

# KKR Credit Income Fund (ASX:KKC)

Monthly Investment Update: As of 31 August 2025

<b>Net Tangible Assets (NTA)</b>	A\$782,521,958	<b>NTA Per Unit</b>	A\$2.43	<b>Distribution Yield (NTA)</b>	8.26%
<b>Distribution Frequency</b>	Monthly	<b>ASX Unit Price</b>	A\$2.37	<b>Distribution Yield (Unit Price)</b>	8.46%

## Fund Performance

As of 31 August 2025	1 Month	3 Month	6 Month	1 Year	3 Year Annualised	5 Year Annualised	Inception* Annualised	Inception* Cumulative
<b>Total Returns (Net)</b>	-0.06%	+1.81%	+3.32%	+7.28%	+8.73%	+6.52%	<b>+4.75</b>	<b>+31.09%</b>
<b>Distribution (% of NTA)<sup>(1)</sup></b>	+0.68%	+2.05%	+4.11%	+8.18%	+7.02%	+5.82%	<b>+5.15%</b>	<b>+34.04%</b>

\* Inception of KKC was 21<sup>st</sup> November 2019

<b>Distribution Based on Closing NTA<sup>(1)</sup> (%)</b>	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
<b>Previous Financial Year</b>	+0.68%	+0.68%	+0.68%	+0.67%	+0.68%	+0.68%	+0.68%	+0.68%	+0.68%	+0.68%	+0.69%	+0.69%	<b>+8.17%</b>
<b>Current Financial Year</b>	+0.68%	+0.68%	-	-	-	-	-	-	-	-	-	-	<b>+1.36%</b>

For a full list of distributions made since Inception, please visit the Investor Centre at [www.kkcaustralia.com.au](http://www.kkcaustralia.com.au). Past performance is not indicative of future performance and the portfolio characteristics are subject to change.

## Portfolio Update:

- KKC delivered a -0.06% return in August. High Yield Bonds outperformed Loans over the month and CCC and B assets drove performance across asset classes.
- The weighted average price of the underlying KKC assets in the portfolio stood at 99.1% of par as at month end. The Yield to Maturity, which is inversely related to prices, stood at 9.2% and the current yield of the underlying assets in the portfolio was 8.4%<sup>(3)</sup>.
- European Direct Lending (EDL) had no new additions during the month. There were two realisations, an Italian pharmaceutical company and a German construction & Engineering company. EDL represents ~40% of KKC's portfolio invested as at month end. A case study on one of our EDL deals can be found on page 3.

## Distribution Update<sup>(2)</sup>:

- KKC declared a monthly distribution of A\$0.0167 which equates to an annualised yield of 8.26% based on NTA and 8.46% based on the ASX unit price as of 31 August 2025. This is in line with the FY26 distribution estimate of A\$0.20.

## Market Update:

- August marked a significant cooling in the loan market following July's record-breaking performance. Despite this pullback, August's volume still set a historical high for the traditionally slow summer month. High yield bonds posted their fifth consecutive monthly gain, returning +1.22%<sup>(8)</sup> as the market priced in a potential September rate cut and spreads tightened. Loans returned +0.45%<sup>(9)</sup> in August, though CCC – rated loans came under pressure following a jump in the CCC par default rates. While loan CCCs retreated, high yield CCCs topped the leaderboard, causing CCC-rated loan over high yield spread premium to surge.

## Attribution Analysis

Attribution Analysis			
MTD Performance Drivers		YTD Performance Drivers	
	Top Contributors	Top Detractors	
<b>By Rating</b>	CCC B BB	CC and Below	<b>By Rating</b>
			B CCC CC and Below
<b>By Sector</b>	Automotive Asset Backed Basic Industry	Leisure Media Technology & Electronics	<b>By Sector</b>
			Leisure Technology & Electronics Asset Backed
			Media

