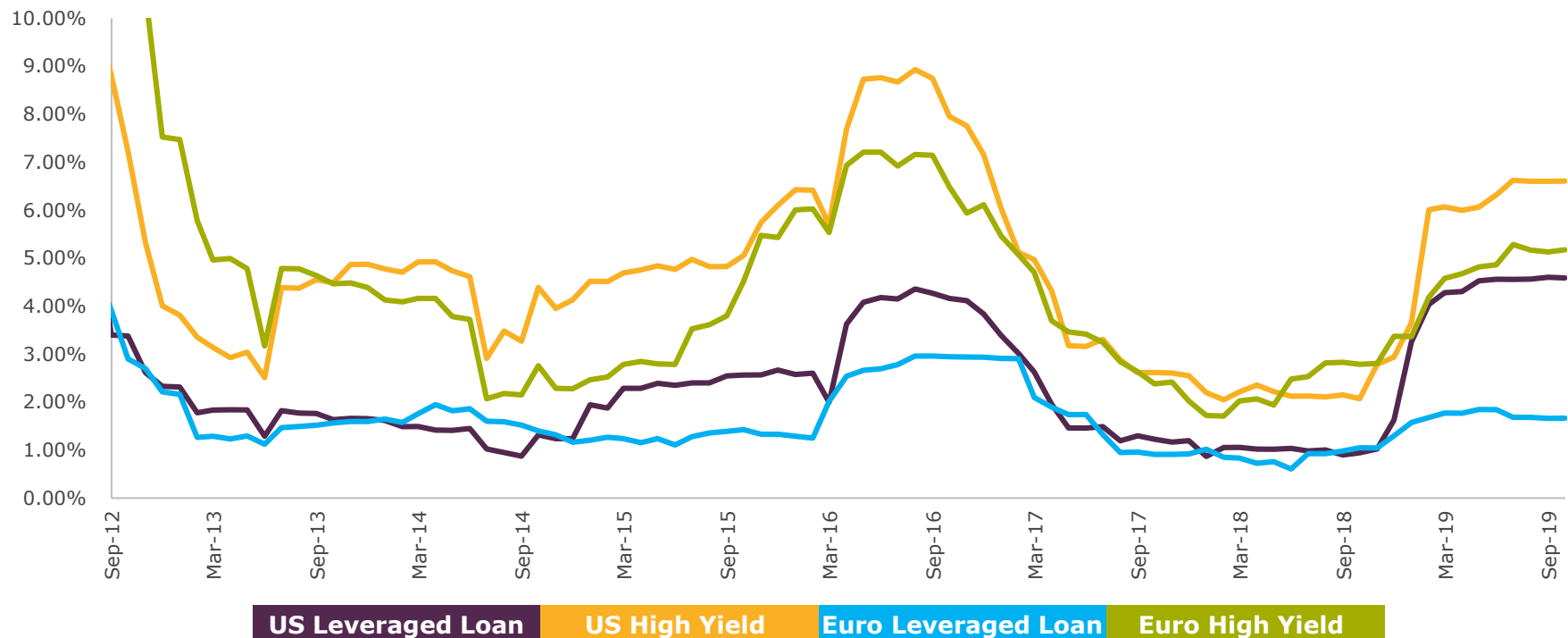
EBITDA Growth (KKR Global Leveraged Credit)



Source: KKR Credit Analysis as of September 30, 2019. All leveraged credit portfolio companies across KKR portfolios.

Macro: Volatility Is The New Norm – Opportunity To Capitalize

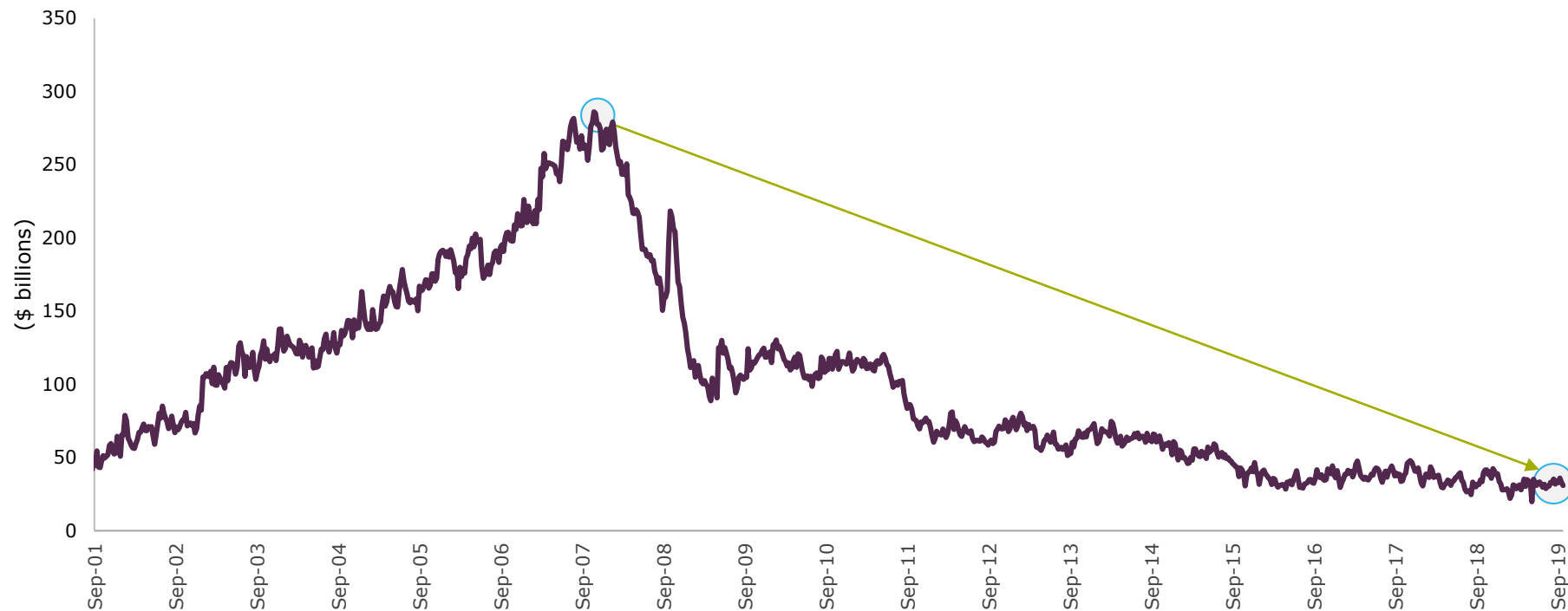
Monthly Standard Deviation (12-Month Moving Windows)



Source: Credit Suisse as of September 30, 2019.

Macro: Volatility Is Exacerbated By Declining Dealer Inventories

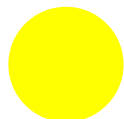

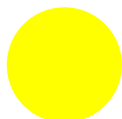



Primary Dealer Securities Inventories



Source: KKR Credit Analysis, Haver Economics and Federal Reserve Bank of New York as of September 2019.

KKR View Of The Private Credit Landscape

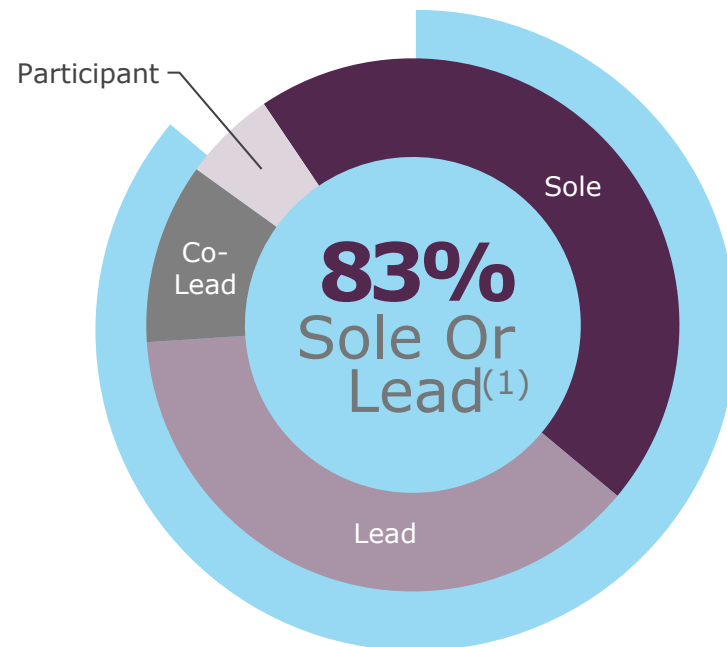
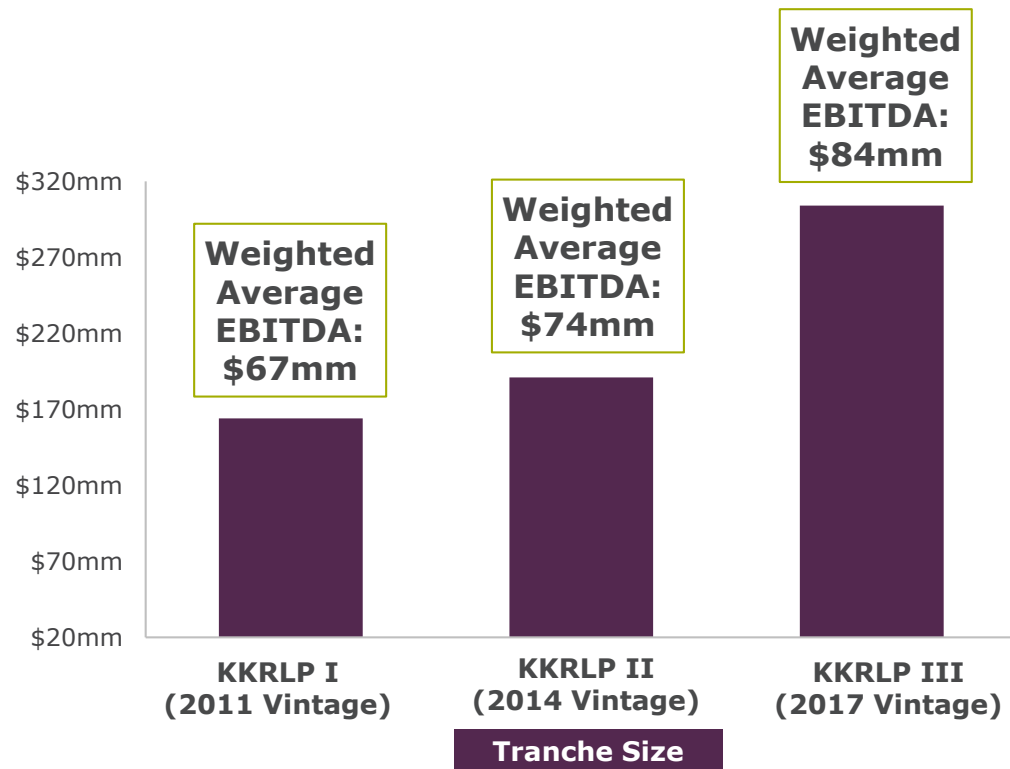
We Continue To See Attractive Diversified Opportunities Across Originated Corporate Lending And Asset-Based Finance

	Direct Lending		Private Opportunistic Credit		Private Credit	
Strategy	▪ Originated corporate lending, primarily at the top of the capital structure		▪ Originated subordinated lending and asset-based finance		(Direct Lending+ Private Opportunistic Credit)	
Return Drivers	▪ Contractual cash income and fees		▪ Contractual cash & PIK income ▪ Levered yield ▪ Equity/warrants			
KKR Outlook	U.S. Lower Middle Market	U.S. Upper Middle Market	Corporate Mezzanine	Asset-Based Finance	Beyond the U.S.	Publicly Traded BDCs
						

Note: Not all funds discussed above currently exist, and there is no guarantee that they will exist in the future.

Direct Lending – Focus On Larger Deals And Ball Control

In Our View, A Less Competitive And Resilient Segment Of The Market



Note: As of September 30, 2019 based on investment amount.
(1) Represents KKR Credit Hold for all investments in KKR Lending Partners III L.P. as of September 30, 2019.

Asset-Based Finance – Be Where The Banks Are Not

Transactions May Take Different Forms, Our Approach Is Rooted In Common Themes

Specialty Finance Platforms

- **Identify asset classes with strong risk adjusted returns**
 - Mezzanine investments in partnership with senior bank lenders
 - Junior / Preferred Equity investments into more mature lending platforms
 - Equity investments in early stage / nimble platforms – access to underlying assets

Financial Assets

- **Performing:** Forward flow agreements with differentiated players; forced asset sales from banks due to capital weighting/de-risking, etc.
- **Non-Performing:** Strategic acquisitions of servicing platforms; purchases of NPL portfolios (primarily focused on Southern Europe)

Hard Assets

- **Direct financing of hard assets with a focus on aviation lending as well as infrastructure debt and real estate-secured**

Structured Credit

- **Private mezzanine ABS investments, regulatory capital trades, off-the-run portfolios**
 - Opportunistic in nature
 - Built upon our deep connectivity with bank partners and our reputation of being a solutions provider



Positive Macro View on Sector or Asset Class



Strong Risk-Adjusted Returns, Generally with Equity Upside Potential

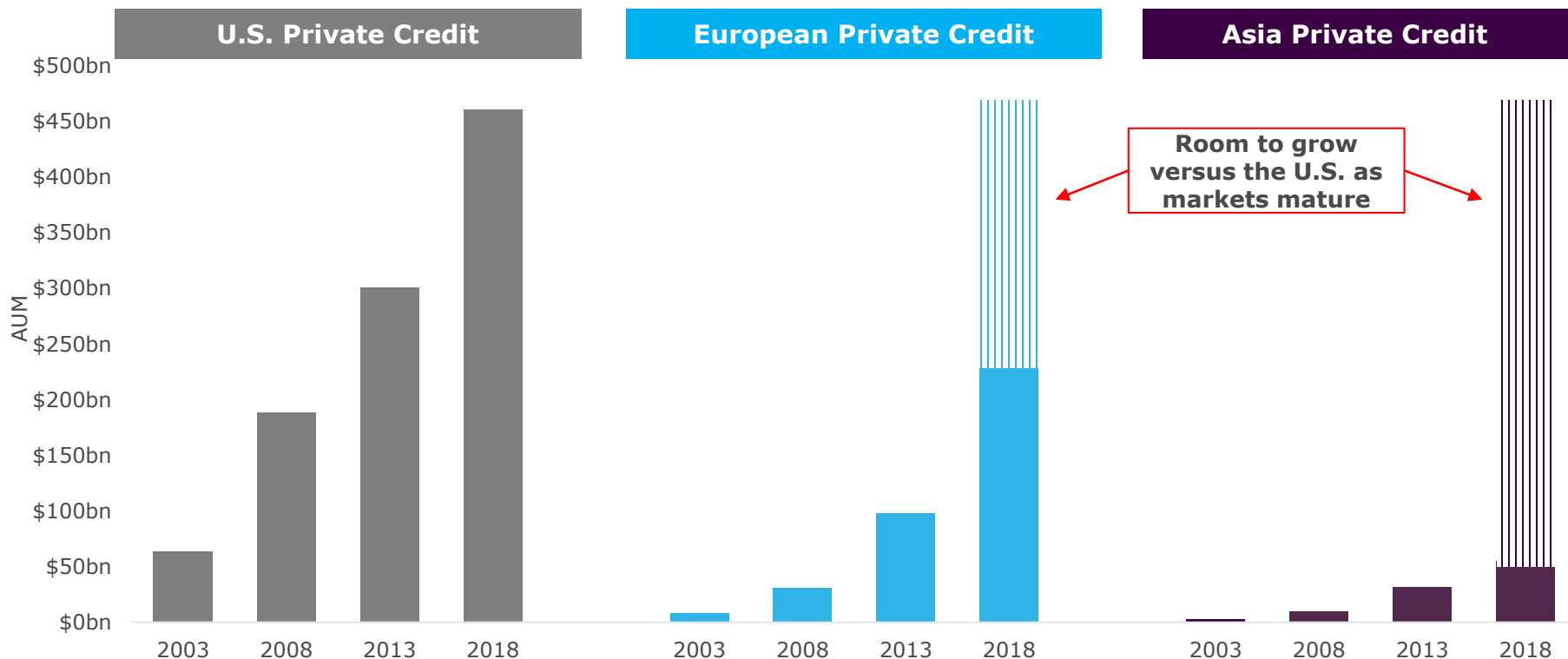


Clear Understanding of Downside Risk and True Controls Over Investment

Note: The above is for illustrative and for discussion purposes only, and may be subject to change. As of October 2019.

Beyond The U.S., Increased Opportunities In Europe And Asia

Non-U.S. Private Credit Markets Poised To Grow



Note: AUM is calculated as Dry Powder plus Unrealized Investments.

Source: Preqin as of December 31, 2018. Includes direct lending, mezzanine and special situations funds.

Technical Pressure Creates Opportunity To Purchase At A Discount To NAV

FS KKR Capital Corp. ("FSK") Is The 3rd Largest Publicly Traded BDC On The NYSE

1 Immediate Access To A Fully Invested, Private Credit Portfolio Delivering Consistent Yield

A

197
Portfolio companies⁽¹⁾

21%
FV in top-10 portfolio companies⁽²⁾

72%
of investments in senior secured debt⁽²⁾

B

13%+
Annual Income

Current Price⁽³⁾ \$5.75

Quarterly Ordinary Dividend x 4⁽⁴⁾ \$0.76

Annualized Dividend Yield 13.2%

(1) As of June 30, 2019. Does not look through to FSK's portfolio companies held solely in Strategic Credit Opportunities Partners, LLC ("SCJP").

(2) As of June 30, 2019. Figure excludes the impact of FSK's investment in SCJP.

(3) As of October 25, 2019.

(4) Represents quarterly dividend as of June 30, 2019.

2 Meaningful Upside Potential⁽³⁾

BDC Peers	Price/ Nav	FSK Equity Upside	Market Cap (\$mm)
Ares Capital Corporation	107%	47%	7,843
Owl Rock	109%	49%	6,385
FS KKR Capital Corp.	73%	N/A	2,982
Golub Capital BDC, Inc.	107%	47%	2,362
TPG Specialty Lending, Inc.	126%	73%	1,398
New Mountain Finance Corporation	100%	37%	1,284
Bain Capital Specialty Finance Inc.	95%	30%	975
Goldman Sachs BDC, Inc.	119%	63%	827
Average	105%	49%	

KKR

Capital Markets

Overview of KKR Capital Markets

Business



Full service capital markets business that serves both KKR and independent clients



Global footprint with local presence and licenses across North America, Europe and Asia



Broad based, investor-facing platform with differentiated access to liquid and illiquid markets



Scale and frequency of financing activities provides unique insights into market trends and opportunities



Experienced team of executives who operate with an ownership mentality



Sizable capital base to support our transactions and clients

Note: Data as of September 30, 2019.
(1) Cumulative results since inception in 2007.