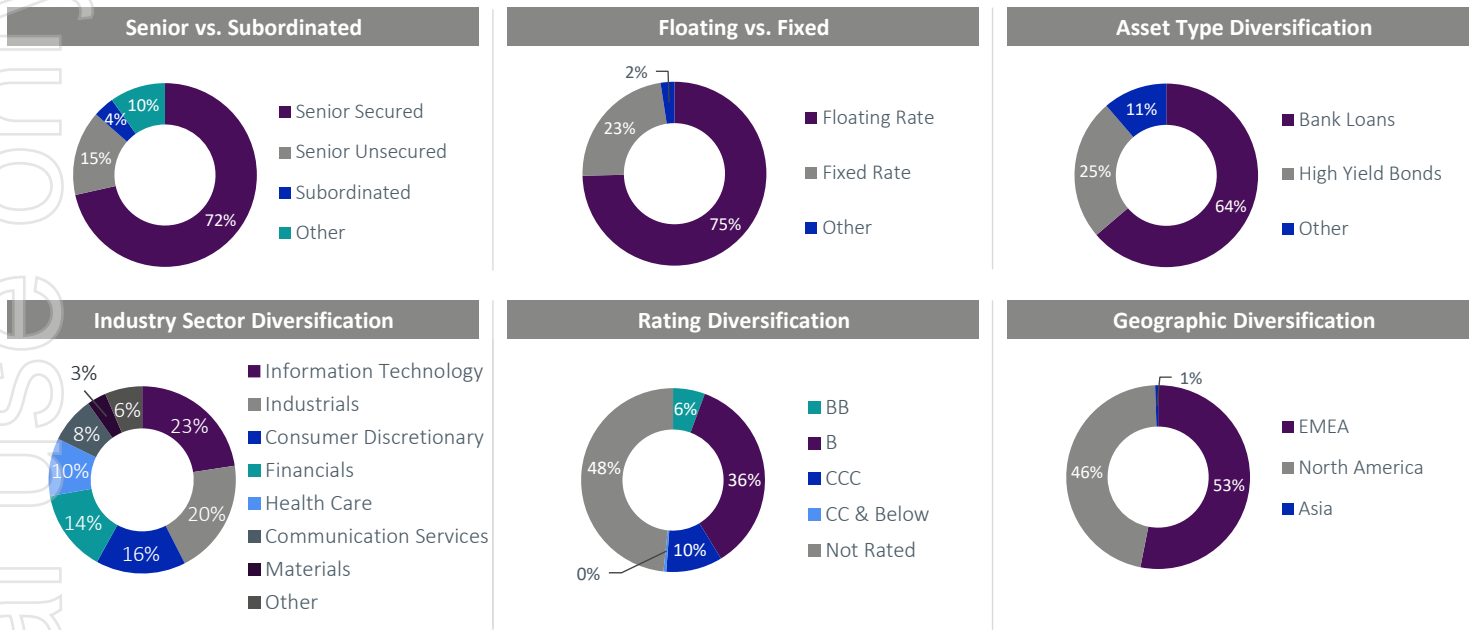
Uploaded to ASX on 28/08/2025

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## Portfolio Construction<sup>(4)</sup>



## Other Portfolio Details<sup>(3)</sup>

Number of Issuers	Asset Mix	Yield-to-Maturity on Underlying Assets	Portfolio Interest Rate Duration	Average Price	Current Yield on Underlying Assets
234	60% Traded Credit / 40% Private Credit	9.2%	0.7	99.10	8.4%

## Top 100 Issuer Summary: % of Portfolio

Top 10	Top 20	Top 25	Top 50	Top 100
20.2%	34.2%	40.1%	63.2%	86.8%

## Top 10 Holdings

Holding	Weight	Type	Sector	Fixed/Floating	Security	Seniority	Country	Currency
esPublico	2.95%	Loans	Application Software	Floating	Senior Secured/ Subordinated/ Mezzanine	First Lien/ Unsecured	Spain	EUR
Zoopla Ltd	2.35%	Loan	Broadline Retail	Floating	Senior Secured	First Lien	United Kingdom	GBP
HKA	2.31%	Loans	Research & Consulting Services	Floating	Senior Secured	First Lien	United Kingdom	USD
Corden Pharma	1.99%	Loans	Pharmaceuticals	Floating	Senior Secured/ Subordinated	First Lien/ Unsecured	Germany	EUR
Version1 Software	1.84%	Loans	IT Consulting & Other Services	Floating	Senior Secured	First Lien	Ireland	EUR
Advania Sverige AB	1.83%	Loans	IT Consulting & Other Services	Floating	Senior Secured	First Lien	Sweden	GBP
ICE	1.80%	Loans	Biotechnology	Floating	Senior Secured	First Lien	Italy	EUR
True Potential	1.78%	Bonds	Asset Management & Custody Banks	Floating	Senior Secured	First Lien	United Kingdom	GBP
Civica Group Ltd	1.74%	Loans	Systems Software	Floating	Senior Secured	First Lien	United Kingdom	GBP
NCL Corp Ltd	1.62%	Bonds	Hotels, Resorts & Cruise Lines	Fixed	Senior Unsecured	Unsecured	United States	USD
<b>20.21%</b>								

This investment update and the statistics surrounding the top 10 holdings in the KKR Credit Income Fund is provided solely for informational purposes. The information contained herein is only as current as of the date indicated and may be superseded by subsequent market events or for other reasons. For more information please refer to [www.kkcaustralia.com.au](http://www.kkcaustralia.com.au)

# KKR Credit Income Fund (ASX:KKC)

## Monthly Investment Update: As of 31 August 2025

### Portfolio Case Study

#### Company Overview

- Ambassador Theatre Group (“ATG”) is the world’s largest theatre operator with 71 venues across the United Kingdom, United States, Germany and Spain with iconic theatres based in landmark districts in the West-End and Broadway.
- ATG owns & operates many of the world’s most well-known theatres (incl. the Apollo & Lyceum in London and Lyric & St. James Theatre on Broadway) and houses ~17,000 performances annually
- ATG has been majority-owned by Providence Equity since 2013 (acquired at ~£350m EV / 11.7x EBITDA) and in this period ATG has grown significantly via both organic levers and M&A (+36% EBITDA CAGR since 2018, o/w 19% organic).