Product Expertise

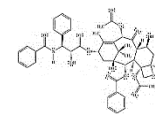
Debt



Equity



Structured



Key Statistics⁽¹⁾

>\$950bn

Debt and equity raised cumulatively

>\$2.5bn

Revenue generated

>50

Dedicated capital markets professionals

~1,000

Transactions closed

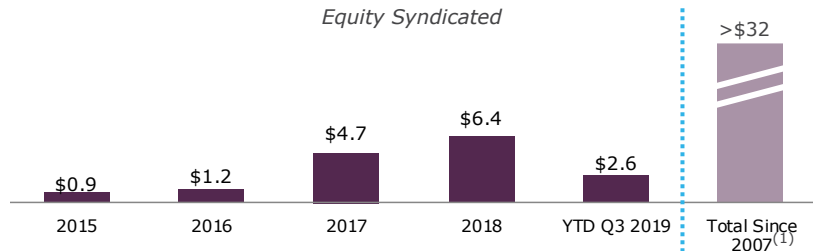
Business Lines Today⁽¹⁾

Co-Invest

(\$ in billions)

Raises additional equity capital from co-investors to facilitate fund investments

Equity Syndicated

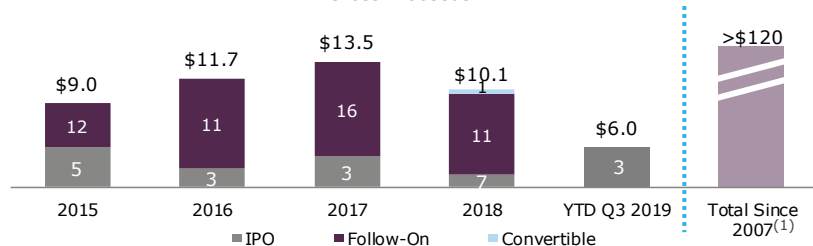


Equity Capital Markets

(\$ in billions)

Drives monetizations when exiting investments in the public markets

Gross Proceeds⁽²⁾



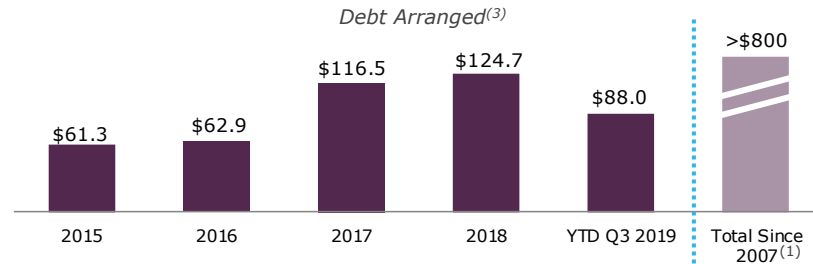
Note: Deal counts include fee generating and non-fee generating events.
 (1) Figures as of September 30, 2019.
 (2) Total represent gross proceeds while subtotals represent the number of deals of each type.
 (3) Debt financings exclude deals effected by our Indian Merchant Bank and related Non-Bank Finance Company.

Debt Capital Markets

(\$ in billions)

Executes debt financings as an arranger and capital provider for KKR companies and third party clients

Debt Arranged⁽³⁾



- Revolving Credit Facilities
- Asset-Based Facilities
- 1st Lien Term Loans
- 2nd Lien Term Loans
- Unitranche Loans
- Bridge Loans
- Mezzanine Capital
- High Yield Bonds
- Investment Grade Debt
- Preferred Equity

Recently Added Structured Finance Expertise to Expand Business Capabilities

Contributing to the Firm's Investment Activities

1

Best Execution and Innovative Financing Structures

2

Access to Capital as a Competitive Advantage

3

Retain Control and Governance Over Deals

4

Deliver Investment Opportunities to Our Investors

A

Expands Buying Power

B

Reduces Cost of Capital and Improves Capital Structures

C

Optimizes Monetization Strategies

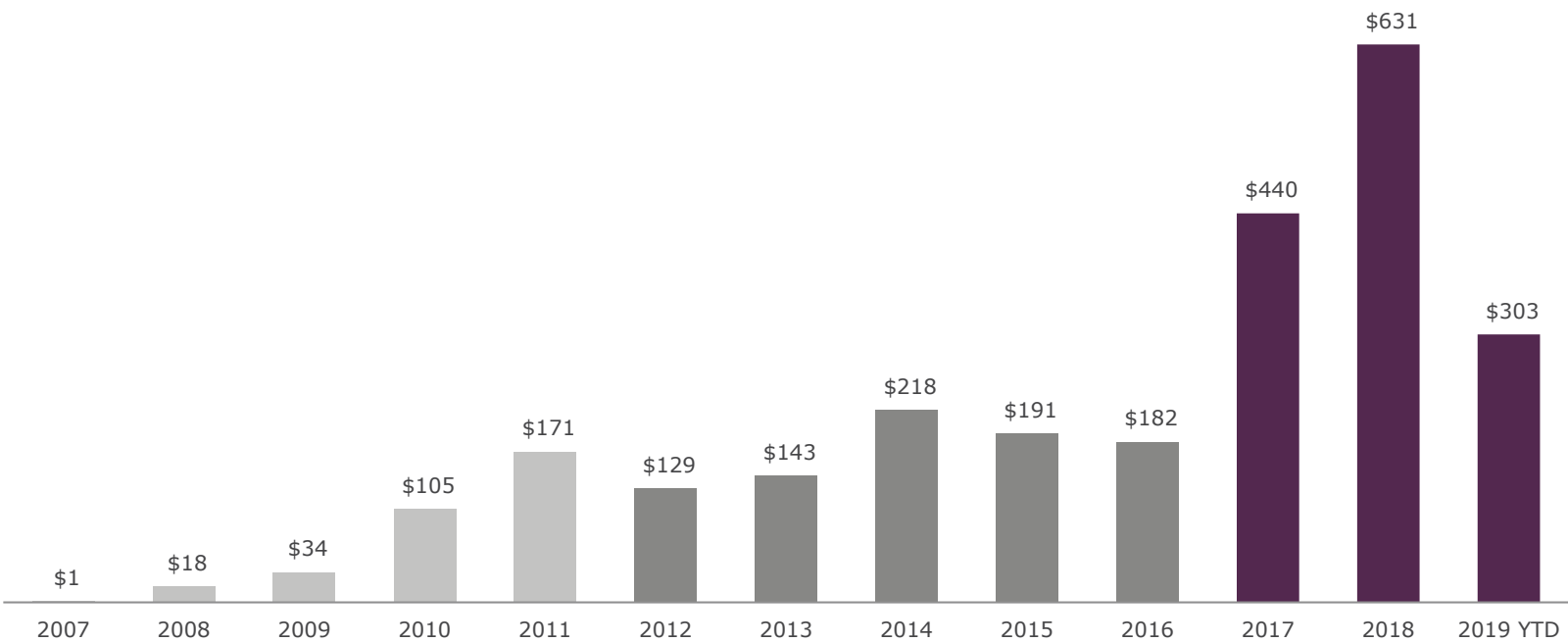
D

Holistic Relationship Management

Financial Performance

(\$ in millions)

Over \$2.5 Billion of Revenue Since Inception

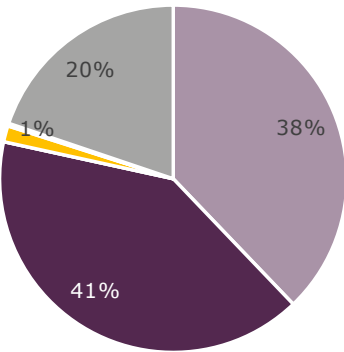


Note: Data as of September 30, 2019.

Scaled Business That Is Driven by a Wide Range of Deal Flow



Average Annual Revenue Contribution By Investment Strategy



Average Annual Fees: \$148mm

■ New Private
Equity Deals

■ Private Equity
Portfolio

■ Third Party

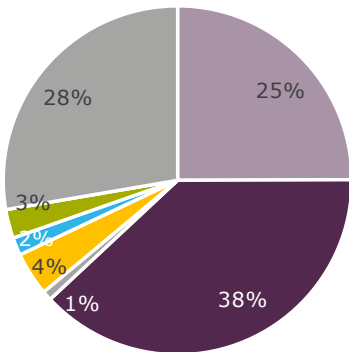
■ Infrastructure

■ Energy

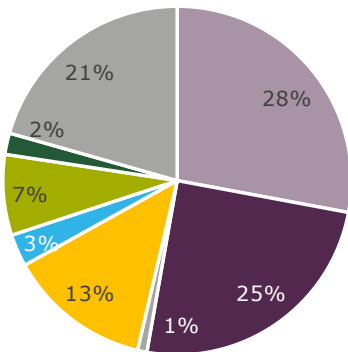
■ Real Estate

■ Other / Balance
Sheet

■ Credit



Average Annual Fees: \$197mm



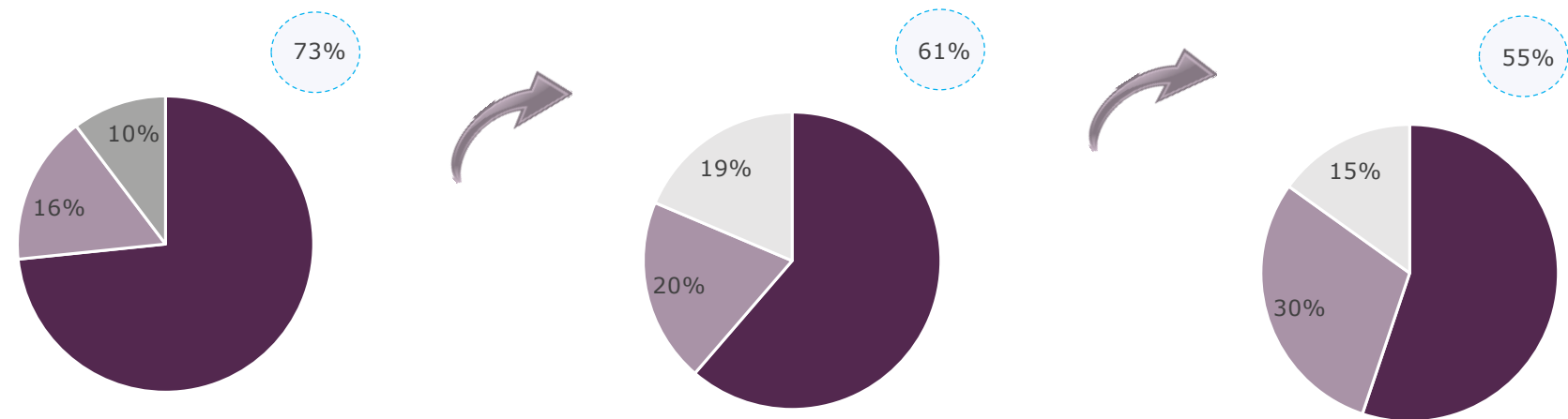
Average Annual Fees: \$491mm

Note: Data as of September 30, 2019.
(1) 2019 data annualized for full year.

And Diversified Across Global Markets



Average Annual Revenue Contribution By Region



Average Annual # of Deals: 80

Average Annual # of Deals: 90

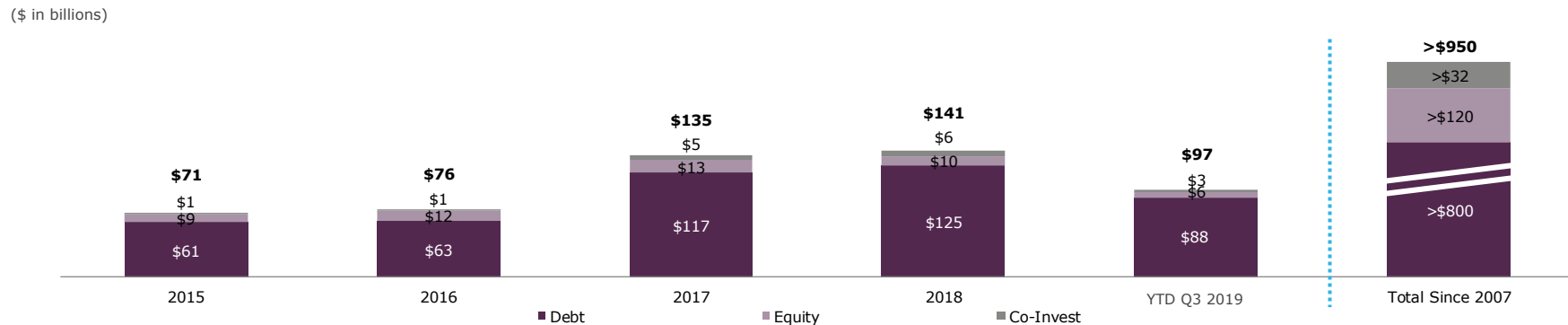
Average Annual # of Deals: 157

■ North America ■ Europe, Middle East ■ Asia Pacific

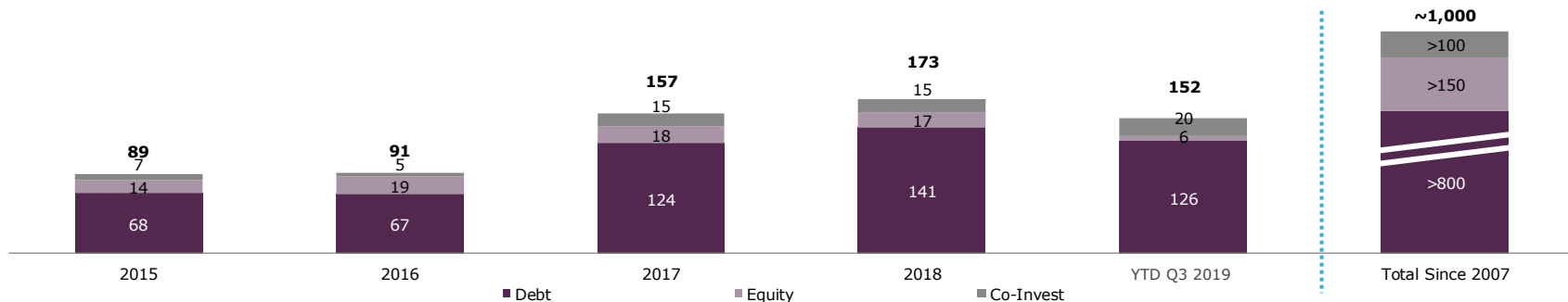
Note: Data as of September 30, 2019.
(1) 2019 data annualized for full year.

High Volume Business

Issuance Volumes



of Transactions



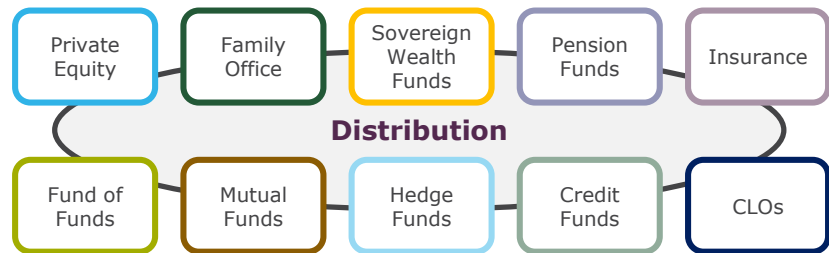
Note: Data as of September 30, 2019. Volumes and transaction numbers include fee generating and non fee generating events; deals effected by our Indian Merchant Bank and related Non-Bank Finance Company are excluded.

Creates Multiple Advantages



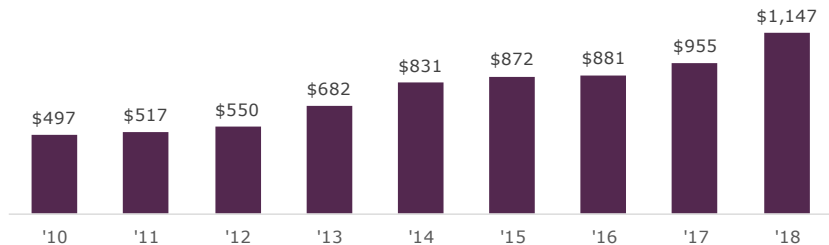
Capital Expansion Has Created New Markets...

Broader and More Flexible Investor Universe



Growing Leveraged Loan Market⁽²⁾

(\$ in billions)



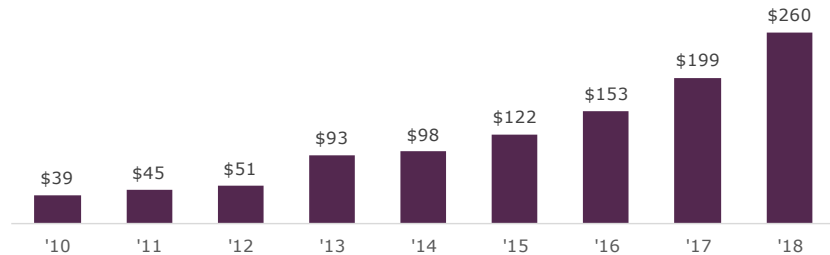
(1) Direct lending capital per Preqin, as of December 2018.

(2) Total leveraged loans outstanding per LCD, as of December 2018.

(3) Aggregate amount raised by co-investment vehicles per Preqin, as of December 2018.

Rise of Private Credit⁽¹⁾

(\$ in billions)



Increasing Co-Invest⁽³⁾

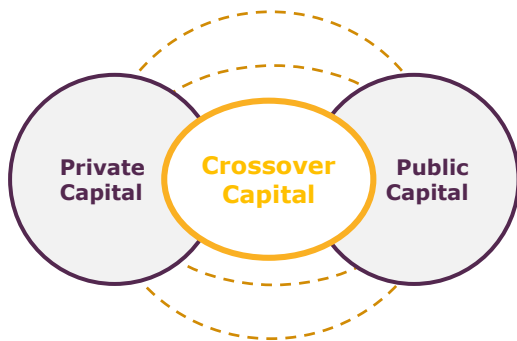
(\$ in billions)



...Resulting in New Ways to Finance Deals

Convergence

Public and private markets are continuing to converge



Allowing for a broader and more flexible set of capital solutions

Displacement

Issuers and investors are increasingly connecting with one another

D₂I

(Direct to Issuer)

Creating alternatives to bank intermediation

Independence

Private markets have reached critical scale



Allowing them to function independently from the public markets

Our ability to access these opportunities can lead to differentiated outcomes for our companies and clients

For Both KKR and our Independent Clients

KKR Portfolio Company



#1 snacking / biscuits brand in Australia and New Zealand
\$2.2bn TEV – October 2019

• Credit Facilities

- AUD Revolver
- USD 1st Lien Term Loan
- AUD 1st Lien Term Loan & AUD Delayed Draw 1st Lien Term Loan
- AUD 2nd Lien Term Loan

• ~\$900mm equity invested

- Includes KKR equity as well as co-invest

KKR Role

- ✓ **Joint Lead Arranger**
- ✓ **Lead Left Arranger**
- ✓ **Joint Physical Bookrunner & Lead Arranger**
- ✓ **Sole Lead Arranger**
(2L pre-placed)

Third Party Client



Provider of services for hospital and ambulatory customers
\$7.3bn LBO – February 2019