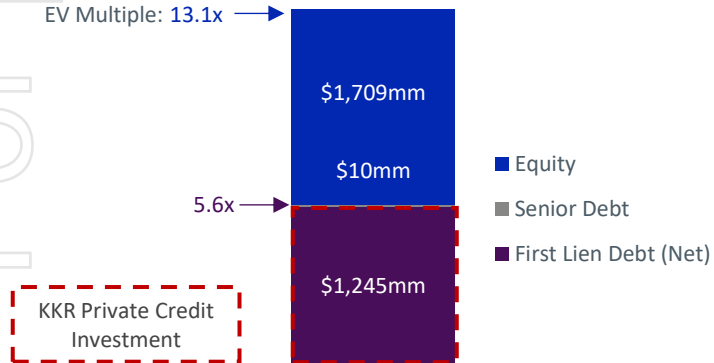
#### Transaction Overview

- In 2020, Providence sold a minority stake of ~15% in ATG to TEG, an Australian entertainment business and moved ATG to a continuation fund with ~\$800 million cash equity injected.
- In 2024, Blackstone & QIA acquired minority stakes in ATG from TEG & Providence at a ~£2.7 billion valuation, reflecting a ~13x multiple, and injected ~£700 million in cash equity. We estimate that Providence currently holds less than \$100 million in cash equity in the business today.
- In April 2025, ATG decided to refinance its existing private credit financing with a £1.3 billion-equivalent Term Loan B (split between GBP, EUR, USD), including a £400 million private tranche, in which KKR Credit committed £150 million.
- Our investment thesis was predicated on ATG’s (i) leading market position and strong brand portfolio with 71 venues, including 17 venues in key areas such as the West-End and Broadway; (ii) strong geographic diversification across the US, UK and Europe; (iii) strong base of existing shows with no dependence on any single show or theatre; and (iv) significant value cover from close to £1 billion of freehold properties across the UK and US based on historical book value.

#### Capital Structure at Investment

FY25LE Structuring EBITDA (pre-IFRS16) of £226mm

EV Multiple: 13.1x →



Company	
Country	United Kingdom
Industry	Leisure Facilities
Sponsor	Providence / Blackstone / QIA

Investment	
Date of Investment	May 2025
KKR Private Credit Investment	£150mm
KKR Role	Club
Use of Proceeds	Refinancing
Inception Revenue	£943mm
Inception EBITDA	£226mm
Inception EV	£2,964mm

Facilities	First Lien Term Loan
Facility Size	£400mm
KKR Private Credit Investment	£150mm
Currency	GBP
Coupon	SONIA+475bps
Floor	0.00%
OID & Fees	0.50%
Call Protection	101 <sup>(1)</sup>
Covenants	N/A

(1) Six months. The specific investments 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. KKR’s internal information barrier policies and procedures may limit the involvement of certain personnel in some investment discussions, and may limit engagement with any KKR acquired subsidiary. All metrics provided are at inception of the transaction, unless otherwise noted. Past performance does not predict future returns. All data correct as of May 2025.

# KKR Credit Income Fund (ASX:KKC)

## Monthly Investment Update: As of 31 August 2025

### KKC Overview

The Trust aims to provide investors with attractive, risk-adjusted returns and access to a diversified portfolio of income generating alternative credit investments through the Trust's investment across strategies managed by the credit investment teams of Kohlberg Kravis Roberts & Co. L.P. ("KKR").

These strategies comprise the Global Opportunistic Credit strategy and European Direct Lending strategy, which seek to take advantage of the attractive opportunities that KKR sees in the market. The Trust's investment objective is to provide an income stream as well as to achieve attractive long-term capital appreciation over a full market cycle.

KKC has announced that for the financial year ending June 2026, KKC is targeting a distribution of A\$0.0167 per month or A\$0.20 per annum<sup>(2)</sup>. At the current NTA of A\$2.43 per unit, that represents an annual distribution yield of 8.26%<sup>(2)</sup>. The Trust continues to target a medium-term average total return of 6% - 8% per annum<sup>(5)</sup> through business cycles.

The Trust is appropriate for investors seeking income distribution to be used as a satellite allocation within a portfolio where the investor has a 5+ year investment timeframe and a medium to high risk/return profile.

### KKR Overview

Established in 1976, KKR is a global investment firm with industry-leading investment experience, a pioneering attitude to ESG management and a strong culture committed to teamwork.

As of 30 June 2025, KKR had A\$1,049.9 billion of assets under management, of which A\$400.1 billion sits within KKR Credit.<sup>(6)</sup>

KKR has a global presence with offices in 26 cities across 4 continents, including Sydney, Australia. KKR employs approximately 170 investment professionals in the Credit business.

KKC represents the largest pool of capital for KKR's Australian business and KKR now has three permanent members of its Global Client Solutions team based in Sydney. The Global Client Solutions team is responsible for client and market engagement across KKR's breadth of funds and strategies.

### KEY TRUST INFORMATION AS AT 31 August 2025

Trust Name	KKR Credit Income Fund (ARSN 634 082 107)
ASX Code	KKC
ASX Listing	21 November 2019
Market Capitalisation	A\$764,405,298
Units On Issue	322,533,881
Investment Manager	KKR Australia Investment Management Pty Ltd (ABN 42 146 164 454)
Responsible Entity	The Trust Company (RE Services) Limited (ABN 45 003 278 831)
Management Fee	0.88% per annum of the NTA, plus net GST of 0.022% per annum of the NTA <sup>(7)</sup>
Performance Fee	Up to 5.125% of the net annualised return (inclusive of net GST, less RTIC), multiplied by the 'Adjusted NAV' with a hurdle of RBA cash rate plus 4.00% and subject to a high water mark <sup>(7)</sup>
Asset Class	Fixed Income, AUD Hedged

### CONTACT INFORMATION

#### BOARDROOM

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KKR CREDIT INCOME FUND  
[www.kkcaustralia.com.au](http://www.kkcaustralia.com.au)

### RESEARCH

**BondAdviser**

**INDEPENDENT**  
INVESTMENT RESEARCH

**Zenith**  
INVESTMENT PARTNERS

For more information please refer to [www.kkcaustralia.com.au](http://www.kkcaustralia.com.au)

**KKR**

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### Footnotes

- (1) Distribution % calculated as the distribution per unit divided by the closing NTA of the previous month. The multi period calculations sum the dividend yields received and does not compound them.
- (2) Net of fees and expenses incurred by the Trust, but before tax. The target distribution is only a target and may not be achieved. All investments are subject to risk which means you may lose all or a portion of the amount you invest or you may otherwise achieve distributions and returns that are lower than any target distribution or target return. Before making an investment decision, it is important to understand the risks that can affect the value of your investment. Investors should read the risks described in Section 8 of the PDS.
- (3) Represents KKR estimates of the yields of the portfolio's underlying assets, excluding cash, as of 31 August 2025.
- (4) Source: KKR as of 31 August 2025. Credit ratings are statements of opinion of a relevant credit agency about the likelihood of a borrower to meet its interest and principal payment and repayment obligations when they fall due. Credit ratings are not statements of fact or recommendations to purchase, hold or sell securities. Credit ratings do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied upon as investment advice. May not sum to 100% due to rounding.
- (5) Target medium-term average total return net of fees and expenses incurred by the Trust, before tax. The distribution yield over a given period may be lower than the total return in this period to the extent that the total return includes unrealised gains. Investors should review the Risk summary set out in Section 1 and Section 8 of the PDS for important information regarding Target Total Returns and the Trust's ability to achieve them. Past performance is not indicative of future results.
- (6) The KKR Credit group is comprised of KKR Credit Advisors (US) LLC, KKR Alternative Investment Management and KKR Credit Advisors (EMEA) LLP. AUM is updated quarterly in line with KKR's public filings.
- (7) This is a summary only – see section 9 of the PDS for more detail.
- (8) High Yield Bond returns represented by ICE BofA US High Yield Master II Index and are presented in USD.
- (9) Leveraged Loan returns represented by Morningstar LSTA US Leveraged Loan Index and are presented in USD.

### IMPORTANT INFORMATION

#### GENERAL

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

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

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

#### Information in this Document

This information is only as current as the date indicated, and may be superseded by subsequent market events or for other reasons.

This information may contain projections or other forward-looking statements and comments regarding future events, including targets or expectations regarding the Trust's business, plans and strategies. Forward-looking statements also include prospective financial information for the Trust. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar words that involve risks and uncertainties. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is no assurance that such events or targets will be achieved. A number of important factors could cause the Trust's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, and many of these factors are beyond the control of TTCRESL and KKR. This information is not a promise or representation as to the future and past performance is not a guarantee of future performance. Statements or assumptions in this information as to future matters may prove to be incorrect and may be superseded by subsequent market events or for other reasons. You acknowledge that the circumstances may change and that this information may become outdated as a result.

You should make your own independent assessment of this information and seek your own independent professional advice in relation to the information and any action taken on the basis of the information.

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