• Credit Facilities

- Revolver
- 1st Lien Term Loan
- 2nd Lien Term Loan
- Preferred Equity

• Equity

- Veritas and Evergreen Coast Capital

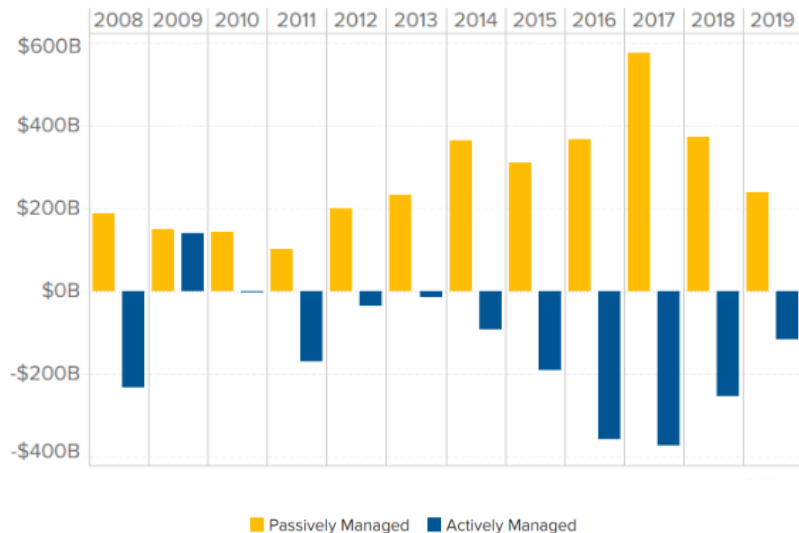
KKR Role

- ✓ **Joint Lead Arranger**
- ✓ **Joint Lead Arranger**
- ✓ **Joint Lead Arranger & Credit Investor**
(2L pre-placed)
- ✓ **Credit Investor**

The Structure of Public Equity Markets Has Also Evolved

Passive Money Has Overtaken Active Money...

Annual Mutual Fund / ETF Fund Flows⁽¹⁾



Passively managed funds (\$4.27 trillion) finally surpassed actively managed funds (\$4.24 trillion) in the U.S. during August 2019⁽²⁾

...And is Leaving an Imprint on the Markets

Passive money is largely momentum and growth driven

You can't ignore or fight the machines too hard

But when properly engaged, passive money is a great absorber of stock

Creating the Right Active Followership is Still Key to Success

Attract quality long-term holders and avoid "renters" of your stock

Access non-traditional investors and cross-border pockets to expand your investor base

Focus on business fundamentals, but understand how passives will view you

(1)
(2)

Source: Morningstar, figures as of September 30, 2019.
Source: Bloomberg as of September 2019.

Why Does It Matter?

KKR is Very Active⁽¹⁾

>\$120bn

Equity proceeds
raised cumulatively

>170

Equity
offerings

~\$10bn

Annual equity
issuance

Source: Dealogic. Data as of September 30, 2019.

(1) Since inception.

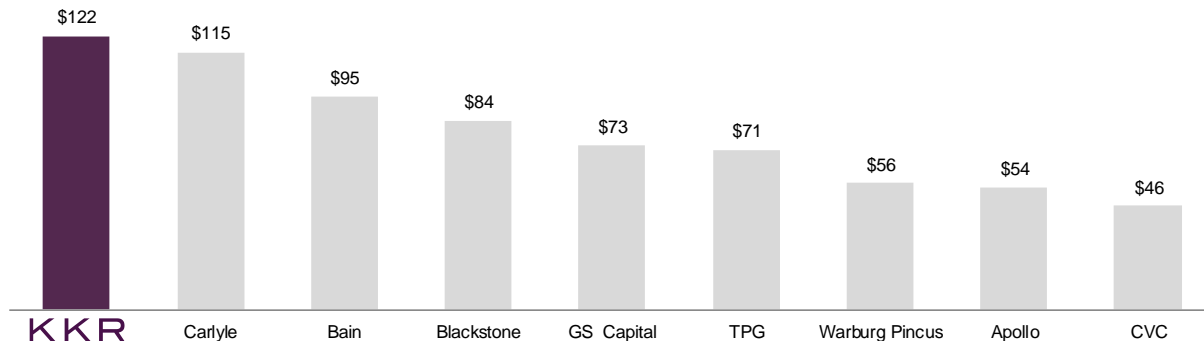
(2) Includes global equity offerings since 2009. Excludes BDCs, MLPs, REITs and SPACs.

(3) Includes KKR stake and co-investors.

Largest Equity Issuer on the Street⁽²⁾

(\$ in billions)

Gross Proceeds Raised

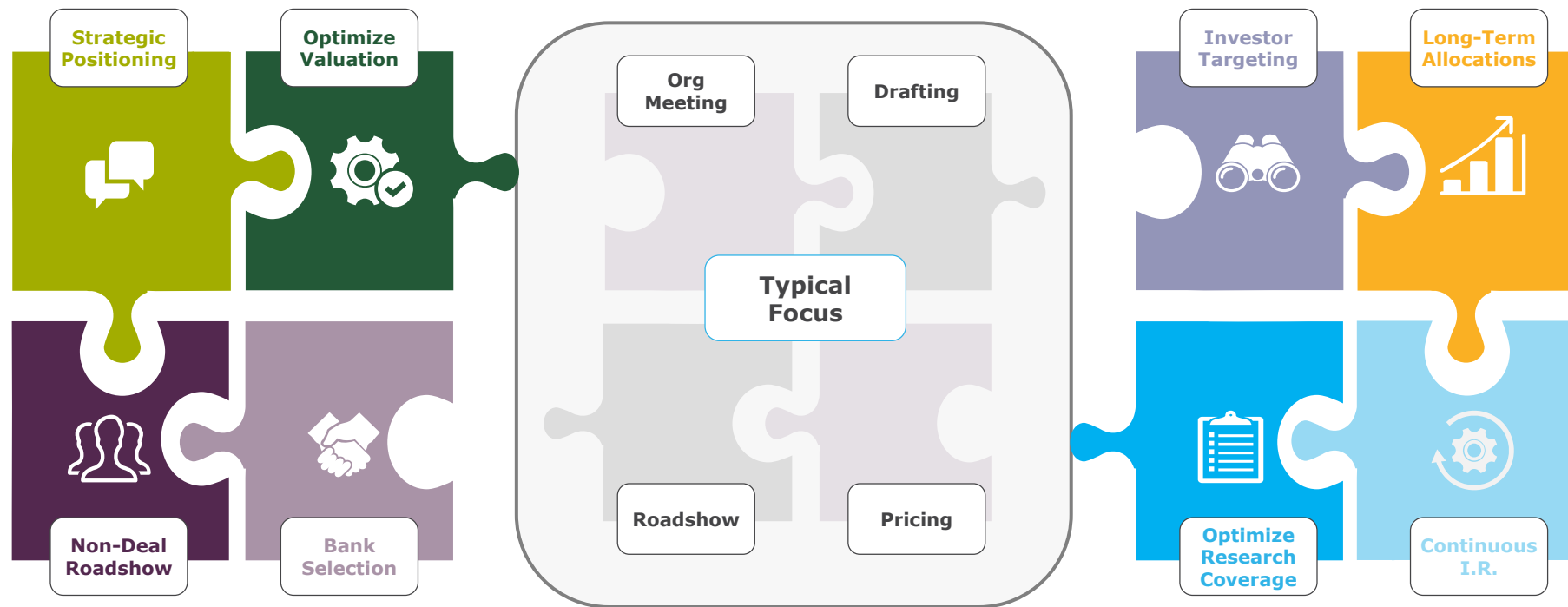


With More to Come



KKR

Differentiated Focus on Equity Offerings



Supporting Life as a Public Company

Developing Detailed Year 1 Post-IPO Marketing Strategy

Multi-pronged approach centered on NDRs with IPO buyers and aspirational shareholders, industry leading conferences, and Analyst Day

Trading & Shareholder Insights

Real-time insights into the company's trading dynamics, shareholders and overall equity capital markets

Communication Strategy for Complex Issues with Public Shareholders

Ability to be a trusted sounding board to management to develop disclosure and communication approach on important matters

Analyst / Investor Day Preparation

Assist in the development of the key strategic messaging, marketing materials, presentation script and dry-run preparation

Secondary Offerings

Ability to assist with public offerings in a way that does not disrupt research or tip off the market

On-Going Capital Structure Advice

Holistic view of the capital structure across debt, equity and corporate finance advice

Dollar General: Largest Retail Monetization in U.S. History

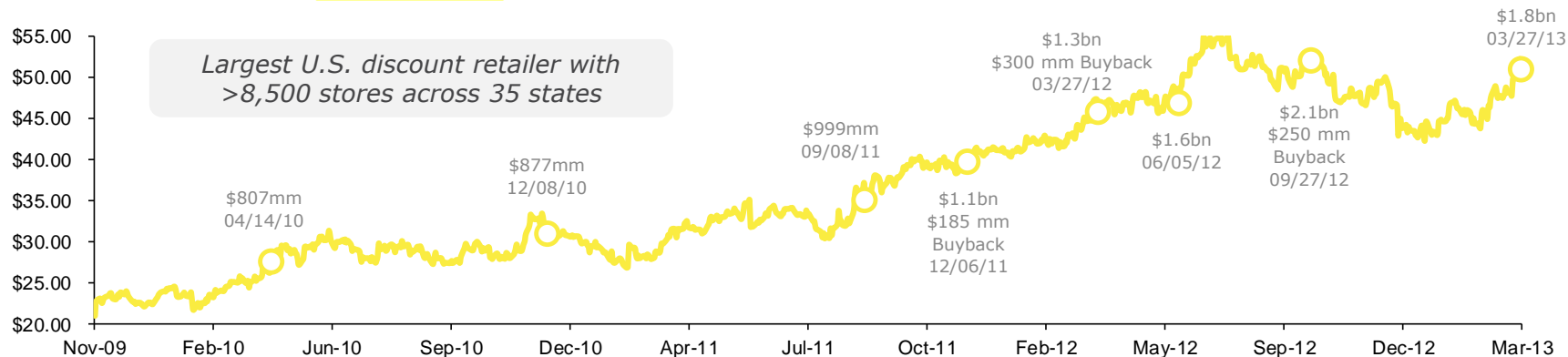
DOLLAR GENERAL

\$824mm IPO
11/12/09

8 Marketed Follow-ons

>\$10bn in Proceeds

Last Trade +143% since IPO



Execution Highlights

Priced and sold to the "right" investors with a concentrated allocation strategy

Prepared company well for life as public company – focused on setting a good cadence of "beat & raise"

Sold through marketed deals to manage overhang and continue allocating to quality investors

Ultimately viewed as strong partner to market given investor receptivity to monetization

Public Affairs

KKR

Political Change Is The New Status Quo: Elections Won By Insurgents Since 2015



Generational Trends

4th Industrial Revolution =
worker disruption,
increased inequality



Internet =
everyone participates



Rising millennial
consumers & workforce



Historic demographic
& cultural change



Geopolitical Rivalry



Climate Change



The 2020 Presidential Election



Job Approval



Mobilized Bases



Choice or Referendum



Electoral College

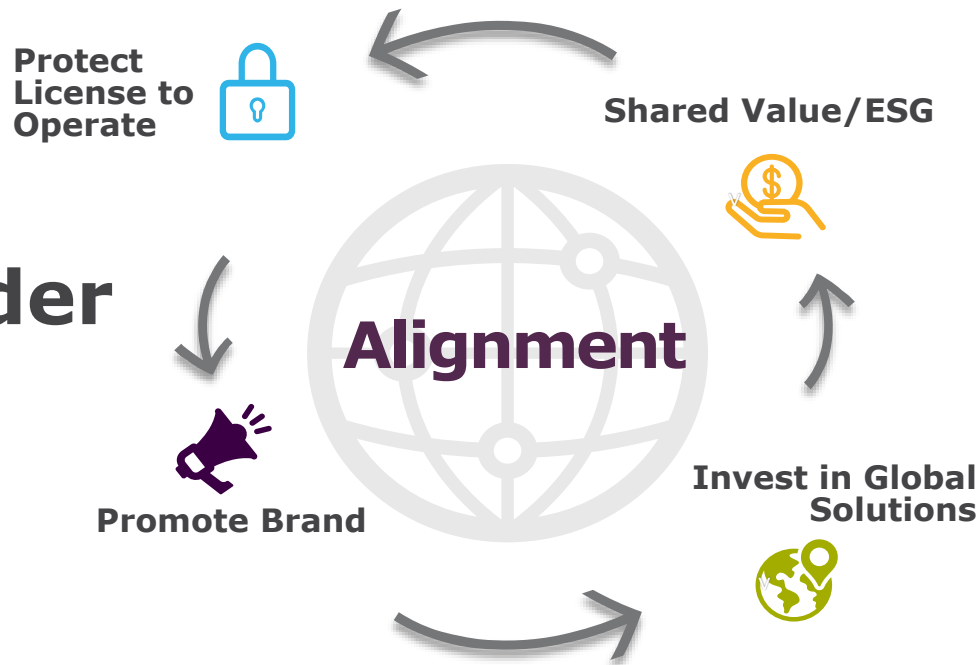


Economy



Driving the Narrative

Creating Shareholder Value Through Shared Value



What This Means to Us: Investing in Global Solutions

“Universal access to basic water and sanitation would result in \$32 billion in economic benefits each year

Water.org | 2018

“There is urgent need to address the rapid growth in carbon-intensive buildings investments in developing countries



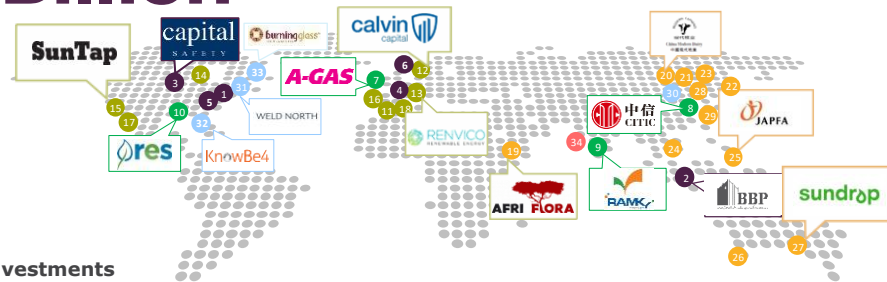
World Green Building Council | 2017

“North Korea hackers have raked in \$670mm via cyberattacks



Nikkei Asian Review | 2019

\$5.5 Billion invested behind solutions-oriented themes



KKR Fund Equity Investments

Avg. investment size ~\$160 million

~\$1.1 billion

~\$710 million

Industrial & Infrastructure Solutions

- 1 **Bayonne Water & Wastewater Concession⁽¹⁾**
Water infrastructure
- 2 **Barghest Building Performance**
Energy Efficiency
- 3 **Capital Safety⁽¹⁾**
Safety Equipment
- 4 **Coriance⁽¹⁾**
District heating
- 5 **Middletown Borough Authority Concession⁽¹⁾**
Water infrastructure
- 6 **South Staffordshire Plc⁽¹⁾**
Water infrastructure

~\$1.0 billion

Environmental Management

- 7 **A-Gas Group Limited**
Life-cycle management of gases and chemicals
- 8 **CITIC Envirotech Ltd.⁽¹⁾**
Water treatment and recycling
- 9 **Ramky**
Waste Management
- 10 **Resource Environmental Solutions (RES)**
Ecological solutions

Next Generation Energy

- | | |
|--|---|
| 11 ACCIONA Energia Internacional
Renewable energy | 15 SunTap Energy RE LLC
Renewable energy |
| 12 Calvin Capital
Gas and electricity smart metering | 16 T-Solar Global Operating Assets
Renewable energy |
| 13 Renvico Renewable Energy
Renewable energy | 17 Transphorm
Power conversion technology |
| 14 SSM Solar⁽¹⁾
Renewable energy | 18 X-ELIO
Renewable energy |

~\$700 million

Learning Resources & Workforce Development

- | | |
|--|---|
| 30 Tarena
Education service provider | 32 KnowBe4
Cyber-security training |
| 31 Weld North⁽¹⁾
Digital ed-tech platform | 33 Burning Glass
Job market data engine |

~\$70 million

Financial Inclusion⁽²⁾

- 34 **Magma Fincorp⁽¹⁾**
Financial Services

~\$1.9 billion

Responsible Production & Consumption

- | | |
|---|--|
| 19 Afriflora⁽¹⁾
Sustainable, fair trade agriculture | 25 PT Japfa Comfeed
Integrated chicken feed and poultry producer |
| 20 Asia Dairy⁽¹⁾
Integrated dairy producer | 26 Santanol
Sustainable forestry |
| 21 COFCO Meat
Integrated pork producer | 27 Sundrop Farms
Sustainable agriculture |
| 22 Jiangsu Yuguang
Agaricus mushroom producer | 28 Sunner Development
Integrated poultry producer |
| 23 Ma Anshan Modern Farming⁽¹⁾
Integrated dairy producer | 29 Yuehai Feed Group
Aquatic feed and nutrition solutions |
| 24 Masan Nutri-Science
Integrated feed producer | |

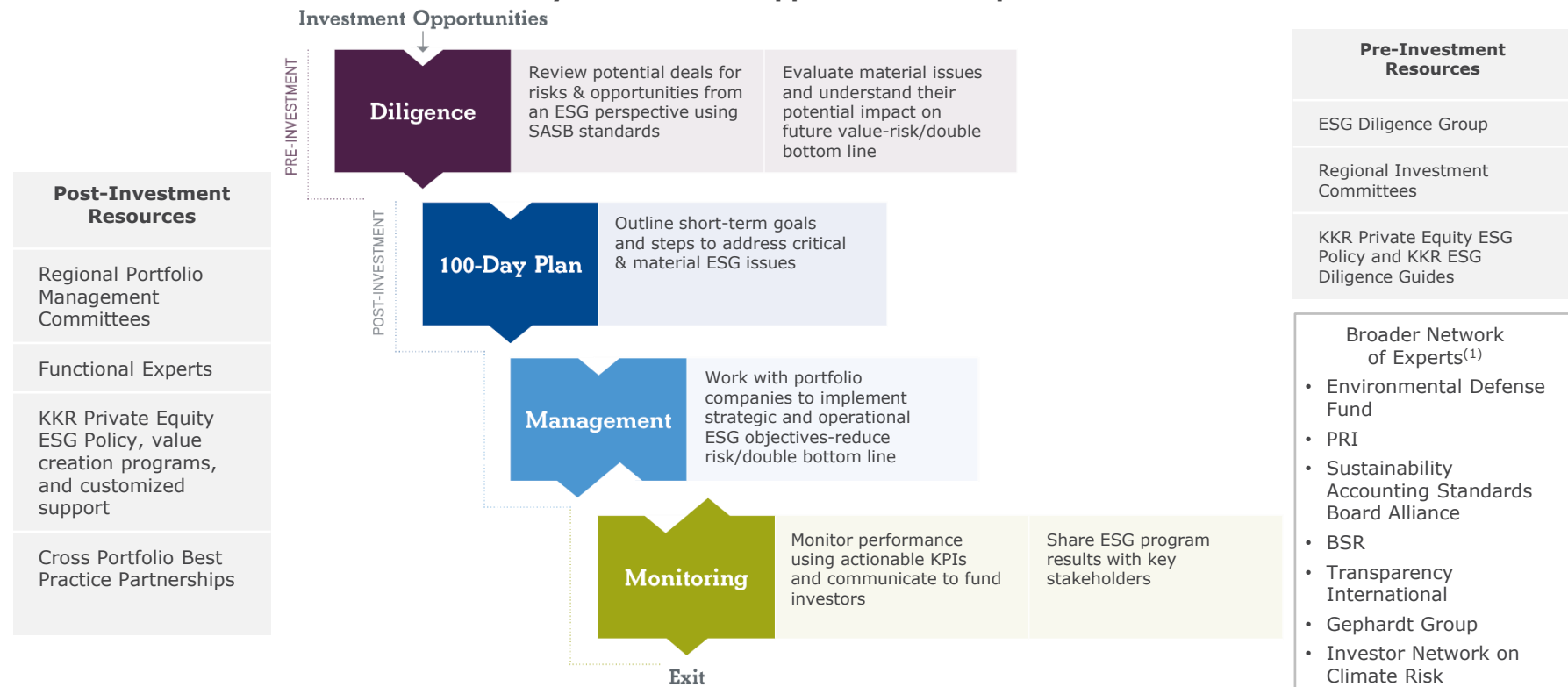
Note: As of September 30, 2019. Italicized deals represent Infrastructure investments. The companies shown above represent all KKR's Sustainable and Development Goals ("SDG") solutions-oriented investments in the sub-sectors as identified by the KKR Global Impact team that were made globally from January 1, 2008 to September 30, 2019 by the KKR private equity, growth equity and infrastructure funds and KKR-managed separately managed accounts, including investments made by other KKR industry teams (as these companies add to our impact knowledge and relationships), and including investments made by the KKR balance sheet. Such determination and assessment involves significant judgment and may differ from another party's review of the criteria used. Another party's assessment may include comparable companies not represented above. The specific companies identified are not representative of all of the securities purchased, sold or recommended for advisory clients, and it should not be assumed that the investment in the companies identified was or will be profitable.

(1) KKR has exited this investment.

KKR

ESG Built Into All Parts of the Investment Process

We strive to incorporate ESG considerations into our decision-making and across the full investment life cycle. A variety of resources support this entire process



Note: For illustrative purposes only and may be subject to change. KKR may use some or all of the techniques described above.

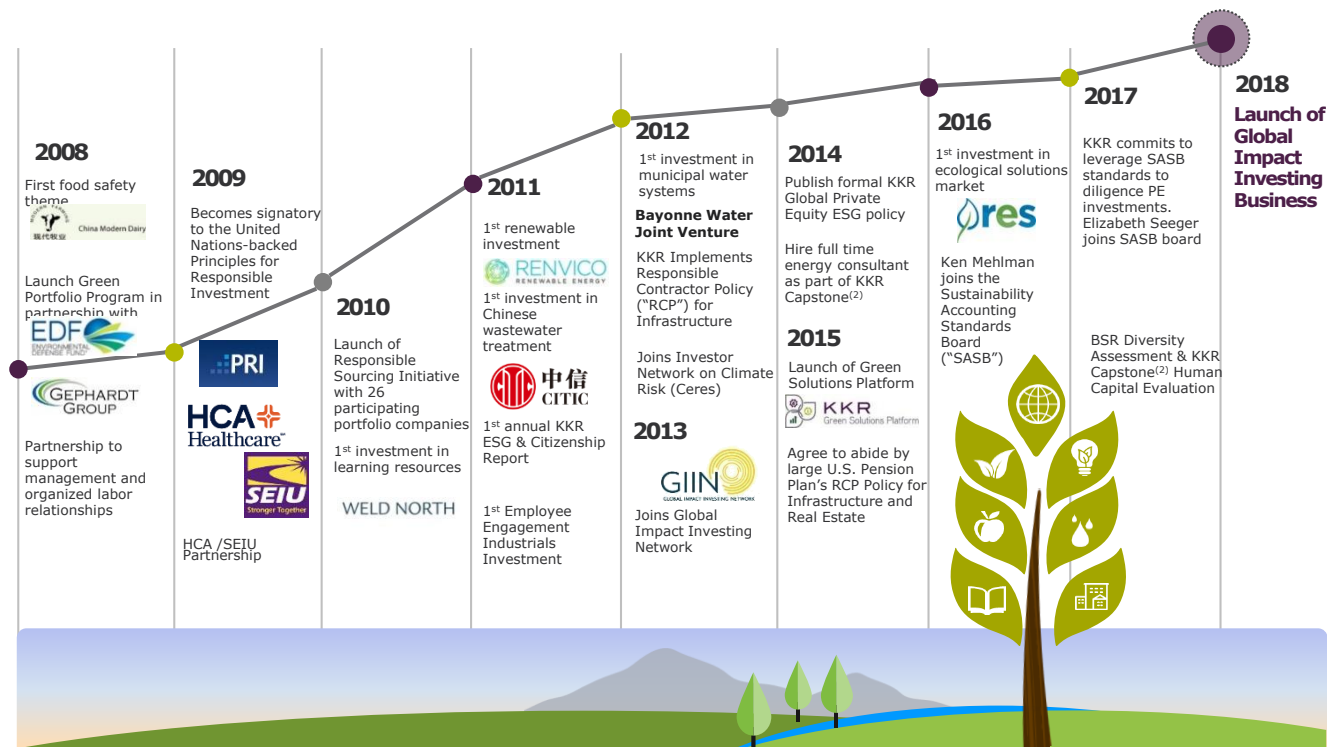
(1) KKR taps into a broad network of external advisors and thought leaders to inform its work on ESG issues with portfolio companies. Current and past partners and memberships include those listed.

KKR

Our Approach: A Decade of Creating Value Through Aligned Governance⁽¹⁾



10-Year Track Record of Innovation and Leadership



- (1) As of September 30, 2019. The companies included in this calculation represent KKR's SDG solutions-oriented investments in the sub-sectors similar to the Global Impact Verticals as identified by the KKR Global Impact team that were made globally from January 1, 2008 to September 30, 2019 by the KKR private equity, growth equity and infrastructure funds and KKR-managed separately managed accounts, including investments made by other KKR industry teams (as these companies add to our impact knowledge and relationships), and including investments made by the KKR balance sheet. Such determination and assessment involves significant judgment and may differ from another party's review of the criteria used. Another party's assessment may include comparable companies not represented above. The specific portfolio companies identified are not representative of all of the securities purchased, sold or recommended for advisory clients, and it should not be assumed that the investment in the companies identified was or will be profitable.
- (2) KKR Capstone is not an affiliate or subsidiary of KKR.

Appendix

Reconciliation of KKR & Co. Inc. Stockholders' Equity – Common Stockholders (GAAP Basis) to Book Value per Adjusted Share

	As Of									
	2009	2010	2011	2012	December 31, 2013	2014	2015	2016	2017	2018
KKR & Co. Inc. Stockholders' Equity – Common Stockholders	\$ 1,013,849	\$ 1,326,493	\$ 1,328,698	\$ 2,004,359	\$ 2,722,010	\$ 5,382,691	\$ 5,547,182	\$ 5,457,279	\$ 6,703,382	\$ 8,167,056
Impact of Consolidation of Funds and Other Entities	1,919	7,627	(307)	1,244	21,490	120,228	133,208	118,635	214,188	205,502
Noncontrolling Interests held by KKR Holdings L.P.	3,072,360	4,346,388	4,342,157	4,981,864	5,116,761	4,735,773	4,431,939	4,389,285	4,844,271	4,625,448
Other Reclassifications	-	-	-	-	-	-	-	(17,446)	(17,446)	(17,446)
Equity Impact of KKR Management Holdings Corp.	64,756	45,118	40,036	(30,283)	(97,661)	(120,467)	(133,100)	(151,162)	(70,486)	-
Book Value	\$ 4,152,884	\$ 5,725,626	\$ 5,710,584	\$ 6,957,184	\$ 7,762,600	\$ 10,118,225	\$ 9,979,229	\$ 9,796,591	\$ 11,673,909	\$ 12,980,560
Adjusted Shares	683,007,420	683,007,420	683,364,417	685,916,967	692,512,345	810,527,289	819,181,463	806,137,733	822,146,070	833,938,476
Book Value per Adjusted Share	\$ 6.08	\$ 8.38	\$ 8.36	\$ 10.14	\$ 11.21	\$ 12.48	\$ 12.18	\$ 12.15	\$ 14.20	\$ 15.57

	As Of		
	June 30, 2017	March 31, 2018	September 30, 2019
KKR & Co. Inc. Stockholders' Equity – Common Stockholders	\$ 6,212,556	\$ 6,918,185	\$ 9,635,200
Impact of Consolidation of Funds and Other Entities	137,831	254,777	248,003
Noncontrolling Interests held by KKR Holdings L.P.	4,770,678	4,893,161	5,487,658
Other Reclassifications	(17,446)	(17,446)	(17,446)
Equity Impact of KKR Management Holdings Corp.	(130,126)	(65,388)	-
Book Value	\$ 10,973,493	\$ 11,983,289	\$ 15,353,415
Adjusted Shares	812,962,176	822,890,120	842,585,116
Book Value per Adjusted Share	\$ 13.50	\$ 14.56	\$ 18.22

Reconciliation of Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders (GAAP Basis) to After Tax Distributable Earnings

	Twelve Months Ended
	March 31, 2018
Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders	\$ 898,802
Less: Excess of carrying value over consideration transferred on redemption of KFN 7.375% Series A LLC Preferred Shares	3,102
Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders	\$ 895,700
Add: Net Income (Loss) Attributable to Noncontrolling Interests held by KKR Holdings L.P.	695,591
Add: Equity-based and Other Compensation - KKR Holdings L.P.	113,329
Add: Amortization of Intangibles and Other, net	137,742
Deduct: Unrealized Carried Interest	347,884
Deduct: Net Unrealized Gains (Losses)	399,184
Add: Unrealized Performance Income Compensation	147,264
Deduct: Gain from Remeasurement of Tax Receivable Agreement Liability	67,221
Add: Income Tax Expense (Benefit)	201,425
Deduct: Income Taxes Paid	81,958
After-tax Distributable Earnings⁽¹⁾	\$ 1,294,804
Weighted Average Adjusted Shares	819,845,624
After-tax Distributable Earnings per Adjusted Share	\$ 1.58

(1) For the twelve months ended March 31, 2018, Pre-tax Distributable Earnings of \$1,376,762 is calculated as After-tax Distributable Earnings of \$1,294,804 plus Income Taxes Paid of \$81,958.

Important Information

Please also refer to the important information contained in the section entitled "Legal Disclosures" located at the beginning of this presentation, which section is incorporated herein by reference in its entirety. Certain non-GAAP measures defined below, including after-tax distributable earnings and book value, were previously referred to as KKR's segment measures.

Adjusted shares represents shares of Class A common stock of KKR & Co. Inc. outstanding under GAAP adjusted to include shares issuable upon exchange of all units of KKR Holdings L.P. and any other securities exchangeable into Class A common stock of KKR & Co. Inc. that are eligible to receive a dividend (which excludes equity awards issued under equity incentive plans of KKR & Co. Inc.). KKR believes providing adjusted shares is useful to stockholders as it provides insight into the calculation of amounts available for distribution as dividends on a per share basis. Weighted average adjusted shares is used in the calculation of after-tax distributable earnings per adjusted share and adjusted shares is used in the calculation of book value per adjusted share. Adjusted shares was previously referred to as "adjusted shares eligible for distribution."

After-tax distributable earnings is a non-GAAP measure of KKR's earnings excluding mark-to-market gains (losses) after interest expense, preferred dividends, noncontrolling interests and income taxes paid. It is defined as the amount of net realized earnings of KKR for a given reporting period, after deducting equity-based compensation and the impact of non-recurring items. KKR believes that after-tax distributable earnings is useful to stockholders as it aligns KKR's net realization performance with the manner in which KKR receives its revenues and determines the compensation of its employees. After-tax distributable earnings does not represent and is not used to calculate actual dividends under KKR's dividend policy. Equity-based compensation expense is included in after-tax distributable earnings as a component of compensation expense in order to reflect the dilutive nature of these non-cash equity-based awards. Income taxes paid represents the implied amount of income taxes that would be paid assuming that all pre-tax distributable earnings were allocated to KKR & Co. Inc., which would occur following an exchange of all KKR Holdings units for Class A common stock of KKR & Co. Inc. Income taxes paid also includes amounts paid pursuant to the tax receivable agreement.

Assets under management ("AUM") represent the assets managed or advised by KKR from which KKR is entitled to receive fees or a carried interest (either currently or upon deployment of capital), general partner capital, and assets managed or advised by strategic BDC partnership and hedge fund managers in which KKR holds a minority ownership interest. KKR believes this measure is useful to stockholders as it provides additional insight into the capital raising activities of KKR and its hedge fund managers and the overall activity in their investment funds and other managed capital. KKR calculates the amount of AUM as of any date as the sum of: (i) the fair value of the investments of KKR's investment funds; (ii) uncalled capital commitments from these funds, including uncalled capital commitments from which KKR is currently not earning management fees or carried interest; (iii) the fair value of investments in KKR's co-investment vehicles; (iv) the par value of outstanding CLOs (excluding CLOs wholly-owned by KKR); (v) KKR's pro rata portion of the AUM of hedge fund managers in which KKR holds a minority ownership interest; (vi) all AUM of the strategic BDC partnership with FS Investments; and (vii) the fair value of other assets managed by KKR. The pro rata portion of the AUM of hedge fund managers is calculated based on KKR's percentage ownership interest in such entities multiplied by such entity's respective AUM. KKR's definition of AUM is not based on any definition of AUM that may be set forth in the agreements governing the investment funds, vehicles or accounts that it manages or calculated pursuant to any regulatory definitions.

Book value is a non-GAAP measure of the net assets of KKR and is used by management primarily in assessing the unrealized value of KKR's operating assets after deducting for operating liabilities, noncontrolling interests and preferred stock. KKR believes this measure is useful to stockholders as it provides additional insight into the net assets of KKR excluding those net assets that are allocated to noncontrolling interest holders and to the holders of the Series A and Series B Preferred Stock. Following the Conversion, KKR's book value includes the net impact of KKR's tax assets and liabilities as prepared under GAAP.

Capital invested is the aggregate amount of capital invested by (i) KKR's investment funds, (ii) KKR's Principal Activities business line as a co-investment, if any, alongside KKR's investment funds, and (iii) KKR's Principal Activities business line in connection with a syndication transaction conducted by KKR's Capital Markets business line, if any. Capital invested is used as a measure of investment activity at KKR during a given period. KKR believes this measure is useful to stockholders as it provides a measure of capital deployment across KKR's business lines. Capital invested includes investments made using investment financing arrangements like credit facilities, as applicable. Capital invested excludes (i) investments in certain leveraged credit strategies, (ii) capital invested by KKR's Principal Activities business line that is not a co-investment alongside KKR's investment funds, and (iii) capital invested by KKR's Principal Activities business line that is not invested in connection with a syndication transaction by KKR's Capital Markets business line. Capital syndicated by KKR's Capital Markets business line to third parties other than KKR's investment funds or Principal Activities business line is not included in capital invested. See also syndicated capital.

Important Information

Fee paying AUM ("FPAUM") represents only the AUM from which KKR is entitled to receive management fees. We believe this measure is useful to stockholders as it provides additional insight into the capital base upon which KKR earns management fees. FPAUM is the sum of all of the individual fee bases that are used to calculate KKR's and its hedge fund and BDC partnership management fees and differs from AUM in the following respects: (i) assets and commitments from which KKR is not entitled to receive a management fee are excluded (e.g., assets and commitments with respect to which it is entitled to receive only carried interest or is otherwise not currently entitled to receive a management fee) and (ii) certain assets, primarily in its private equity funds, are reflected based on capital commitments and invested capital as opposed to fair value because fees are not impacted by changes in the fair value of underlying investments.

Fee related earnings is a non-GAAP measure of earnings of KKR before performance income and investment income. KKR believes this measure may be useful to stockholders as it may provide additional insight into the profitability of KKR's fee generating management companies and capital markets businesses. Fee related earnings is calculated as KKR's total Fees and Other, Net, multiplied by KKR's distributable operating margin. For purposes of the fee related earnings calculation, distributable operating margin is calculated as distributable operating earnings, before equity-based compensation, divided by total operating revenues.

Syndicated capital is the aggregate amount of capital in transactions originated by KKR and its investment funds and carry-yielding co-investment vehicles, which has been distributed to third parties, generally in exchange for a fee. It does not include (i) capital invested in such transactions by KKR investment funds and carry-yielding co-investment vehicles, which is instead reported in capital invested, (ii) debt capital that is arranged as part of the acquisition financing of transactions originated by KKR investment funds, and (iii) debt capital that is either underwritten or arranged on a best efforts basis. Syndicated capital is used as a measure of investment activity for KKR during a given period, and KKR believes that this measure is useful to stockholders as it provides additional insight into levels of syndication activity in KKR's Capital Markets business line and across KKR's investment platform.

Forward-Looking Non-GAAP Financial Measures: All forward-looking non-GAAP financial measures included in this presentation are provided only on a non-GAAP basis. This is due to the inherent difficulty of forecasting the timing or amount of items that would be included in the most directly comparable forward-looking GAAP financial measures. As a result, reconciliation of the forward-looking non-GAAP financial measures to GAAP financial measures is not available without unreasonable effort and we are unable to assess the probable significance of the unavailable information.

Calculation of IRR: Unless otherwise indicated, internal rates of return ("IRRs") measure the aggregate annual compounded returns generated by a fund's investments over a holding period. "Net IRRs" are calculated after giving effect to the allocation of realized and unrealized carried interest and the payment of any applicable management fees and organizational expenses. "Gross IRRs" are calculated before giving effect to the allocation of carried interest and the payment of any applicable management fees and organizational expenses.

Calculation of MOIC: Unless otherwise indicated, the gross multiples of invested capital ("MOIC") measure the aggregate value generated by a fund's investments in absolute terms. Each MOIC is calculated by adding together the total realized and unrealized values of a fund's investments and dividing by the total amount of capital invested by the fund. Such amounts do not give effect to the allocation of realized and unrealized carried interest or the payment of any applicable management fees or organizational expenses.

Investments is a term used solely for purposes of financial presentation of a portion of KKR's balance sheet and includes majority ownership of subsidiaries that operate KKR's asset management and broker-dealer businesses, including the general partner interests of KKR's investment funds.

Additional disclosure for assumptions and estimates: Target, goal, hypothetical or estimated results (and other comparable phrases) are hypothetical in nature and are shown for illustrative, informational purposes only. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. It does not reflect any actual results, which may differ materially. Certain of the assumptions have been made for modeling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in calculating the target, goal, hypothetical or estimated results have been stated or fully considered. Changes in the assumptions may have a material impact on the target, goal, hypothetical or estimated results presented. Target, goal, hypothetical or estimated results may not materialize.

Past performance is not a guarantee: Information about any fund and investments made by such funds, including past performance of such funds and investments, is provided solely to illustrate KKR's investment experience, and processes and strategies used by KKR in the past with respect to such funds. The performance information relating to KKR's previous investments is not intended to be indicative of any fund's future results or the future results of KKR. Past performance is not a guarantee of future results. There can be no assurance that KKR or any fund will achieve comparable results as those presented.